

**Item 1. Cover Page**

**WHITNEY PEAK CAPITAL, LP**

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**FORM ADV PART 2A**

**January 2021**

**This brochure provides information about the qualifications and business practices of Whitney Peak Capital, LP (“Whitney Peak”, “we”, “us” or “the Firm”). If you have any questions about the contents of this brochure, please contact us at 617-777-3888. 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. Registration with the SEC or a state securities authority does not imply a certain level of skill or training.**

**Additional information about Whitney Peak Capital, LP also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2. Material Changes**

The rules promulgated under the Investment Advisers Act of 1940, as amended (the “Advisers Act”) require the Firm to identify and discuss any material changes made to its brochure since the last annual update. The last update for this Brochure was filed by Whitney Peak with the SEC on May 21, 2020. Since our last updating amendment, we have made the below revisions to this Brochure:

- Item 4. Advisory Business – Updated section detailing structure, history and ownership of Whitney Peak to account for the change in control of Whitney Peak as a result of its acquisition by Alphadyne Asset Management LP, and clarified that one of the third-party investment managers with whom certain Whitney Peak-advised funds invest is affiliated with Whitney Peak.
- Item 5. Fees and Compensation – Updated section to disclose that layering of advisory fees includes investments in affiliated funds.
- Item 10. Other Financial Industry Activities and Affiliations – Updated section to include Alphadyne Asset Management LP and its related entities as affiliates of Whitney Peak, detailed new potential conflicts of interest (and associated mitigants) and noted Mr. Minklei’s role at each adviser.

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## **Item 4. Advisory Business**

### **Structure; History and Ownership**

Whitney Peak is an investment advisory firm with its principal place of business in Boston, Massachusetts. Whitney Peak was formed on December 20, 2018. Whitney Peak filed for registration with the SEC on January 10, 2019.

In November 2019 Whitney Peak underwent a change in its organizational structure from a limited liability company to a limited partnership. Accordingly, the name of the Firm also changed from Whitney Peak Capital, LLC to Whitney Peak Capital, LP and such conversation did not represent a change in control or management of the Firm.

Effective January 1, 2021, Alphadyne Asset Management LP (“Alphadyne”), an investment adviser registered with the SEC, acquired a majority interest in Whitney Peak and Alphadyne’s general partner, Alphadyne GP Holdings LLC, became the general partner of Whitney Peak (the “Acquisition”). As a result of the Acquisition, Kenneth Minklei no longer has a majority economic or controlling interest in Whitney Peak which constitutes a change of control of the adviser. Mr. Minklei remains the Chief Executive Officer and Chief Investment Officer of Whitney Peak, devoting the time and effort to each advisory client’s investment strategy as is necessary to accomplish the purposes of each client. Mr. Minklei also performs certain investment advisory services for Alphadyne.

### **Types of Advisory Services**

We provide investment advisory services to privately offered investment funds, including sub-funds of one or more umbrella fund structures, as general partner or investment adviser (all such private funds are referred to in this brochure as the “Funds”). The Funds to which we provide investment advisory services are sometimes referred to in this brochure as the “accounts.”

The Funds offer securities to investors only through private placements of such securities. The detailed terms applicable to investors in the Funds are described in the Funds’ organizational documents and described in each Fund’s offering memorandum.

We offer a wide range of investment strategies that we employ for the Funds. The particular strategy or strategies to be employed for a particular account are identified and described in the applicable offering memorandum (and supplement, where applicable) or investment advisory agreement. Those strategies may include, without limitation, manager of manager portfolios, and client-customized absolute-return oriented vehicles.

Our investment objective is to generate superior risk-adjusted returns over a broad range of market environments, through careful manager selection and co-investment opportunities. Each Fund invests using third-party investment managers (“External Investment Managers”), through investment vehicles (“Portfolio Funds”) managed by the External Investment Managers, and directly in securities (mostly co-investments), in each case that we identify through a disciplined process involving manager and security level research. Note that as of January 1, 2021, one External Investment Manager, Alphadyne, is an affiliate of Whitney Peak.

The Funds differ in the risk and return objectives and the types of investors to whom they are offered.

