



**Item 1 – Cover Page**

**ADV Part 2A: FIRM BROCHURE**

**TRUE PARTNER CAPITAL USA HOLDING, INC.**

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**March 31, 2021**

This Brochure provides information about the qualifications and business practices of True Partner Capital USA Holding, Inc. (the “Firm”). If you have any questions about the contents of this brochure (the “Brochure”), please contact us at (312) 675-6126 or [e.donnellan@truepartnercapital.com](mailto:e.donnellan@truepartnercapital.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.

The Firm is a registered investment adviser. SEC investment adviser registration does not imply a certain level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

Additional information about the Firm is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

The Firm’s parent company, True Partner Capital Holdings Limited, a Cayman Islands company with limited liability, had its shares listed on the Growth Enterprise Market (GEM) of the Hong Kong Stock Exchange (Stock Code: 8657) on October 16, 2020. This annual amendment further clarifies the Firm’s advisory business and business practices.

Pursuant to SEC rules, the Firm provides a summary of material changes to its Brochure within 120 days of the close of the Firm’s fiscal year. The Firm may also provide further disclosures about material changes as deemed necessary. Additionally, the Firm will provide to Clients a new Brochure as necessary, without charge. The Firm’s Brochure may be requested by contacting Ed Donnellan, Chief Compliance Officer (“CCO”), at (312) 675-6126 or [e.donnellan@truepartnercapital.com](mailto:e.donnellan@truepartnercapital.com).

## Item 3 – Table of Contents

### Contents

Item 1 – Cover Page.....	i
Item 2 – Material Changes.....	ii
Item 3 – Table of Contents .....	iii
Item 4 – Advisory Business.....	1
Item 5 – Fees and Compensation.....	4
Item 6 – Performance-Based Fees and Side-By-Side Management .....	6
Item 7 – Types of Clients .....	8
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....	9
Item 9 – Disciplinary Information .....	15
Item 10 – Other Financial Industry Activities and Affiliations .....	16
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading ....	18
Item 12 – Brokerage Practices .....	21
Item 13 – Review of Accounts .....	23
Item 14 – Client Referrals and Other Compensation .....	23
Item 15 – Custody .....	24
Item 16 – Investment Discretion .....	25
Item 17 – Voting Client Securities .....	26
Item 18 – Financial Information .....	27

## Item 4 – Advisory Business

**A. Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).**

### **Firm Description**

Founded in February 2016, True Partner Capital USA Holding, Inc. (the “Firm” or “TP US”), a Delaware corporation, maintains its principal place of business in Chicago, Illinois. It is exempt from registration with the Commodity Futures Trading Commission (“CFTC”) under CFTC Rule 4.14(a)(10) and has received Central Bank of Ireland Clearance to act as an Investment Manager.

The Firm and its affiliates, True Partner Advisor Limited (“TP Advisor”) and True Partner Advisor Hong Kong Ltd (“TP HK”) provide Clients with discretionary investment advisory and management services as an integrated group of companies.

Discretionary investment advisory and management services are provided to the Clients below:

- True Partner Offshore Fund, a Cayman Islands exempted company (the “TP Offshore Feeder Fund”); True Partner Onshore Fund, LP a Delaware limited partnership (the “TP Onshore Feeder Fund” and, together with the TP Offshore Feeder Fund, the TP Feeder Funds”); and the master fund, True Partner Fund a Cayman Islands exempted company (the “TP Fund” and, together with the TP Feeder Funds, the “TP Funds”).

The TP Feeder Funds invest substantially all their respective assets in the master fund, TP Fund. The purpose of the TP Fund is to achieve administrative efficiencies and to offer terms suitable to the particular needs of various investors. The TP Fund has no investors other than the TP Feeder Funds.

- True Partner Volatility Fund, a Cayman Islands exempted company (the “TP Vol Offshore Feeder Fund”); True Partner Volatility U.S. Fund, L.P., a Delaware limited partnership (the “TP Vol Onshore Feeder Fund” and, together with the TP Vol Offshore Feeder Fund, the “TP Vol Feeder Funds”); and the master fund, True Partner Volatility Master Fund, a Cayman Island exempted company (the “TP Vol Master Fund” and together with the TP Vol Feeder Funds, the “TP Vol Funds”).

The TP Funds and the TP Vol Funds together, “the True Partner Funds,” or individually, “the True Partner Fund”).

The TP Vol Feeder Funds invest substantially all their respective assets in the TP Vol Master Fund. The purpose of the TP Vol Master Fund is to

achieve administrative efficiencies and to offer terms suitable to the particular needs of various investors. The TP Vol Master Fund has no investors other than the TP Vol Feeder Funds.

The True Partner Funds are private fund CFTC Rule 4.7 commodity pools and TP Advisor acts as the Commodity Pool Operator (“CPO”).

- Two sub-funds of two separate and distinct Undertakings for the Collective Investment in Transferable Securities (the “UCITS Sub-funds” or individually, the UCITS Sub-fund).
- A Cayman Islands exempted company, CFTC Rule 4.7 commodity pool for which TP Advisor does not act as CPO (the “Cayman Commodity Pool”).

The Firm and its affiliates provide their discretionary investment advisory and management services to their Clients at the direction of TP Advisor.

For the True Partner Funds and the Cayman Commodity Pool, TP Advisor delegates portfolio management to TP HK, which in turn sub-delegates portfolio management to the Firm. TP Advisor is not a party to the two UCITS Sub-fund management agreements. For these two Clients, the Firm delegates portfolio management to TP HK.

To ensure maximum efficiency, TP HK trades the Client portfolios during Asian trading hours and the first-half of European trading hours; and the Firm trades the Client portfolios during the second-half of European trading hours and during American trading hours.

TP Advisor is a Cayman Islands registered, Registered Person; CFTC registered CPO; and a member of the National Futures Association (“NFA”). It is exempt from SEC registration as it is a “participating affiliate” of the Firm under the relief described in the 1992 SEC staff no action letter granted to Uniao de Banco de Brasileiros S.A. and related no action letters. (IM-INFO-2017-03).

TP HK is licensed to conduct Type 9 (asset management) regulated activities by the Securities and Futures Commission of Hong Kong (“SFC”). It is exempt from SEC registration as it is a “participating affiliate” of the Firm under the relief described in the 1992 SEC staff no action letter granted to Uniao de Banco de Brasileiros S.A. and related no action letters. (IM-INFO-2017-03). TP HK is exempt from registration with the CFTC under CFTC Rule 4.14(a)(10) and has received Central Bank of Ireland Clearance to act as an Investment Manager.

True Partner Onshore Fund GP, LLC (“TP GP”) is the general partner of the TP Onshore Feeder Fund. TP GP has delegated its CPO responsibilities to TP Advisor.

True Partner Volatility Fund GP, LLC (“TP Vol GP”) is the general partner of the TP Vol Onshore Feeder Fund. TP Vol GP has delegated its CPO responsibilities to TP Advisor.

