

## **Form ADV Part 2A: Firm Brochure**

### **Darsana Capital Partners LP**

August 2, 2021

#### **Principal Office**

40 West 57<sup>th</sup> Street, 15<sup>th</sup> Floor  
New York, NY 10019  
Phone: (212) 589-5300  
Fax: (212) 589-5301

This brochure provides information about the qualifications and business practices of Darsana Capital Partners LP (“Darsana,” the “Investment Manager,” the “Company,” “we,” “our,” or “us”). If you have any questions about the contents of this brochure, please contact us at (212) 589-5300 or email [inquiries@darsana.com](mailto:inquiries@darsana.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

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

An investment adviser’s registration with the SEC does not imply a certain level of skill or training.

## Item 2: Material Changes

Darsana's most recent update to Part 2 of Form ADV was made in March 2021. This Other-Than-Annual amendment is being filed to replace Lisa Stanton as the Chief Compliance Officer with Anabelle Perez Gray, effective August 2, 2021.

## Item 3: Table of Contents

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

## Item 4: Advisory Business

Darsana Capital Partners LP ("Darsana") is an investment adviser with its principal place of business in New York, New York. Darsana is a limited partnership that was formed in January 2014, under the laws of the State of Delaware. Darsana is owned and controlled by its general partner, Darsana Capital Partners GP LLC, a Delaware limited liability company. Anand Desai is the Chief Executive Officer and sole member of Darsana Capital Partners GP LLC.

Darsana provides discretionary investment management services to clients that are privately offered pooled investment vehicles commonly referred to as "hedge funds" or "private funds." Darsana serves as an investment adviser or manager for the following private funds, which are organized in a master-feeder structure. Darsana Fund LP, a Delaware limited partnership (the "Domestic Fund") and Darsana Overseas Fund Ltd., a Cayman Islands exempted company (the "Offshore Fund," and, together with the Domestic Fund, the "Feeder Funds"), are expected to invest substantially all of their investable capital in Darsana Master Fund LP, a Cayman Islands exempted limited partnership (the "Master Fund"). The Offshore Fund will invest in the Master Fund through Darsana Intermediate Fund LP, a Cayman Islands exempted limited partnership (the "Intermediate Fund," together with the Feeder Funds and the Master Fund, each a "Fund" and collectively, the "Funds"). The general partner of the Domestic Fund, the Intermediate Fund, and the Master Fund is Darsana Capital GP LLC (the "General Partner"). Darsana also serves as investment adviser to two or more co-investment vehicles (the "Co-Investment Vehicles"). As used in this Brochure, the term "Client" collectively refers to the Funds and the Co-Investment Vehicles.

The terms of the Clients are set forth in each Client's respective offering memorandum (as applicable), limited partnership agreements, subscription documents, and other constituent documents (the "Offering Documents"). The Clients will generally be offered to investors ("Investors") who are (i) both "accredited investors" as defined under the Securities Act of 1933 (the "Securities Act") and "qualified purchasers" as defined in section 2(a)(51)(A) of the Investment Company Act of 1940, as amended (the "Investment Company Act"), (ii) "knowledgeable employees" (as defined in Rule 3c-5 under the Investment Company Act) or (iii) non-United States persons. Investors must also meet other applicable suitability requirements as outlined in the Client's Offering Documents.

As of December 31, 2020, Darsana managed approximately \$7.3 billion in regulatory assets under management. All assets are managed on a discretionary basis.

## **Item 5: Fees and Compensation**

Investors should consult the Offering Documents for more details regarding the calculation of fees and expenses.