The investment strategies we employ on behalf of the accounts are described in greater detail below in Item 8 and in the offering documents or investment advisory agreements applicable to each account.

### **Assets Under Management**

As of December 31, 2019 we manage approximately \$277,396,515 in assets under management on a discretionary basis across seven Funds, two of which we are a sub-adviser for.

## **Item 5. Fees and Compensation**

### **Fees**

We are generally entitled to two types of fees from each of the Funds: (i) an asset-based management fee; and (ii) an incentive allocation (from a limited partnership) or incentive fee (from an offshore company) based upon the performance of the Fund.

We offer a number of different customized Funds for clients with a range of risk and return objectives. Therefore, we generally customize the fee structure to match the objectives of the Fund. For example, the management fee is typically 0.8% per year of the Fund's net assets. The annual fee is prorated and typically charged quarterly, in arrears or in advance, based upon the market value of the assets we manage on the last day of the previous billing period. If assets are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is not adjusted to reflect the interim change in portfolio value. For the initial period of an engagement, the fee is calculated on a *pro rata* basis. In the event the advisory agreement is terminated or an investor redeems shares in a Fund, the fee for the final billing period, if paid in advance, is prorated through the effective date of the termination or the redemption and the outstanding or unearned portion of the fee is charged or refunded to the client or investor, as appropriate.

The incentive allocation or fee is typically 10% of the net profits over a hurdle rate of the Fund for the relevant period attributable to each investor's limited partnership interest or shares in the Fund. The incentive allocation or fee is typically determined and allocated/paid on an annual basis, but will be determined and allocated/paid for shorter or longer periods under certain circumstances (such as with respect to amounts withdrawn/redeemed from a Fund or for multi-year cumulative hurdle structures). The incentive allocation or fee is subject to a loss carry forward or high water mark provision that generally requires that any losses suffered by the Fund (adjusted to reflect withdrawals/redemptions) be offset by subsequent net profits before we are entitled to subsequent incentive allocations or incentive fees from the Funds.

The details of how the fees are calculated for the Funds can be found in the organizational and offering documents of the Funds, which are provided to potential investors.

The fees described above are our typical fee rates. However, each Fund has the right to enter into agreements with one or more of its investors providing for the waiver or modification of certain terms of the offering of Fund interests, or certain rights and obligations of Fund investors, including fees, otherwise applicable to such interest(s), in each case without notice to the other Fund investors. Under certain circumstances we may agree to different fee terms from those described above for particular Funds.

The fees payable by the Funds are deducted from the assets of the Funds and paid to us or, in the case of investment allocations, are reallocated from the capital accounts of investors and into our capital account.

Fees charged by the External Investment Managers selected by us to manage portions of an account's assets are separate from and in addition to the fees described above, including in cases where the External Investment Manager is an affiliate of Whitney Peak. These fees are set out in each investment manager's investment advisory agreement or, in the case of mutual funds and private funds, in the prospectus or offering memorandum. We are responsible for monitoring each relationship and reviewing the fees charged.

Item 10 further describes conflicts associated with fees charged by affiliated External Investment Managers.

## Expenses

The Funds we manage bear all of their own investment and operating expenses as outlined below.

Each Fund pays, or reimburses us or the Fund's administrator for, all operating expenses and other costs of the Fund that we are not required to bear including, but not limited to:

- Accounting and auditing fees, including
  - tax return preparation costs, relating to the Fund's accountants,
  - fees of bookkeepers and
  - related services;
- Legal fees and expenses;
- Insurance and bonding costs;
- Fees (including legal fees) or assessments in connection with any regulatory registrations, qualifications or approvals of the Fund or us that we deem appropriate in connection with the activities of the Fund;
- The cost of preparation and distribution of reports and statements to investors;
- Transfer taxes,
- Wire transfer and electronic Fund fees,
- All trading expenses and transaction costs, including brokerage commissions and expenses relating to short sales, clearing and settlement charges, interest on loans and debit balances, margin interest, broker service fees and other clearing and custodial expenses, and
- Such research and portfolio management expenses as we deem appropriate, which may include, but are not limited to, expenses incurred in traveling to and attending research conferences and otherwise conducting research activities, costs of research reports, fees of outside consultants and experts.