### **Principal Owners/Ownership Structure**

The Firm is owned and controlled by True Partner Holding Limited, a limited private company based in Hong Kong. The ultimate parent company is True Partner Capital Holding Limited, a Cayman Islands company with limited liability, and its shares are listed on the Growth Enterprise Market (GEM) of the Hong Kong Stock Exchange (Stock Code: 8657).

**B. Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.**

The Firm provides Clients with portfolio management services that apply global equity volatility arbitrage strategies which are described in Item 8. A. below.

**C. Explain whether (and, if so, how) you tailor your advisory services to the individual needs of clients. Explain whether clients may impose restrictions on investing in certain securities or types of securities.**

The advisory services provided to the Clients are tailored to the investment objectives, investment strategy and investment restrictions, if any, as set forth in Client governing documents and advisory service agreements. The advisory services are provided directly to the Clients, not to the Clients’ investors individually.

A True Partner Fund may enter into side letters or similar agreements with certain significant investors that have the effect of establishing rights or altering or supplementing a True Partner Fund’s governing documents. Such rights may include notification and disclosure rights, modified fee arrangements, and transfer rights.

**D. If you participate in wrap fee programs by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.**

The Firm does not participate in wrap fee programs.

**E. If you manage client assets, disclose the amount of client assets you manage on a discretionary basis and the amount of client assets you manage on a non-discretionary basis. Disclose the date “as of” which you calculated the amounts.**

As of December 31, 2020, the Firm and its affiliates had \$1,402,996,525 of assets under management, all managed on a discretionary basis.

## **Item 5 – Fees and Compensation**

### **A. Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.**

In consideration for investment advisory and management services to the True Partner Funds, TP Advisor receives a monthly management fee (the “Management Fee”) equal to 0.1667% (approximately 2% annually) with respect to each investor’s share of the applicable True Partner Fund’s net asset value. The Management Fee is calculated and payable to TP Advisor monthly, in arrears, as of the last calendar day of each calendar month, prorated for partial periods and calculated prior to the accrual of the Performance Allocation, as defined and discussed in Item 6 below.

In addition, as described in Item 6 below, TP Advisor receives a Performance Allocation of 20% of annual net profits allocated to each investor. The TP Funds Performance Allocation is payable quarterly, in arrears. TP Vol Funds Performance Allocation is payable at year end.

An exception to the Management Fee/Performance Allocation described above is applied to the Class C investors in the TP Vol Offshore Feeder Fund and Class C investors in TP Vol Onshore Feeder. For those investors, TP Advisor receives, as of the last calendar day of each month, 0.0833% (approximately 1.0% annually) of the net asset value, or 30% of the net profits (including realized and unrealized gains and losses) for the fiscal year - whichever amount is greater over such fiscal year.

For the Cayman Commodity Pool, TP Advisor receives a 1% Management Fee, paid monthly, in arrears, and a 20% Performance Allocation, payable at year end.

For one of the UCITS Sub-funds, the Firm splits with the Investment Manager a range of Management Fees, depending on investor class, from .60% to 1.75%, paid monthly, in arrears; and splits with the Investment Manager a range of Performance Allocations, depending on the investor class, from 15% to 20%, paid annually. For the other UCITS Sub-fund, the Firm receives a 20% Performance Allocation, paid at year end.

All the Performance Allocations stated above are subject to a loss carryforward (sometimes referred to as a “high water mark”).

TP Advisor, in its sole discretion, may reduce, waive or rebate the Management Fee and/or the Performance Allocation with respect to any investor for any period of time, or agree

to apply a different Management Fee and/or Performance Allocation for any True Partner Fund investor.

The governing documents for the applicable True Partner Fund and Cayman Commodity Pool provide a more complete description of TP Advisor's compensation.

The Firm is entitled to receive a quarterly fee in arrears from TP Advisor for services to the True Partner Funds and the Cayman Commodity Pool and this fee is not paid by the respective Client or Client investor(s). This quarterly fee is based on the actual costs and out-of-pocket expenses the Firm incurs in providing its advisory and management services, with a mark-up. For the avoidance of doubt, the quarterly fee, costs and expenses, and the markup are borne solely by TP Advisor and not by any Client or Client investor.

**B. Describe whether you deduct fees from clients' assets or bill clients for fees incurred. If clients may select either method, disclose this fact. Explain how often you bill clients or deduct your fees.**

The True Partner Funds' Management Fees are billed to the applicable TP Feeder Fund or TP Vol Feeder Fund account monthly, in arrears, as of the last calendar day of each calendar month. The TP Fund Performance Allocation is payable quarterly, in arrears. The TP Vol Fund Performance Allocation is payable at year end. Note the Management Fee/Performance Allocation exception described in 5 A. above.

For the Cayman Commodity Pool, the Management Fee is paid monthly, in arrears, and the Performance Allocation is paid annually. For one of the UCITS Sub-funds, the Management Fee is paid monthly, in arrears, and the Performance Allocation is paid annually. For the other UCITS Sub-fund, the Performance Allocation is paid annually.

**C. Describe any other types of fees or expenses clients may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that clients will incur brokerage and other transaction costs, and direct clients to the section(s) of your brochure that discuss brokerage.**

With the exception of the TP Offshore Feeder Fund described below, True Partner Fund investors are responsible for the formation and organizational expenses of their respective True Partner Fund and a *pro rata* share of the related master fund formation and organizational expenses. TP Offshore Feeder Fund Class B and C investors, all of whom were invested in the TP Fund prior to the formation of TP Offshore Feeder Fund, are not responsible for the formation and organization costs for the TP Offshore Feeder Fund or the restructuring costs for the TP Fund. TP Offshore Feeder Fund Class A and D investors responsibility for such costs are capped at an annual rate of 0.10% (or 1/12 of 0.10% per month) of the adjusted opening Net Asset Value of the relevant class for a period not to exceed 60 months. True Partner Fund organizational expenses are amortized over a period of up to sixty months.



Each True Partner Fund pays the following expenses: tax preparation fees, governmental and regulatory fees and taxes, fees to the administrator, ongoing legal, accounting, auditing, bookkeeping, and other professional fees and expenses, including an allocated amount of the professional liability insurance premiums for the Firm and its affiliates; trading and investment-related costs and expenses (e.g., futures commission merchant charges, brokerage commissions, margin interest, expenses related to short sales, custodial fees and clearing and settlement charges, as applicable); to the extent applicable, external data services and software; and possible costs and expenses incurred in connection with the dissolution, winding-up, or termination of the True Partner Fund(s). Brokerage is further described in Item 12. below.

While the Firm does not have the responsibility for setting and/or managing the fees and expenses of the Cayman Commodity Pool, or the two UCITS Sub-funds, it is understood they incur similar trading and investment related costs and expenses. The respective governing documents for the Cayman Commodity Pool and the two UCITS Sub-funds provide a complete description of fees and expenses.