### Management Fee and Administrative Allocation

As described more fully in the Funds' Offering Documents, Darsana or its affiliates may be entitled to receive a quarterly asset-based management fee/administrative allocation of 1.5% annualized for management and administrative services provided to the Funds. A portion of the asset-based fee/allocation is paid to Darsana or its affiliates in advance as of the beginning of each calendar quarter. The remaining portion of the asset-based fee/allocation is generally received by Darsana or its affiliates at the end of each quarter (depending on the performance of the Funds). A pro rata amount of this asset-based fee/allocation is charged on any capital contributions made by new or existing Fund Investors on any date that does not fall on the first day of a fiscal quarter. In the case of a withdrawal by a Fund Investor other than as of the last day of a fiscal quarter, a pro rata portion of the fee will be reimbursed by Darsana or its affiliates to the withdrawing Fund Investor.

### Incentive Allocations

At the end of each fiscal year, after the taking of any management fees/administrative allocation described above, the General Partner receives an annual incentive allocation equal to 20% of each Fund Investor's share of net profits in the Fund (including unrealized gains and losses other than those attributable to Designated Investments) and net profits from the liquidation, realization or deemed realization of Designated Investments during that period, if any. The incentive allocation is subject to a loss carryforward provision such that the incentive allocation to the General Partner shall be made only after certain previously allocated net losses have been offset by subsequent net profits. Any such loss carryforward will be subject to reduction for withdrawals on a pro rata basis.

### Fee Waivers

The General Partner or the Board of Directors, as applicable, in its sole discretion, will waive or modify the management fee/administrative allocation and incentive allocation/profits interest for certain Investors, although it is anticipated that such waivers or modifications will only be granted for principals, members, employees or affiliates of the General Partner or Darsana, and related family planning vehicles and trusts ("Darsana Parties").

### Expenses

In addition to the management fees/administrative allocation and incentive allocation described above, expenses will be charged to the Funds that are more fully disclosed in the Offering Documents. These expenses include, but are not limited to the following: Fund legal and compliance expenses, fees and expenses related to various filings (or portions thereof) made in connection with managing the Funds' portfolio (the "Portfolio") (including, but not limited to, Section 13 filings, Section 16 filings and similar expenses (if applicable)); administrator, audit (including custody audit, if applicable), tax and Fund-related accounting expenses (including third-party accounting services); shareholder proxy voting services; organizational expenses; investment expenses such as commissions, research fees and expenses; interest on margin accounts and other indebtedness; borrowing charges on securities sold short; custodial fees; bank service fees; Fund-related insurance costs; the Funds' pro rata share of the expenses of the Master Fund; independent Review Committee members' fees and expenses; any other expenses related to the analysis, purchase or sale of investments (including Designated Investments) whether or not the investment is consummated (e.g., broken-deal fees and expenses) and any other reasonable expenses related to the purchase, sale or transmittal of the Funds' assets, including, but not limited to, a portion of the expenses associated with an order management system.

The allocation of expenses by Darsana among Clients represents a conflict of interest for Darsana. Darsana has adopted expense allocation policies and procedures that are designed to address this conflict. Darsana allocates expenses to each Client in accordance with the Client's Offering Documents. Darsana seeks to allocate common Client expenses among multiple Clients in a manner that is fair and reasonable over time consistent with its policies and procedures. Darsana's expense allocations often depend on inherently subjective determinations and, accordingly, expense allocations made by Darsana in good faith will be final and binding on the Clients.

### Co-Investment Vehicles

Darsana also receives a profits interest from the Co-Investment Vehicles, and may in the future, receive performance-based compensation and management fees from Co-Investment Vehicles. Co-Investment Vehicle Investors will be charged expenses as disclosed in the Offering Documents of the relevant Co-Investment Vehicle.

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

As described in Item 5 above and in the Offering Documents, the General Partner receives an incentive allocation from the Funds and a profits interest from the Co-Investment Vehicles. Such performance-based compensation creates an incentive to make investments that are riskier or more speculative than would have been the case if such arrangements were not in effect. In addition, because performance compensation is calculated on a basis that includes unrealized appreciation (subject to exception for certain illiquid investments for which Darsana receives performance-based compensation only when such investments are liquidated, realized or deemed realized), it may be greater than if such compensation was based solely on realized appreciation. The General Partner is eligible to receive an incentive allocation from the Funds and a profits interest from the Co-Investment Vehicles and the Investment Manager does not currently provide advisory services to any separately managed accounts. As a result, Darsana believes that it and its personnel do not face the conflicts of interest that arise when an investment adviser is eligible to receive performance-based compensation from some Clients but not from other Clients.