Accounts that invest through External Investment Managers also bear fees associated with External Investment Manager background checks and a pro rata portion of the expenses of each portfolio Fund in which the account invests, including the management and incentive fees payable to the applicable External Investment Managers.

As we consider appropriate, and in accordance with the documents governing an account, we may invest a portion of an account's assets in one or more money market funds, mutual funds or exchange-traded funds. When any such investments are made, the account will be paying, in addition to the compensation payable to us, the account's proportionate share of any management fees charged by the External Investment Manager of such money market fund or mutual fund.

A description of the brokerage and other transaction costs that are borne by the accounts are described in more detail in Item 12 (Brokerage Practices) in this brochure.

## Item 6. Performance-Based Fees and Side-by-Side Management

As described in Item 5 above, we receive part of our compensation from certain accounts in the form of performance-based allocations and fees. We may also manage accounts from which we do not receive performance fees.

The performance fee payable by some accounts may create an incentive for us, when allocating investment opportunities, to favor accounts that charge performance fees as they are likely to pay higher fees versus accounts that are not subject to a performance fee. We follow principles for allocating investment opportunities in a manner that we believe will ensure that all accounts are treated fairly and equitably, with the goal of preventing these conflicts from influencing the allocation of investment opportunities among

accounts.

## **Item 7. Types of Clients**

We generally provide investment advice to privately offered investment Funds. The types of investors in the Funds may include the following: endowments, foundations, pension plans, trusts, estates, charitable organizations and other entity types, and high net worth individuals and family offices.

There is no minimum size for accounts that we will advise. The Funds each have a minimum initial investment amount of \$1 million. Additional investments to any of the Funds must be in increments of \$100,000.

These minimums may be reduced or waived by the general partners of the Funds that are partnerships or the board of directors of the Funds that are companies, subject in certain cases to applicable statutory minimums.

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

### **Methods of Analysis and Investment Strategies**

#### Primary Investment Strategies

Whitney Peak's investment programs are designed to achieve capital appreciation with low correlation relative to traditional global equity and corporate credit markets. We seek to do this through a combination of selecting External Investment Managers, asset classes, investment strategies and co-investments that we feel provide adequate return potential for the risk taken while not being solely dependent on the direction of traditional equity and credit market for their source of return. We manage risk through portfolio construction and diversification across strategies, geographies, sectors, and individual securities. We typically seek to achieve the investment objective of each account by investing the assets among a group of underlying External Investment Managers, index products, and co-investments. The assets allocated to External Investment Managers are invested in private funds (e.g., hedge funds, private equity funds, etc.), mutual funds and exchange-traded funds ("ETFs"). We reserve the right to also invest a portion of the assets of certain accounts directly in securities and other instruments.

*External Investment Manager Selection:* We use both commercially available and proprietary databases to track the universe of External Investment Managers that we follow in both traditional (e.g., long-only public bonds and equities) and alternative assets (e.g., hedge funds and private equity funds). We allocate capital to External Investment Managers that we believe are differentiated. Our screening process includes evaluating a wide range of factors, which may include, without limitation, the repeatability of the investment strategy employed by the External Investment Manager, the experience and integrity of the External Investment Manager, historical performance, and the quality of the External Investment Manager's infrastructure. We then monitor the selected External Investment Manager and their Funds (where applicable) on an ongoing basis to ensure that they can continue to adhere to our high standards of quality and risk control.

Where permitted by the applicable account documents, we retain the right to cause the accounts to invest a significant portion of their assets in one or more of the following: illiquid securities, including privately placed equity (of public and private companies), defaulted debt, bank debt and trade claims, bonds (convertible and non-convertible), other fixed income investments, and senior and subordinated tranches of asset-backed pools.

The particular strategy or strategies to be employed by each account can be found in the organizational and

offering documents of the Funds.

Our investment strategies inherently involve certain significant risks. There can be no assurance that our investment objective will be realized or that any account will be profitable in the future. See the section titled “*Risks Associated with Our Investment Strategies*” below.