**D. If your clients either may or must pay your fees in advance, disclose this fact. Explain how a client may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.**

As mentioned above, all fees are paid in arrears.

**E. If you or any of your supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4.**

Not applicable.

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

**If you or any of your supervised persons accepts performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client (such as a client that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your supervised persons manage both accounts that are charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your supervised persons face by managing these accounts at the same time, including that you or your supervised persons have an incentive to favor accounts for which you or your supervised persons receive a performance-based fee, and describe generally how you address these conflicts.**

As outlined in Item 5 above, TP Advisor receives a Performance Allocation. The Performance Allocation is based on the relevant Client's net income (including realized and unrealized gains and losses, net of any Management Fee) attributable to each investor's capital account, subject to a loss carryforward (referred to as a "high water mark"). The TP Feeder Funds' Performance Allocations are 20%, payable quarterly, in arrears. The TP Vol Feeder Funds' Performance Allocations are 20%, payable at year end. The exception described in 5 A. above for certain classes in the TP Vol Feeder Funds provides an alternative Management Fee (1%) or Performance Allocation (30%), whichever is greater, over the fiscal year.

For the TP Feeder Funds and TP Vol Feeder Funds, the Performance Allocation is calculated based on each investor's ownership and is made at the respective master fund which maintains feeder fund sub-capital accounts. The TP Feeder Funds' and TP Vol Feeder Funds' shares of the Performance Allocation are debited from their capital account in the respective master fund and credited to the capital account of TP Advisor in the respective master fund. Each investor's proportional share of the Performance Allocation is debited from the feeder fund capital account of each investor. The Performance Allocation is calculated on an investor-by-investor basis at the master fund, and for investors with more than one capital account, it is calculated separately for each capital account.

As mentioned, the Performance Allocation is based, in part, on unrealized investment gains that may never be realized in the event of adverse changes in the value of such investments, and thus the allocation may be greater than if it were solely based on realized gains.

All the Performance Allocations are structured in accordance with Section 205(a)(1) of the Investment Advisers Act of 1940 (the "Advisers Act") and the rules and regulations thereunder, including the exemption set forth in Rule 205-3 of the Advisers Act permitting performance fee arrangements with qualified clients.

The Performance Allocations create an incentive for the Firm, TP Advisor and/or TP HK to effect transactions in investments that are riskier or more speculative than would be the case in the absence of such Performance Allocations.

If any redemption, termination, dissolution or winding-up occurs as of a date other than the last day of the calendar year for the TP Vol Funds, or quarter end for the TP Funds, the Performance Allocation is calculated on the basis of the relevant True Partner Fund's performance over the relevant period through the redemption date or termination date, as applicable.

The Firm and its affiliates manage several Client accounts at the same time, deploying variations of the strategies described in Items 4 B. above and 8 A. below. The proprietary trading system presents the Firm's and TP HK's portfolio managers with an order entry

display for undervalued/overvalued options and the underlying financial instruments. The portfolio manager determines the price, quantity, and participating Client account(s). More often than not, the portfolio manager elects to trade two or more of the Client accounts in response to an undervalued/overvalued condition or an underlying market move. The Firm and its affiliates utilize a proprietary order allocator tool, which in those situations ensures fairness and equity by entering the Client account orders in a random sequence. In those situations where the order allocator tool is not used, the orders for the multiple Client accounts are entered in rapid succession and the portfolio managers also interchange the order in which the Client accounts are traded.

## **Item 7 – Types of Clients**

**Describe the types of clients to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.**

The Firm and its affiliates provide investment advice and management services to its Clients which are pooled investment vehicles operating as commodity pools and UCITS Sub-funds. The Firm and its affiliates provide investment advice and management services directly to the Clients, not to the individual investors in such. The governing documents and subscription documents provide the eligibility criteria and minimum investment requirements.

As to the True Partner Funds, for which TP Advisor has the responsibility to manage and administer Client qualifications, U.S. Person investors are those who are both “accredited investors” as defined in the Securities Act of 1933, “qualified clients” and/or “qualified purchasers” as defined in the Investment Company Act of 1940 and “qualified eligible participant” as defined in Rule 4.7 of the Commodity Exchange Act of 1936. Neither the Firm nor its affiliates have the responsibility to manage and administer Client qualifications for the Cayman Commodity Pool, which limits its U.S. Person investors to those qualifying as both accredited investor and qualified purchasers, or for the UCITS Sub-funds which are publicly distributed to investors across the EU and the UK.

None of the Firm’s Clients are registered or required to be registered under the Investment Company Act of 1940; their securities are not registered or required to be registered under the Securities Act of 1933.

Investors in the True Partner Funds include U.S. and non-U.S. Persons, who are, among other things, institutions (e.g., pension plans, endowments, trusts, estates, charitable organizations, foundations, etc.), fund-of-funds and high net worth individuals/family offices. In addition, principals, employees, and other persons associated with the Firm and its affiliates may make capital contributions to the True Partner Funds. The minimum initial investment that is accepted from a new investor in the TP Feeder Funds and TP Vol

Feeder Funds is \$1,000,000. In each case, TP Advisor has discretion to accept lesser amounts, subject to the approval of the General Partner or Board of Directors of the relevant True Partner Fund. However, in no case is an initial investment of less than \$100,000 (or its equivalent in another currency) accepted.

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

**A. Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that clients should be prepared to bear.**

The investment objective is to pursue long-term capital appreciation, while giving consideration to capital security and portfolio liquidity. The Firm and its affiliates apply global equity volatility arbitrage strategies which buy relatively undervalued and sell relatively overvalued listed options on global equity indices and on listed single stocks. In order to limit market directional exposure, listed futures contracts underlying the relevant index option, stock index related ETFs, and stocks underlying the relevant stock option are traded (“delta hedging”).

The volatility arbitrage strategies utilize a quantitative model to screen global listed equity index and single stock options prices to establish which options are relatively underpriced or overpriced. The model is comprised of patterns in implied volatilities, patterns in realized volatility (actual movement of the relevant indices) as well as details with regard to the expiry processes of different markets.

The volatility arbitrage portfolios are predominantly global listed equity index options and underlying listed futures. From time to time listed single stocks and ETF options and the underlying are positioned, and to a lesser extent, commodity interests in options and the underlying futures are positioned as well.

The volatility arbitrage strategies seek to achieve either a neutral or long bias volatility exposure. The strategies involve an active quantitative trading style with a medium trading frequency. The strategies also involve frequent intra-day underlying and options delta hedging, in order to limit the risk to directional market movement. The listed options and futures products generally have maturities of less than six months.

Although the Firm and its affiliates believe that the strategies should mitigate the risk of loss, investments are nevertheless subject to loss, including possible loss of the entire amount invested. No guarantee or representation is made that the investment programs will be successful, and investment results may vary substantially over time.