Darsana or its affiliates, may, in the future, manage multiple clients with different fee structures, including Clients that pay fees lower or higher than those paid by other Clients. In such case, there would be a potential conflict of interest in that Darsana or its affiliates would have an incentive to provide preferential treatment in terms of time, resources, and investment opportunities to Clients paying higher fees. In addition, if Darsana receives performance-based compensation from one Client but not another, it will have an incentive to make riskier or more speculative investment decisions for the Client subject to performance fees. Darsana will adopt policies and procedures to mitigate these potential conflicts of interest at such applicable time.

## **Item 7: Types of Clients**

Darsana provides investment advisory services to its Clients. Investment advice is provided directly to the Clients by the Investment Manager, subject to the direction and control of the General Partner (in the case of the Domestic Fund, the Intermediate Fund, the Master Fund and the Co-Investment Vehicles,) and the Board of Directors (in the case of the Offshore Fund) and not individually to the Investors. As described more fully in the Funds' Offering Documents, in the case of the Master Fund, the General Partner will obtain the consent of, or in certain cases, consult with, the Review Committee prior to making certain decisions. As described above, the Investment Manager's Clients are the Funds and one or more Co-Investment Vehicles, each of which is a private investment fund exempt from registration as an investment company under Section 3(c)(7) of the Investment Company Act. Darsana, however, is not precluded from advising types of clients that are not listed above.

Investors in the Clients include, but are not limited to, high net worth individuals, trusts, estates, charitable organizations, endowments, foundations, insurance companies, fund of funds, family offices, public and corporate pension plans and other corporate and business entities.

The Funds require Investors to meet certain minimum investment criteria and suitability requirements as detailed in the Offering Documents. In order to invest in any of the Funds, an Investor is required to complete and execute a subscription agreement that, among other things, requires the Investor to represent that it meets the suitability requirements of the applicable Fund. Investors in the Funds are required to make an initial minimum subscription of \$20 million subject to a determination by the General Partner or the Board of Directors, as applicable, in their sole discretion, to accept initial subscriptions of a lesser amount. Investors in the Funds can make additional subscriptions at such times as the General Partner or the Board of Directors, as applicable, may determine in their sole discretion. The minimum additional subscription for the Funds is \$5 million, subject to a determination by the General Partner or the Board of Directors, as applicable, in their sole discretion, to accept additional subscriptions of a lesser amount. Co-Investment Vehicle Investors are subject to such minimum investment amounts as may be disclosed in the relevant Co-Investment Vehicle's Offering Documents.

While it is not anticipated that the Clients will enter into agreements ("side letters") with certain prospective or existing Investors whereby such Investors may be subject to terms and conditions that are more advantageous than those set forth in the Offering Documents, there are instances in which Darsana has executed side letters generally for tax, political, regulatory or similar reasons.

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

### Methods of Analysis and Investment Strategies

As described more fully in the Offering Documents, the Funds are fundamental long-short investment funds focused on global equities.

The investment objective of the Funds (through their investment in the Master Fund) is to seek to compound capital at high absolute rates of return while seeking to avoid significant capital loss. Darsana seeks to make concentrated investments in companies and industries that Darsana believes are undergoing significant secular change where Darsana has a differentiated view of the outcome. Additionally, Darsana seeks to pursue short term investments to generate absolute returns. Darsana seeks to apply a consistent investment process consisting of micro-driven idea generation, in-depth and data-intensive research, and refined investment frameworks. Darsana believes its competitive advantage will be driven by its time horizon, investment process, data gathering efforts, and highly collaborative culture.

The Funds will primarily invest in the equity of publicly-traded issuers globally, across multiple industries. Darsana's geographic and industry exposures will follow from its idea flow and will not generally target any specific range of geographic or industry exposures.