### Investment Techniques

We and the External Investment Managers are typically authorized to employ a broad variety of specified investment techniques in furtherance of our and their investment strategies. In addition to our co-investment and hedging programs, our strategies include, without limitation, the following investment techniques:

*Leverage.* The External Investment Managers may utilize leverage with respect to their investment activities. Leverage involves the use of borrowed funds, primarily margin borrowings, to increase the amount of invested capital in a Portfolio Fund’s long or short positions. In general, there are no fixed limitations on the Portfolio Funds’ use or extent of leverage, other than applicable regulatory requirements. Employment of leverage can increase both the proportionate amount of potential gain, as well as of potential loss, relative to a Portfolio Fund’s equity capital. In a typical long position involving margin borrowing, for example, as much as approximately one-half of a Portfolio Fund’s invested funds may be furnished by margin borrowings. If, however, the value of the position declines (or, in the case of a margined short position, the securities sold short increase in value), the securities (or cash) serving as collateral for such margin position may be liquidated, resulting in a loss proportionately greater than would be the case absent such use of leverage.

*Short Selling.* We and the External Investment Managers may employ short selling opportunistically as a part of our and their investment strategies, where we or the External Investment Managers believe the security sold short is likely to decline in price, and hedging situations, where the position is intended to wholly or partially offset another position in a related security. Selling securities short involves selling securities which a Portfolio Fund does not own. In order to make delivery to its purchaser, the Portfolio Fund must borrow securities from a third party lender. The Portfolio Fund subsequently returns the borrowed securities to the lender by delivering to the lender securities purchased in the open market. The Portfolio Fund must generally pledge cash with the lender equal to the sales proceeds of the borrowed securities as well as any additional cash or securities required as collateral under applicable margin regulations. In addition to lending the securities, the lender generally pays the Portfolio Fund a fee (or rebate of interest) for the use of the Portfolio Fund’s cash. A Portfolio Fund will generally realize a profit or a loss as a result of a short sale if the price of the security decreases or increases between the date of the short sale and the date on which the Portfolio Fund covers its short position, *i.e.*, purchases the security to replace the borrowed security.

*Options.* We and/or the External Investment Managers may cause the Portfolio Funds to engage in various types of options transactions, including speculative and hedging positions in options on securities, commodities, indices and other investments, including both put and call options. Hedging activity is designed to reduce the risks relating to market fluctuations in the price of a security held long by a Portfolio Fund, as well as risks attendant to short selling, and may offset other transactions in the underlying stock or other securities held by the Portfolio Fund involved in the transaction. Short positions maintained a Portfolio Fund may be hedged through the purchase of call options on the securities sold short. In certain situations, a Portfolio Fund may purchase put options as an alternative (in whole or in part) to establishing a short position.

We and/or the External Investment Managers may cause the Portfolio Funds to write or sell options on securities and other instruments, whether or not such options are covered. An option written by a Portfolio Fund is “covered” if (in the case of a call option) the Portfolio Fund owns the security, currency or other instrument underlying the option or has a right to acquire such underlying instrument without additional



cash consideration (or for additional cash consideration held in a segregated account) or (in the case of a put option) the Portfolio Fund has an equivalent short position, or offsetting long put position, in the underlying instrument.

A Portfolio Fund may also utilize certain market-wide options, such as various types of index or “market basket” options, in an effort to hedge against certain market-related risks, as we or the External Investment Manager deems appropriate. Accordingly, a Portfolio Fund may have positions in a variety of options or similar instruments.

We and the External Investment Managers are generally authorized to engage in a broad variety of investment techniques on behalf of the Portfolio Funds, in furtherance of the Portfolio Funds’ investment strategies. Accordingly, the possible investment techniques we and they may use with respect to the Portfolio Funds will not necessarily be limited to those described above.

### Risk Management

We apply risk controls in the management of accounts’ portfolios. We use a variety of ongoing risk management policies and practices, including monitoring and adjustment of portfolio exposure; application of portfolio exposure guidelines; and the use of portfolio evaluation tools.

Notwithstanding the above risk management practices, our investment strategies inherently involve certain significant risks. See the section titled “*Risks Associated with Our Investment Strategies*” below. Moreover, there can be no assurance that the above practices will necessarily be applied in all cases, or if applied, will successfully limit risk to acceptable levels.