Investors are advised to carefully consider various risk factors and conflicts of interest, as well as eligibility requirements, restrictions on transfers and redemption of interests and various legal, tax and other considerations.

**B. For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.**

### **Risk Factors**

An investment in any of the Firm's and its affiliates' strategies entails substantial risks, including, but not limited to, the possibility of a complete loss of the amount invested. The following list is not intended to be exhaustive, and it is also noteworthy that different and new risks, not addressed below, may arise in the future. There are many market-related and other factors – some of which cannot be anticipated – that could result in an investor losing all or a major portion or all of its investment or prevent generating profits.

The following is not a substitute for the offering and governing documents of a respective Client and potential investors must review offering documents in their entirety before investing. Investors are advised to refer to the respective governing documents of the True Partner Fund, the Cayman Commodity Pool, and the UCITS Sub-fund investment company for a more complete list of risks associated.

*Dependence upon TP US, TP HK, TP Advisor, and the Principals.* Each strategy's success will depend on the management of TP US, TP HK, TP Advisor, TP GP, and TP Vol GP, as well as on the skill and acumen of the principals. If any or all of the principals should cease to participate in the business, the ability to manage the several portfolios could be severely impaired.

Clients' investors have no right to participate in the management of the respective Client, and that they have no opportunity to select or evaluate any of the Clients' investments or strategies. Investors entrust all aspects of the management of the relevant Client and its investments to the discretion of the entities managing, advising, and governing the relevant pooled investment vehicle.

*Key Personnel.* The Clients are dependent on the services of a limited number of persons and if the services of such key persons were to become unavailable, performance could be adversely affected.

*Leverage.* The Clients may borrow to enhance investment return. This practice is also known as leveraging. Leverage is commonly obtained from securities broker dealers or from other financial institutions. Such borrowing is secured by the securities and/or other assets of the leveraging Client that are pledged to such institutions as collateral. Such assets are exposed to counterparty risk should such financial institution be placed in receivership or

default. Borrowing may significantly magnify the profits or losses. There are interest rate costs associated with borrowing that may affect the operating results.

*Futures Trading Is Volatile and Speculative.* The Firm and its affiliates invest a substantial percentage of the Client portfolios in futures. Futures markets are highly volatile. Futures contracts are influenced by, among other things: changing supply and demand relationships and trends, governmental actions, agricultural and commercial trade programs and policies, national and international political events, national and international economic events, weather and other naturally occurring phenomena, and prevailing psychological characteristics of the marketplace. There is no assurance that the Firm or its affiliates will engage in profitable futures trades for the Clients or that the Clients will not incur substantial losses in connection with such futures trades.

*Options and Other Derivative Instruments.* The Firm invests a substantial percentage of the Clients' portfolios in options and derivative instruments, including buying and writing puts and calls on stock index futures and securities. The prices of many derivative instruments, including many options, are highly volatile. The value of options depends primarily upon the price of the commodities, securities, indexes, currencies, or other instruments underlying them. Price movements of options contracts are also influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The cost of options is related, in part, to the degree of volatility of the underlying commodities, securities, indexes, currencies or other instruments.

Exchange-listed options generally settle by delivery of the underlying commodities, securities, indexes, currencies or other securities or futures instruments. Index options, which are a substantial percentage of the Clients' portfolios, can be cash settled for the net amount, if any, by which the option is "in the money" (i.e., where the value of the underlying instrument exceeds, in the case of a call option, or is less than, in the case of a put option, the exercise price of the option) at the time the option is exercised. Frequently, rather than taking or making delivery of the underlying instrument through the process of exercising the option, listed options are closed by entering into offsetting purchase or sale transactions that do not result in ownership of the new option. The ability of a Client to close out a position as a purchaser or seller of a listed put or call option is dependent, in part, upon the liquidity of the respective options series.

Put options and call options typically have similar structural characteristics and operational mechanics regardless of the underlying instrument or asset on which they are purchased or sold. A put option gives the purchaser of the option, upon payment of a premium, the right to sell, and the writer the obligation to buy, the underlying commodity, security, index, currency, or other instrument at the exercise price. A call option, upon payment of a premium, gives the purchaser of the option the right to buy, and the seller the obligation to sell, the underlying instrument or asset at the exercise price.

The risk involved in writing a call option is that there could be an increase in the market value of the underlying instrument or asset caused by declining interest rates or other factors. If this occurred, the option could be exercised, and the underlying instrument or asset would then be sold by the Client's portfolio at a lower price than its current market value. The risk involved in writing a put option is that there could be a decrease in the market value of the underlying instrument or asset caused by rising interest rates or other factors. If this occurred, the option could be exercised, and the underlying instrument or asset would then be sold to the Client's portfolio at a higher price than its current market value.

Purchasing and writing put and call options and, in particular, writing "uncovered" options are highly specialized activities and entail greater than ordinary investment risks. In particular, the writer of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying instrument or asset above the exercise price of the option. This risk is enhanced if the instrument or asset on which a call option is sold is highly volatile and there is a significant outstanding short interest. These conditions exist in the stocks of many companies. The instrument or asset necessary to satisfy the exercise of the call option may be unavailable for purchase except at much higher prices. Purchasing instruments or assets to satisfy the exercise of the call option can itself cause the price of the instruments or assets to rise further, sometimes by a significant amount, thereby exacerbating the loss. Accordingly, the sale of an uncovered call option could result in a loss by a Client of all or a substantial portion of its assets.

*Quantitative Methods.* A substantial percentage of the Client portfolios are invested in financial instruments that the Firm and its affiliates select, using quantitative methods. These methods may entail purchasing a financial instrument without regard to analysis of the present value of future cash flows from the asset. These methods are dependent upon historical data for their development, and any errors in the historical database used to develop such methods can diminish or eliminate their efficacy when used prospectively. Additionally, at times of market turmoil, other investors using similar quantitative methods may magnify the volatility of these assets. Any given successful quantitative approach to investing may lose its advantage over time, and the long-term success of the strategies may fluctuate with the continuing evolution and development of new strategies. As a result, the Clients' financial performance may fluctuate substantially over time and from period to period.

*Technology Risk.* The strategies rely on the use of proprietary and non-proprietary software, data, and intellectual property. Any such reliance on this technology and data is subject to a number of important risks. The Client may be severely and adversely affected by the malfunction of the technology and/or data feed. For example, an unforeseeable software or hardware malfunction could occur, as a result of a virus or other outside force, or as result of a design flaw in a strategy's system or in its continued implementation. In the past, occurrences of this nature to other funds have sometimes resulted in dramatically negative consequences for the portfolio of such funds. In addition, changes in the market for publicly available data or in regulatory reporting requirements could cause a severe

diminution in the data available for the technology to operate as designed. Such events can also have dramatically negative consequences for the Client. Furthermore, if any of the Firm's or its affiliates' software, hardware, data and/or other intellectual property is found to infringe on the rights of any third party, the Clients could be severely and adversely affected.