As described more fully in their Offering Documents, the Funds may purchase investments for which there is no readily available market or observable price such as private investments (including any related hedges) and/or which Darsana, in its sole discretion, determines should be treated as a "Designated Investment." Only those Fund Investors who have elected to participate in Designated Investments and who are Fund Investors on the date a particular Designated Investment is made (or designated) will participate in such Designated Investment.

Co-Investment Vehicles are generally organized to make investments as outlined in the relevant Co-Investment Vehicle's Offering Documents. Investors and potential investors in a Co-Investment Vehicle should refer to the Co-Investment Vehicle's Offering Documents for details of the Co-Investment Vehicle's methods of analysis, investment strategies and risk of loss.

### Risk of Loss

As a general matter, investing in securities involves a risk of loss that Investors should be prepared to bear. The following summary identifies the material risks related to Darsana's investment strategy and should be carefully evaluated prior to making an investment; however, the following does not intend to identify all possible risks of an investment in the Clients or provide a full description of each identified risk. Investors should also review the Offering Documents for further information on the applicable risks. Examples of such risks include, but are not limited to:

#### Nature of Investments

Darsana has broad discretion in making investments for the Clients. Investments generally consist of global equity and equity-related securities and other assets that may be affected by business, financial market or legal uncertainties. There can be no assurance that Darsana will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investments. Prices of investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Funds' activities and

the value of their investments. In addition, the value of the Portfolio may fluctuate as the general level of interest rates fluctuates.

#### Equity-Related Investments

Darsana may use equity-related instruments in its investment program. Certain options and other equity-related instruments may be subject to various types of risks, including market risk, liquidity risk, counterparty credit risk, legal risk and operational risk. In addition, equity-related instruments can involve significant economic leverage and may, in some cases, involve significant risks of loss.

#### Short Sales

Darsana may engage in short sales which can substantially increase the impact of adverse price movements on the Portfolio. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no assurance that securities necessary to cover a short position will be available for purchase.

#### Derivatives, Counterparty and Settlement Risks

To the extent that the Funds invest in swaps, derivative or synthetic instruments, repurchase agreements or other over-the-counter transactions or, in certain circumstances, non-U.S. securities, the Funds may take a credit risk with regard to parties with whom they trade and also bear the risk of settlement default.

#### Lack of Diversification

Although the Funds have no investment restrictions with respect to types of securities, countries or industry sectors, the Portfolio may not be as diversified as other investment vehicles. Accordingly, the Portfolio may be subject to more rapid change in value than would be the case if the Funds were required to maintain a wide diversification.

#### Lack of Liquidity

The Clients' assets may, at any given time, include securities and other financial instruments or obligations that are thinly-traded or for which no market exists and/or which are restricted as to their transferability under applicable securities laws. No voluntary withdrawals may be made by an Investor from Designated Investments and Investors will continue to participate in the Designated Investments until the investments are liquidated, realized or deemed realized.

#### Business and Regulatory Risks

Legal, tax and regulatory changes could occur during the term of the Clients that may adversely affect the Clients.

#### Private Company Investing Conflicts

The investment activities of one or more Clients of Darsana may result in the imposition of restrictions on the flexibility of other Client accounts. For example, if Darsana obtains material non-public information concerning a company on behalf of a Client in connection

with a privately negotiated transaction, other Clients may be unable to trade in the securities of the same company in the public markets.

#### Allocation of Time and Activities

Each of Darsana and the General Partner will use its best efforts in connection with the purposes and objectives of its Clients and will devote so much of their time and effort to the affairs of its Clients as may, in their judgment, be necessary to accomplish the purposes of its Clients. As further described in the Offering Documents, Darsana, the General Partner, each of their respective directors, members, partners, shareholders, managers, officers, employees, agents, affiliates and representatives (hereinafter referred to as the “Affiliated Parties”) may conduct any other business, including any business within the securities industry, whether or not such business is in competition with its Clients. Darsana and its Affiliated Parties may have conflicts of interest in allocating their time and activities between the Clients and other entities, in allocating investments among the Clients and other entities and in effecting transactions for the Clients and other entities, including ones in which the Affiliated Parties may have a greater financial interest.