*Potential Cybersecurity Breaches and Identity Theft.* The Clients rely, in large measure, on information technology. The Firm's and its affiliates' information and technology systems are vulnerable to damage and/or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by its professionals, power outages, and/or catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the Firm and its affiliates have implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time and/or cease to function properly, the Firm and its affiliates may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Firm's and its affiliates' operations and may result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm the Firm's and its affiliates' reputations or subject them to legal claims and/or otherwise affect their business and financial performance. Additionally, any failure of information, technology or security systems could adversely impact the Firm's and its affiliates' ability to manage the Client investments, which in turn could negatively impact the value of the Clients' investments.

*Risks Associated with ETFs.* The Clients invest in ETFs and options on ETF's. ETFs represent an interest in a passively managed portfolio of securities and financial instruments selected to replicate a securities or financial instruments index. Unlike open-end mutual funds, the shares of ETFs are not purchased and redeemed by investors directly with the ETF, but instead are purchased and sold through broker-dealers in transactions on an exchange. Because ETF shares are traded on an exchange, they may trade at a discount from or a premium to the net asset value per share of the underlying portfolio of securities or financial instruments. In addition to bearing the risks related to investments in securities or financial instruments, investors in ETFs intended to replicate an index bear the risk that the ETFs performance may not correctly replicate the performance of the index. Investors in ETFs, closed-end funds and other investment companies bear a proportionate share of the expenses of those funds, including Management Fees, custodial and accounting costs, and other expenses. As such, the Clients are subject to layering of such fees. Trading in ETF and closed-end fund shares also entails payment of brokerage commissions and other transaction costs.

*Use of Automated Order Routing and Execution Systems Generally.* The Firm and its affiliates use automated order routing and execution systems in their trading. Such systems are typically provided on an "as is" basis. Such systems may experience technical difficulties which may render them temporarily unavailable. In addition, such systems may fail to properly



perform. Such failures may result in losses to the Clients, for which losses the providers of such services have disclaimed all liability. In an effort to mitigate such risks, the Firm and its affiliates closely monitor trades executed through automated order routing and execution systems and the operation of the systems themselves.

*Electronic Trading Facilities.* The Firm and its affiliates make use of electronic trading facilities (including ECNs), which are generally supported by computer-based component systems for the order-routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. Trading on an electronic trading system (including an ECN) may differ not only from trading in an open-outcry market or telephonic market but also from trading on other electronic trading systems. The Clients, in undertaking transactions on an electronic trading system, will be exposed to risk associated with the system including the failure of hardware and software. The result of any system failure may be that a Fund's order is either not executed according to its instructions or is not executed at all. The Clients' ability to limit or recover certain losses may be subject to limits on liability imposed by, without limitation, foreign or domestic law or regulation, the relevant Client's own, or its futures commission merchant's or broker's internet service provider, other systems providers, market factors, foreign or domestic banking or other market regulations and/or telephonic or other communications providers, foreign or domestic.

*Trading Errors.* The Firm's and its affiliates' computerized trading systems rely on the ability of their personnel to accurately process such systems' outputs and to use the proper trading orders, including limit orders, to execute the transactions called for by the systems. In addition, the Firm and its affiliates rely on their staff to properly operate and maintain the computer and communication systems upon which the trading systems rely. The Firm's and its affiliate's systems are accordingly subject to human errors, including the failure to implement, or the inaccurate implementation of any of systems, in addition to errors in properly executing transactions. This could cause substantial losses on transactions, and any such losses could substantially and adversely affect the performance of the Clients.

*Short Sales.* On an infrequent basis the Firm and its affiliates sells short securities in Client accounts. Short selling securities involves the sale of a security that a Client account does not own and must borrow in order to make delivery, in the hope of purchasing the security at a later date at a lower price. In order to make delivery of the security to its purchaser, the Client account borrows the security from a third-party lender. The Client account subsequently returns the borrowed security to the lender most often by delivering to the lender the security it purchases in the open market. The Client account generally pledges cash with the lender equal to the market price of the borrowed security. This deposit may be increased or decreased in accordance with changes in the market price of the borrowed security. During the period in which the security is borrowed, the lender retains its right to receive interest and dividends accruing to such security. In addition to lending the security the lender generally pays the Client account a fee for the use of the Client account's cash. Securities sold short are subject to a substantial risk of loss given the security's price could appreciate substantially before the short position is closed. In addition, the supply of

securities that can be borrowed fluctuates from time to time. The Client account s may be subject to substantial losses if a security lender demands return of the lent security and an alternative lending source cannot be found.

*Concentration.* There are no restrictions on the investment discretion of the Firm or its affiliates other than as set out in the respective governing documents, or possibly, in side letters with certain significant investors. Accordingly, the Firm and its affiliates are generally not restricted from investing a large portion of the assets of the Client account in any one sector, asset class, or market. This lack of diversification may increase losses or prevent potentially profitable investment opportunities from being pursued.

*Restrictions on Transfer and Lack of Liquidity.* Participating interests in any True Partner Fund are not readily transferable and any transfer is subject to the prior written approval of the relevant True Partner Fund's Board of Directors or General Partner, as applicable. Generally, a redemption of participating shares will be the only means by which an investor will be able to realize their investment. Furthermore, participating shares will not be registered under the securities laws of any jurisdiction, and there may be no recognized market for participating shares. Therefore, participating shares may have limited or no liquidity.

**C. If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.**

All investments in securities and other financial instruments involve substantial risks arising from any number of factors that are beyond the control of the Firm and its affiliates, such as: changing market sentiment; changes in industrial conditions, competition and technology; changes in inflation, exchange or interest rates; changing domestic or international economic or political conditions or events; changes in tax laws and governmental regulation; and changes in trade, fiscal, monetary or exchange control programs or policies of governments or their agencies (including their central banks). Changes such as these, as well as innumerable other factors, are often unpredictable and unforeseeable, rendering it difficult or impossible to predict or foresee future market movements. Unexpected illiquidity in the markets in which the Client portfolios hold positions could impair their ability to achieve their objectives and cause the Client portfolio to incur losses.

Please see Item 4 B. and Item 8 A. for additional information regarding the types of financial instruments in which the Client portfolios invest.

## **Item 9 – Disciplinary Information**

**If there are legal or disciplinary events that are material to a client's or prospective client's evaluation of your advisory business or the integrity of your management,**

**disclose all material facts regarding those events.**

The Firm is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a Client investor's evaluation of the Firm or the integrity of the Firm's management. No legal or disciplinary events have occurred at the Firm or its affiliates.

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

**A. If you or any of your management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.**

Neither the Firm nor any of its management persons is registered or has an application pending to register as a broker-dealer, or associated person of a broker-dealer, and the Firm does not anticipate such affiliations in the future.

**B. If you or any of your management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities, disclose this fact.**

As mentioned in Item 4 above and Item 10 C. below, TP Advisor is registered with the CFTC and serves as the CPO for the TP Funds and the TP Vol Funds. Additionally, the Firm's Treasurer and Secretary, and its Director and President, in their capacities with TP Advisor, are Principals of the CPO. Each also holds licenses with TP HK's regulatory authority, the SFC.

**C. Describe any relationship or arrangement that is material to your advisory business or to your clients that you or any of your management persons have with any related person listed below. Identify the related person and if the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how you address it.**

- 1. Broker-dealer, municipal securities dealer, or government securities dealer or broker**
- 2. Investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)**
- 3. Other investment adviser or financial planner**
- 4. Futures commission merchant, commodity pool operator, or commodity trading advisor**
- 5. Banking or thrift institution**
- 6. Accountant or accounting firm**

- 7. Lawyer or law firm**
- 8. Insurance company or agency**
- 9. Pension consultant**
- 10. Real estate broker or dealer**
- 11. Sponsor or syndicator of limited partnerships.**

The Firm and its affiliates have no arrangements with a related person who is a broker-dealer, financial planning firm, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships that are material to its advisory and management services, its Clients, or its Clients' investors.

As mentioned above, the Firm, through common ownership, is affiliated with TP Advisor, the investment manager and CPO of the TP Funds and TP Vol Funds. The Firm provides its discretionary investment advisory and management services in accordance with the investment guidance of TP Advisor.

TP HK is licensed to conduct Type 9 (Asset Management) regulated activities by the SFC. As mentioned in Item 4, TP HK and TP Advisor are exempt from registration with the SEC as they are "participating affiliates" of the Firm under the relief described in the 1992 SEC staff no action letter granted to Uniao de Banco de Brasileiros S.A. and related no action letters. (IM-INFO-2017-013). TP HK and the Firm are exempt from registration with the CFTC under CFTC Rule 4.14(a)(10) and have both received Central Bank of Ireland Clearance to act as an Investment Manager.

The Firm and its affiliates are an integrated group of registered/licensed companies. Consequently, the Firm's officers and directors also serve as officers and directors of the Firm's affiliates.

TP Advisor and TP HK may manage and/or advise other funds or SMAs for which the Firm has no advisory or sub-advisory relationship.

The Firm and its affiliates have and will continue to develop relationships with professionals who provide services it does not provide, including legal, accounting, banking, investment banking, tax preparation, insurance brokerage, investment management services and other personal services. Some of these professionals may provide services to the Clients. None of the above relationships create a material conflict of interest with the Clients or the Client investors.

From time to time, the Firm and/or its affiliates may receive training, information, promotional material, meals, gifts or prize drawings from vendors and others with whom it may do business or to whom it may make referrals. At no time will the Firm or its affiliates accept any benefits, gifts or other arrangements that are conditioned on directing individual Client transactions to a specific security, product, or provider. Similarly, the personnel of the Firm and/or its affiliates may speak at conferences and programs for

potential investors interested in investing in hedge funds that are sponsored by each True Partner Fund's prime brokers. Through such capital introduction events, prospective investors have the opportunity to meet with the Firm. Neither the Firm nor any Client compensates the prime brokers for organizing such events or for investments ultimately made by prospective investors attending such events.

**D. If you recommend or select other investment advisers for your clients and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.**

The Firm and its affiliates do not recommend or select other investment advisers for their Clients.

#### **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

**A. If you are an SEC-registered adviser, briefly describe your Code of Ethics adopted pursuant to SEC rule 204A-1 or similar state rules. Explain that you will provide a copy of your Code of Ethics to any client or prospective client upon request.**

Pursuant to Rule 204A-1 of the Advisers Act, The Firm and its affiliates have adopted a written code of ethics ("Code of Ethics" or the "Code") that sets forth standards of conduct expected of employees and addresses conflicts that can arise from personal trading. The Code of Ethics requires all employees to place the Clients' interests ahead of the Firm's and its affiliate's interests, to avoid taking advantage of his or her position and to maintain full compliance with the federal securities laws.

Employees are required to certify their compliance with the Code on an annual basis. Employees of the Firm or its affiliates who violate the Code may be subject to remedial actions, including, but not limited to, profit disgorgement, fines, censure, suspension, or dismissal. Employees are also required to promptly report any violations of the Code of which they become aware.

The Firm will provide a copy of its Code to any existing or prospective investor upon request to the Firm's CCO, Mr. Donnellan, at (312) 675-6126 or [e.donnellan@truepartnercapital.com](mailto:e.donnellan@truepartnercapital.com).

**B. If you or a related person recommends to clients, or buys or sells for client accounts, securities in which you or a related person has a material financial interest, describe your practice and discuss the conflicts of interest it presents.**

**Describe generally how you address conflicts that arise.**

**Participation or Interest in Client Transactions**

Neither the Firm nor its affiliates will knowingly cause its Client accounts to enter into trades with each other without the express written consent of each Client, generally given through each Client's Board of Directors or General Partner, as applicable. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer. An adviser is not "acting as a broker" within the meaning of Section 206(3), if the adviser receives no compensation beyond the advisory fee it stands to receive in the ordinary course of managing the assets of such investor, for effecting a particular agency transaction between advisory clients.

In the event the Firm or its affiliates knowingly effect trades (including outright purchases and sales) between a Client and other Client(s) of the Firm or its affiliates, known as a cross trade, such cross trade will be made at the then market rate for similar transactions between unrelated parties and only where an independent pricing mechanism (such as the last sales price on the exchange where the security is principally traded) is available. Transactions between the Client and/or other Clients of the Firm and its affiliates would be affected for no consideration other than cash payment against prompt delivery of the relevant security or other instrument, are affected at current market prices and do not involve any brokerage commissions, clearing charges, other transaction costs or fees, or other remuneration.

The Firm's Code of Ethics requires its principals and employees to place the interests of Clients first, and on an annual basis each principal and employee certifies that he or she has reviewed and understands the Code and has complied with its provisions. If any matter arises that the Firm or its affiliates determine in good faith constitutes an actual conflict of interest, the Firm or its affiliates may take such actions as may be necessary or appropriate, within the context of the applicable Client's governing documents and/or advisory service agreements, to address the conflict.

**Additional Potential Conflicts of Interest**

The governing documents for the True Partner Funds include a description of what the Firm and its affiliates believe are the most significant conflicts of interest associated with an investment in such Fund, many of which are described in Item 8 above. Conflicts of interest should be carefully considered.

*TP US, TP Advisor, TP HK, and TP GP Principals' Ownership Interest in the Clients.* The fact that the Firm's or its affiliates' principals and employees may have financial ownership interests in the Clients creates a potential conflict in that it could cause the Firm and its affiliates to make different investment decisions than if such parties did not have such financial ownership interests. The Firm and its affiliates may have an incentive to favor accounts in which such persons have an interest with respect to trading opportunities, trade allocation and allocation of investment opportunities.