#### Cybersecurity Risk

The information and technology systems used by Darsana and key service providers to Darsana and its Clients to carry out routine business operations may be vulnerable to potential damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons, security breaches and usage errors by their respective professionals. Although Darsana has implemented various protections designed to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, it may be necessary for Darsana to make a significant investment to fix or replace them and to seek to remedy the effect of these issues. The failure of these systems for any reason could cause significant interruptions in the operations of Darsana or its Clients and result in a failure to maintain the security, confidentiality or privacy of sensitive data including personal information. A cybersecurity breach could expose both Darsana and its Clients to substantial costs (including, without limitation, those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse investor reaction, the dissemination of confidential and proprietary information and reputational damage), civil liability, regulatory inquiry and/or action. Furthermore, Darsana and its Clients cannot control the cybersecurity plans, strategies, systems, policies and procedures put in place by service providers to its Clients, the issuers in which its Clients invest, counterparties with which its Clients engage in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies, and/or other financial institutions.

#### Effects of Health Crises and Other Catastrophic Events

Health crises, such as pandemic and epidemic diseases, as well as other catastrophes that interrupt the expected course of events, such as natural disasters, war or civil disturbance, acts of terrorism, power outages and other unforeseeable and external events, and the public response to or fear of such diseases or events, have and may in the future have an adverse effect on Clients’ investments and Darsana’s operations. For example, any preventative or



protective actions that governments may take in respect of such diseases or events may result in periods of business disruption, inability to obtain raw materials, supplies and component parts, and reduced or disrupted operations for Client portfolio companies. In addition, under such circumstances the operations, including functions such as trading and valuation, of Darsana and other service providers could be reduced, delayed, suspended or otherwise disrupted. Further, the occurrence and pendency of such diseases or events could adversely affect the economies and financial markets either in specific countries or worldwide.

## **Item 9: Disciplinary Information**

Darsana and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a Client's evaluation of the company or its personnel.

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

Neither Darsana nor any of its supervised persons are registered or have an application pending to register as a broker-dealer or registered representative of a broker-dealer. Darsana and the General Partner have filed exemptions from registration as a commodity pool operator with the Commodity Futures Trading Commission.

Darsana serves as the investment manager to its Clients. As mentioned above, the General Partner is an affiliate of Darsana by common ownership and control. With the exception of any independent directors, any persons and employees acting on behalf of the General Partner are subject to the supervision and control of Darsana. While the General Partner is not separately registered as an investment adviser, all of its activities are subject to the Investment Advisers Act of 1940, as amended (the "Advisers Act") and the rules thereunder.

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

Darsana strives to observe the highest industry standards of conduct based on our obligation as a fiduciary to our Clients. In an effort to meet this obligation, we have adopted a written Code of Ethics (the "Code") that is applicable to all employees. Each employee will be provided a copy, and is required to acknowledge, in writing, that they have received, read, understand and will abide by, the Code and our Compliance Manual, upon commencement of employment and upon any material change to the Code.

The Code requires that employees act in our Clients' best interests and comply with applicable laws and regulations. Employees are expected to avoid any action that is, or could even appear to be, legally or ethically improper. Employees are required to bring any violations, actual or suspected, of the Code to the attention of Darsana's Chief Compliance Officer promptly. Failure to comply with the Code may result in disciplinary action or other sanctions.

The Code also places certain restrictions on the personal trading activities of our employees and their immediate family members sharing the same household. Employees may generally not engage in personal trading and may only dispose of securities held in their respective personal trading accounts prior to employment with Darsana, subject to pre-clearance by the Chief Compliance Officer. However, employees may purchase and sell open-end mutual funds, broad based exchange

traded funds, and any other securities not specifically prohibited by the Code. Employees are required to disclose their personal securities holdings on an initial and annual basis, and their personal securities transactions quarterly to the Chief Compliance Officer. Employees may also participate in limited offerings such as hedge funds, private equity funds, or other types of private offerings, subject to pre-clearance procedures.