*Tax Considerations.* Each Client's investors may include persons or entities resident in various jurisdictions, including the United States and other countries, who may have conflicting investment, tax, and other interests with respect to their investments. Trading decisions made by the Firm or its affiliates may result in different after-tax returns being realized by different limited partners and other investors. As a consequence, conflicts of interest may arise in connection with trading decisions that may be more beneficial for one investor than another investor, especially with respect to investors' individual tax situations. The Firm and its affiliates consider the investment and tax objectives of each Fund as a whole, and not the individual investment, tax, or other objectives of any particular investor.

*Transactions with Client Investors.* The Firm or its affiliates may enter into transactions with certain Client investors such as insurance agents, investment banks, broker-dealers, legal counsel, or others who provide services to the Firm or its affiliates, or its Clients. The terms of these transactions are negotiated on an arm's-length basis; however, the Firm and its affiliates are subject to a conflict of interest when determining such terms because it may benefit from retaining such Client investors' investment.

*Allocations of Trades.* The Firm and its affiliates trade on behalf of each Client fairly. The Firm and its affiliates have no obligation to purchase or sell financial instruments on behalf of a Client because it or an affiliate purchases or sells the same financial instrument for another Client if, in its reasonable opinion, such trade is not suitable, practical or desirable for such other Client. Reference is made to the final paragraph of Item 6.

**C. If you or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that you or a related person recommends to clients, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.**

The personal trading policy for all employees of the Firm and its affiliates is set forth in the Firm's and its affiliates' Code of Ethics and is acknowledged as reviewed and understood by each employee. The personal trading policies are designed to ensure that no Client is disadvantaged in any respect by the transactions executed by any employee and that employees in no respect misappropriate any benefit properly belonging to a True Partner Fund. The Code of Ethics establishes guidelines for personal trading requirements,

insider trading and reporting of personal securities transactions, including certain pre-clearance, and reporting obligations. Under the Code of Ethics, the Firm and its affiliate employees are required to file certain periodic reports with the CCO.

The Firm's and its affiliates' employees are prohibited from trading, either personally or on behalf of others, in securities while in possession of material nonpublic information regarding publicly traded securities or communicating material nonpublic information about such securities to others. The Firm and its affiliates maintain a restricted list regarding issuers about whom it has material non-public information. Pre-clearance is required for certain personal securities transactions, including initial public offerings and certain limited offerings, by its supervised persons. In addition, all employees are required to submit their brokerage account statements to the CCO for review.

The employees of the Firm and its affiliates may carry on investment activities for their own account and for family members, friends or others who do not invest in the Clients and may give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, the Clients, even though their investment objectives may be the same or similar.

**D. If you or a related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that you or a related person buys or sells the same securities for your own (or the related person's own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.**

Please refer to Items 11A. - C.

## **Item 12 – Brokerage Practices**

**A. Describe the factors that you consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).**

- 1. Research and Other Soft Dollar Benefits. If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions ("soft dollar benefits"), disclose your practices and discuss the conflicts of interest they create.**

Section 28(e) of the Securities Exchange Act of 1934, as amended, is a "safe harbor" that permits an investment manager to use commissions or "soft dollars" to obtain research and brokerage services that provide lawful and appropriate assistance in the investment decision-making process. The Firm and its affiliates have not previously used "soft dollars" and there is no present intention to do so. If the Firm and its affiliates were to use



“soft dollars”, they would do so within the “safe harbor” of Section 28(e). Research and brokerage services within Section 28(e) may include, but are not limited to: research reports (including market research); certain financial newsletters and trade journals; analyses concerning specific securities, companies or sectors; and data services (including services providing market data, company financial data and economic data); 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 trading software operated by a broker-dealer to route orders.

The Firm’s and its affiliates’ policy is to use brokerage commissions solely to purchase services that are within the safe harbour created by Section 28(e). The Firm and its affiliates make a good faith determination that the amount of any commission paid is reasonable in relation to the value of the brokerage and research services provided by the broker-dealer, viewed in terms of either the particular transaction or their overall responsibilities with respect to the accounts to which they exercise investment discretion. In selecting a broker-dealer to execute transactions for the Client accounts, the Firm and its affiliates seeks to obtain the best execution, which may take into account a number of the following factors, among others: price; timeliness of execution; the availability of financing; the financial stability and reputation of a broker; the value of research, brokerage and other services provided; the responsiveness of a broker-dealer; a broker-dealer’s financial resources; counterparty credit risk; and access to liquidity for certain less liquid products.

**2. Brokerage for Client Referrals. If you consider, in selecting or recommending broker-dealers, whether you or a related person receives client referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.**

The Firm and its affiliates may have an incentive to favor broker-dealers that provide capital introduction services or refer investors. TP Advisor receives a Performance Allocation and accordingly could receive a larger Performance Allocation in any given profit period as a result of an increase in assets under management that results from capital introduction services and investor referrals. The potential for higher fees presents a potential conflict in that the Firm and its affiliates have an incentive to favor broker-dealers that provide services that have a direct impact on fees even if those broker-dealers rate unfavorably in other categories.

**3. Directed Brokerage.**

Neither the Firm nor its affiliates engage in directed brokerage transactions.

**B. Discuss whether and under what conditions you aggregate the purchase or sale of securities for various client accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to clients of not aggregating.**

The Firm and its affiliates generally do not aggregate the purchase or sale of securities for Client portfolios. All trades are made for the respective Client portfolio that the order is placed. Please refer to Item 6 above. To the extent that the Client does not aggregate trades but has the opportunity to do so, brokerage costs may be higher. Reference is made to the final paragraph of Item 6.

### **Item 13 – Review of Accounts**

**A. Indicate whether you periodically review client accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the supervised persons who conduct the review.**

The trading team and the co-Chief Investment Officers continuously review the portfolios of each Client account to determine if they are consistent with applicable investment objectives and restrictions. In addition, the trading team and the co-Chief Investment Officers review records of trades placed for the Client accounts on a regular basis. The TP Funds' and the TP Vol Funds' accounts are also reviewed by Maples Fund Services, a third-party administrator ("MaplesFS"), to price the portfolios based on settlement prices for all exchange listed products traded, and independent third-party pricing sources or methodologies approved by the Firm and its affiliates for other financial products.

**B. If you review client accounts on other than a periodic basis, describe the factors that trigger a review.**

Please refer to Item 13 A, above.