Darsana, and certain of its employees or affiliates (collectively “Related Persons”), will generally have an investment in the Clients managed by Darsana. As a result, Related Persons have an interest in an investment that may also be recommended to Clients and Investors.

A copy of our Code of Ethics shall be provided to any Investor or prospective Investor upon request. Investors may obtain a copy of our Code of Ethics by contacting Darsana’s Chief Compliance Officer at (212) 589-5300.

## **Item 12: Brokerage Practices**

### Soft Dollar Benefits

While Darsana does not currently anticipate using “soft dollars,” to the extent that it does, it will be within the Section 28(e) safe harbor. 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. Darsana will limit the use of “soft dollars” to obtain research and brokerage services to services that constitute research and brokerage within the meaning of Section 28(e). Research services within Section 28(e) include, but are not limited to, research reports (including market research); certain financial 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); advice from brokers on order execution; and certain proxy services. Brokerage services within Section 28(e) 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 other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the Securities and Exchange Commission or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations.

In some instances, Darsana may receive a product or service that may be used only partially for functions within Section 28(e) (e.g., an order management system, trade analytical software or proxy services). In such instances, Darsana will make a good faith effort to determine the relative proportion of the product or service used to assist Darsana in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e). The proportion of the product or service attributable to assisting Darsana in carrying out its investment decision-making responsibilities will be paid through brokerage commissions

generated by Client transactions and the proportion attributable to administrative or other purposes outside Section 28(e) will be paid for by Darsana from its own resources.

Research and brokerage services obtained by the use of commissions arising from the Portfolio's transactions may be used by Darsana in its other investment activities and thus, the Clients may not necessarily, in any particular instance, be the direct or indirect beneficiary of the research or brokerage services provided.

Darsana executes securities transactions with multiple executing brokers and currently utilizes multiple prime brokers for the Clients, through which trades clear. Many of these brokers provide Darsana with access to proprietary research reports (such as investment research) which are used for the Clients.

#### Best Execution

Darsana has complete discretion in deciding what brokers and dealers its Clients use and in negotiating the rates of brokerage commissions and other compensation its Clients pay. Darsana's Clients buy and sell securities directly from or to dealers acting as principal at prices that include markups or markdowns, and may buy securities from underwriters or dealers in public offerings at prices that include compensation to the underwriters and dealers.

Investment transactions for the Clients will be allocated to brokers and dealers on the basis of best execution and in consideration of relevant factors, including price quotes; the size of the transaction and ability to find liquidity; the broker-dealer's promptness of execution; confidentiality considerations; the nature of the market for the financial instrument; the timing of the transaction; difficulty of execution; the broker-dealer's expertise in the specific financial instrument or sector in which the Clients seek to trade; the extent to which the broker-dealer makes a market in the financial instrument involved or has access to such markets; the broker-dealer's skill in positioning the financial instruments involved; the broker-dealer's financial stability; reputation for diligence, fairness and integrity; quality of service rendered by the broker-dealer in other transactions for Darsana; the quality and usefulness of research services and investment ideas presented by the broker-dealer or third parties; the broker-dealer's willingness to correct errors; the broker-dealer's ability to accommodate any special execution or order handling requirements that may surround the particular transaction; the broker-dealer's provision or payment of the costs of brokerage and research services that are of benefit to the Clients or Darsana; and other factors deemed appropriate by Darsana. Darsana need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost or spread. Darsana regularly evaluates the execution performance of brokers executing transactions for its Clients. It is not Darsana's practice to negotiate "execution only" commission rates, thus the Clients may be deemed to be paying for research, brokerage or other services provided by the broker which are included in the commission rate.

#### Aggregation & Allocation of Orders

As discussed above, it is anticipated that the Domestic Fund and Offshore Fund (through the Intermediate Fund) will invest substantially all of their investable capital in the Master Fund. Portfolio investments will be generally traded and held on behalf of the Master Fund. However, in certain instances, it may be advantageous to trade at the Feeder Fund level instead. In such instances and when appropriate, Darsana may, but is not required to, aggregate Client orders to achieve more

efficient execution or to provide for equitable treatment among accounts. Clients participating in aggregated trades will be allocated securities based on the average price achieved for such trades.

To the extent a particular investment is suitable for the Funds as well as a Co-Investment Vehicle, such investment will be allocated between the Funds and the Co-Investment Vehicle in a manner that Darsana determines is fair and equitable under the circumstances.

#### Client Referrals

In selecting brokers and negotiating commission rates, Darsana will take into account the financial stability and reputation of brokerage firms, and the research, brokerage or other services provided by such brokers. Darsana places transactions with a broker or dealer that (i) provides Darsana (or an affiliate) with the opportunity to participate in capital introduction events sponsored by the broker-dealer or (ii) refers Investors to its Clients or other products advised by Darsana (or an affiliate), if otherwise consistent with seeking best execution. Darsana is not selecting the broker-dealer in recognition of the opportunity to participate in such capital introduction events or the referral of Investors.

#### Trade Errors

Darsana seeks to detect trade errors prior to settlement and to correct and/or mitigate them in an expeditious manner. To the extent an error is caused by a third party, such as a broker, Darsana will strive to recover any losses associated with the error from that third party. As further described in the Offering Documents, in the event that the Clients incur a trade error solely as a result of Darsana's gross negligence, willful misconduct, violations of applicable laws or a material uncured breach of the Offering Documents, errors are to be corrected by Darsana as soon as practicable and in a manner such that the Client incurs no loss. Trade errors that result other than by breach of the standard of care stated above will be borne by the relevant Client. To the extent that any gains arise from trading errors and as such are received by a Client, then such gains will be retained by the relevant Client.

### **Item 13: Review of Accounts**

All investments are reviewed on a continuous basis. Darsana's investment personnel meet regularly to discuss investment ideas, economic developments, and industry outlook. In addition, we monitor investment objectives and guidelines, positions, transactions, exposure, risk, and other issues related to current Portfolio holdings and potential investment opportunities.

Darsana provides each Fund Investor with the following reports: (i) audited annual financial statements; (ii) unaudited monthly account statements and performance reports; and (iii) annual tax information necessary to complete any applicable tax returns. Co-Investment Vehicle Investors receive reports pursuant to the terms of the Co-Investment Vehicle's Offering Documents.

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

Other than as disclosed in Item 12 with respect to "soft dollar" arrangements, Darsana does not receive any economic benefits from non-Clients in connection with the provision of investment advice to its Clients.

Darsana does not currently utilize third-party placement agents or solicitors to introduce prospective Investors to its Clients, though it may do so in the future. The fees and expenses of any third-party placement agents (if any) will be paid by Darsana.

### **Item 15: Custody**

All Client assets are held in custody by unaffiliated broker-dealers or banks. However, due to our access to Client funds and securities as General Partner or Investment Manager of our Clients' accounts and our authority to deduct fees and other expenses from our Clients' accounts, we are deemed to have custody of our Clients' funds and securities. We do not provide Investors with statements from the custodian. Instead, our Clients will be subject to annual financial statement audits conducted by an accounting firm that is subject to regular inspection by the Public Company Accounting Oversight Board. The Clients' financial statements will be audited in accordance with accounting principles generally accepted in the United States (U.S. GAAP) and distributed to each Investor within 120 days of the Clients' fiscal year end.