**C. Describe the content and indicate the frequency of regular reports you provide to Clients regarding their accounts. State whether these reports are written.**

On a monthly basis, the Firm and its affiliates, through MaplesFS, provide each investor in the True Partner Funds with the final net asset value for the prior completed calendar month of the respective Fund, net of all fees and expenses, within thirty (30) calendar days after the end of such calendar month. Within 120 days after the end of each fiscal year, an annual report containing audited financial statements is also delivered to each investor. These investor reports are in writing. Upon request, certain investors may receive additional information and more frequent reporting that other investors may not receive.

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

**A. If someone who is not a client provides an economic benefit to you for providing investment advice or other advisory services to your clients, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits**

**include any sales awards or other prizes.**

The Firm receives a quarterly fee in arrears from TP Advisor based on the actual costs the Firm incurs relating to the advisory services provided to the Clients, plus all direct out-of-pocket expenses reasonably incurred by the Firm with a mark-up. The quarterly fee, direct out-of-pocket reimbursement and markup are borne solely by TP Advisor and not by any Clients. Neither the Firm nor its affiliates receive any additional monetary compensation or any other economic benefit from a non-client for providing investment advisory services to a Firm or affiliate Client.

**B. If you or a related person directly or indirectly compensates any person who is not your supervised person for client referrals, describe the arrangement and the compensation.**

The Firm and its affiliates have engaged third party marketers to assist in fundraising efforts on behalf of the True Partner Funds. All arrangements with third party marketers have been negotiated to comply with Rule 206(4)-3(A)(1)(ii) of the Advisers Act and the fees associated with these arrangements are borne entirely by TP Advisor and not by any Fund investor.

As mentioned above in Item 10, from time to time an employee of the Firm or its affiliates may speak at conferences and programs for potential investors interested in investing in hedge funds which are sponsored by the True Partner Funds' prime brokers. Through such events, prospective investors have the opportunity to meet with the Firm and its affiliates' employees. Neither the Firm nor its affiliates compensate the prime brokers for organizing such events or for investments ultimately made by prospective investors attending such events. From time to time an employee of the Firm or its affiliates may also speak and/or attend conferences and programs for potential investors interested in investing in hedge funds which are sponsored by third-party event organizers. Through such events, prospective investors have the opportunity to meet with the Firm and its affiliates' employees. The Firm or its affiliates pay all the costs associated with attending such events.

## **Item 15 – Custody**

**If you have custody of client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your clients, explain that clients will receive account statements from the broker-dealer, bank or other qualified custodian and that clients should carefully review those statements. If your clients also receive account statements from you, your explanation must include a statement urging clients to compare the account statements they receive from the qualified custodian with those they receive from you.**

Advisers Act Rule 206(4) (the “Custody Rule”) requires that pooled investment vehicles advised by an adviser either undergo an annual GAAP financial statement audit or be subject to a surprise custody examination by a Public Company Accounting Oversight-registered accounting firm. While neither the Firm nor its affiliates maintain physical custody over any Client’s or Fund investors’ funds or securities, it is still considered to have custody over these assets because of TP Advisor’s ability to deduct fees. The Firm and its affiliates have elected to undergo an annual GAAP financial statement audit of the TP Vol Funds and the TP Funds, copies of which are delivered to the relevant Fund investors within 120 days of year-end.

On a monthly basis, MaplesFS, on behalf of the Firm and its affiliates, provides each investor in the True Partner Funds with the final net asset value for the prior completed calendar month of the respective Fund, net of all fees and expenses. Within 120 days after the end of each fiscal year, an annual report containing audited financial statements is also provided to each investor in the respective Fund. Investors in the True Partner Funds should carefully review such financial statements.

For the Cayman Commodity Pool and the two UCITS Sub-funds, the Firm’s discretionary investment authority for the two UCITS Sub-funds and the Cayman Commodity Pool is pursuant to written advisory agreements which do not include custody or any capacity to deduct fees.

#### **Item 16 – Investment Discretion**

**If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).**

The Firm provides discretionary investment advisory and management services directly to the Clients in accordance with the investment guidelines provided by TP Advisor. For the True Partner Funds and the Cayman Commodity Pool, TP Advisor delegates portfolio management to TP HK, which in turn sub-delegates portfolio management to the Firm under advisory service agreements. TP Advisor is not a party to the two UCITS Sub-fund management agreements. For these two Clients, the Firm delegates portfolio management to TP HK.

The Firm’s and TP HK’s discretionary investment advisory services to the two UCITS Sub-funds are set out under service agreements and are not subject to the control of TP Advisor.

Investment advice is not provided to investors in the Clients individually. The Firm has discretionary authority to determine the securities and other financial instruments to be bought or sold, the amount to be bought or sold and the broker-dealer to be used. Any

limitations on authority are included in the investment guidelines provided by TP Advisor as well as in each respective Client's governing documents and advisory service agreements. The terms upon which the Firm serves as an investment adviser are established and generally set out in the advisory service agreements. The Firm is not required to contact an investor prior to transacting any business. The Firm and its affiliates may choose to accept reasonable limitations or restrictions from a Client investor at its discretion through a side letter agreement. The Firm's authority to trade securities and financial instruments may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

### **Item 17 – Voting Client Securities**

**A. If you have, or will accept, authority to vote client securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC Rule 206(4)-6. Describe whether (and, if so, how) your clients can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your clients with respect to voting their securities. Describe how clients may obtain information from you about how you voted their securities. Explain to clients that they may obtain a copy of your proxy voting policies and procedures upon request.**

The Firm has the authority to vote on behalf of the True Partner Funds in any proxy solicitations that may occur with respect to the issuers of securities held by the respective Fund(s). The Firm and its affiliates have adopted a proxy voting policy pursuant to SEC Rule 206(4)-6 to describe how they vote True Partner Funds' proxies.

However, neither the Firm nor its affiliates generally vote proxies on behalf of the True Partner Funds. In the event the Firm or its affiliate does vote proxies on behalf of its Funds, it will be the Firm (that does such voting) and any such proxy voting records will be retained in accordance with SEC Rule 206(4)-6. In general, investors cannot request that the Firm vote in a particular way on any specific proposal. Investors may obtain a copy of the Firm's and its affiliates' complete proxy voting policy upon request, free of charge, from the Firm's CCO, Mr. Donnellan, at (312) 675-6126 or e.donnellan@truepartnercapital.com. Investors may also obtain information from the Firm, free of charge, about how the Firm or its affiliates voted previous proxies, if any.

**B. If you do not have authority to vote client securities, disclose this fact. Explain whether clients will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) clients can contact you with questions about a particular solicitation.**

Not applicable.

## **Item 18 – Financial Information**

**A. If you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, include a balance sheet for your most recent fiscal year.**

Neither the Firm nor its affiliates require prepayment of more than \$1,200 in fees per Client six months or more in advance.

**B. If you have discretionary authority or custody of client funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to clients.**

Neither the Firm nor its affiliates have financial commitments that impair their ability to meet contractual and fiduciary commitments to its Clients.

**C. If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.**

Neither the Firm nor its affiliates have ever been the subject of a bankruptcy petition.