### **Item 16: Investment Discretion**

We maintain full investment discretion over all of our Clients' accounts. We have the authority to determine, without obtaining specific Client consent, the amount and price of securities bought and sold, the preferred broker-dealers through which they affect trades, and the commission rate charge for trades. Investors do not have the ability to impose limitations on the Investment Manager's discretionary authority. Before accepting subscriptions for interests, we provide all of our Investors with the Offering Documents describing our investment strategy and program and the terms of investment and all Investors must execute a subscription agreement in which they make various representations.

Darsana may periodically offer co-investment opportunities to certain qualified investors, either directly or through separately established co-investment vehicles. To the extent a particular investment is suitable for one or more Funds and Co-Investment Vehicles, such investment will be allocated between the Funds and Co-Investment Vehicles in a manner that Darsana determines is fair and equitable under the circumstances. Darsana may, but is not required to, provide co-investment opportunities to third parties, including Investors, strategic investors and/or other third parties not affiliated with Darsana. The decision as to whether to make co-investments, the terms applicable to any co-investment opportunity, and to whom such co-investment opportunities are offered is made by Darsana in its sole discretion, and no Investor or third party has a right to participate in co-investments. When offering co-investment opportunities to a particular third party, Darsana considers the following factors: (i) whether the third party may provide strategic value to the Darsana and/or its Clients; (ii) Darsana's prior experience with the third party (if any); (iii) Darsana's assessment that a third party will be able to consummate its co-investment within the timeframe established by Darsana; (iv) the ability of a third party to commit to fund a significant portion of such co-investment opportunity; (v) legal, tax and regulatory matters; (vi) whether such third party has previously expressed an interest in participating in co-investment opportunities; and, (vii) other factors deemed relevant by Darsana, in its good faith discretion. Darsana Parties may also participate, directly or indirectly, in co-investments and accordingly, this may reduce the availability of co-investment opportunities for third parties. The terms applicable to any co-investment opportunity will be established in the sole discretion of Darsana.

**Item 17: Voting Client Securities**

In accordance with its fiduciary duty to its Clients and Rule 206(4)-6 of the Investment Advisers Act, Darsana has adopted and implemented written policies and procedures governing the voting of Client securities. All proxies that Darsana receives are treated in accordance with these policies and procedures and such proxies are voted in the best interest of the Clients. Darsana generally votes in accordance with the recommendation of an issuer's management.

Darsana has retained a third-party service provider in the proxy voting and corporate governance areas to assist in the due diligence process related to making appropriate proxy voting decisions for all accounts. Darsana also utilizes the proxy voting service provider to facilitate the voting process and to provide recordkeeping with respect to how we voted Client proxies.

Darsana attempts to identify any conflicts of interests prior to voting proxies. If Darsana determines that our firm or one of our employees faces a material conflict of interest in voting a proxy (e.g., an employee of Darsana may personally benefit if the proxy is voted in a certain direction), Darsana's procedures provide for the independent third party to determine the appropriate vote.

Darsana may abstain from voting if it deems that abstaining is in the best interests of its Clients. For example, the Clients have securities lending agreements with their prime broker and may be unable to vote securities that have been lent or rehypothecated by the prime brokers.

Darsana has retained a third-party service provider to assist with the class action claims process, however, Darsana may, from time to time, facilitate the claims process for certain class actions directly. As a default, the Clients will opt out of international class action events but Darsana will review each on a case by case basis. The distribution amount that the Clients may receive as a result of the participation in any one class action event is typically not known until the payment is received. Investors invested in the Clients at the time of the distribution will be allocated any proceeds received. As compensation for its services, the third-party service provider will receive a fee based upon a percentage of any class action recoveries.

Our complete proxy voting policy, proxy voting record and procedures are available for review by Investors. Investors may obtain a copy of our proxy voting policy or proxy voting history by contacting Darsana's Chief Compliance Officer at (212) 589-5300.

**Item 18: Financial Information**

A balance sheet is not required to be provided as Darsana does not solicit fees more than six months in advance. Darsana does not have a financial condition that is likely to impair its ability to meet contractual commitments to its Clients and has not been subject to any bankruptcy proceeding during the past 10 years.