There is no assurance that any account’s investment objective will be realized or that any account will be profitable.

### **Risks Associated with Our Investment Strategies**

The investment strategies described above that we and/or the External Investment Managers use for the Portfolio Funds cover a wide range of investment types. Material risks involved in the strategies are described below.

*Alternative Investing Generally.* Our strategies are designed for investors seeking potential long-term growth from alternative investments, who do not require regular current income and who can accept a high degree of risk in their investments. In view of, among other things, the strategies’ flexibility to invest in a wide range of securities and instruments and to use a broad variety of investment techniques, the strategies may be deemed speculative in nature and are not intended to be a comprehensive investment program. The strategies are intended solely for sophisticated investors who are accustomed to and fully understand the risks of such investments.

No assurance can be given that an account will achieve its investment objective or that an account’s investment strategy will be successful.

*Selection and Monitoring of External Investment Managers and Portfolio Funds.* There is a risk that in our selection process we will not identify appropriate External Investment Managers or Portfolio Funds for account portfolios, or will not identify weaknesses in an External Investment Manager’s compliance or operational controls or existing material regulatory, financial or other operational issues. Further, there is a risk that an External Investment Manager or Portfolio Fund fails to meet our expectations over time, develops significant weaknesses in its compliance or operational controls that could materially adversely affect an account’s investment or develops material regulatory, financial or other operational issues.

*Multiple Managers.* The overall success of our manager of manager strategies (including funds of funds) depends on, among other things, (i) the ability to develop a successful asset allocation strategy, (ii) the ability to select External Investment Managers and to allocate the assets amongst them, and (iii) the ability of the External Investment Managers to be successful in their strategies. The past performance of such strategies is not necessarily indicative of their future profitability. No assurance can be given that the strategy or strategies utilized will be successful under all or any future market conditions.

Because we may allocate account assets to multiple External Investment Managers who make their trading decisions independently, it is possible that one or more of such External Investment Managers may, at any time, take positions which may be opposite of positions taken by other External Investment Managers. It is also possible that External Investment Managers may on occasion take substantial positions in the same security or group of securities at the same time. The possible lack of diversification caused by these factors may subject an account's portfolio to more rapid change in value than would be the case if the account's portfolio were more widely diversified. In addition, a particular External Investment Manager may take positions for an account which may be opposite to positions taken for its other clients.

*Dependence on External Investment Managers.* Each account that is primarily allocated to External Investment Managers will be highly dependent upon the expertise and abilities of those External Investment Managers. Each such External Investment Manager will have investment discretion over the applicable Portfolio Fund's assets and there is a risk that an event having a negative impact on one of the External Investment Managers, such as a significant change in personnel or corporate structure or resources, may adversely affect the account's results. External investment managers we select may not have extensive track records. We may take certain precautions to limit the amount of assets we allocate to newly established or inexperienced External Investment Managers.

*Due diligence considerations.* We will conduct the amount and type of due diligence we believe is adequate to select External Investment Managers and Portfolio Funds. However, due diligence is not foolproof and may not uncover problems associated with a particular Portfolio Fund or its External Investment Manager. For example, one or more of the External Investment Managers may engage in improper conduct, including unauthorized changes in investment strategy, which may be harmful and may result in losses to the account. We may rely upon representations made by External Investment Managers, accountants, attorneys, prime brokers, and/or other investment professionals. If any such representations are misleading, incomplete or false, this may result in the selection of an External Investment Manager that might have otherwise been eliminated from consideration had fully accurate and complete information been made available to us.

While the Portfolio Funds may be subject to certain investment restrictions, there can be no assurance that the Portfolio Funds' External Investment Managers will comply with such restrictions. Moreover, the accounts will rely upon the valuations provided by the prime brokers or administrators of the Portfolio Funds and we cannot verify the accuracy of such valuations throughout a given Portfolio Fund fiscal year. The accounts receive verification of Portfolio Funds annually as part of the Portfolio Funds' audit process. If an External Investment Manager deviates from an investment restriction, or the prime broker or administrator provides incorrect valuations, the Portfolio Fund and the applicable account could be adversely affected.

*Cybersecurity.* The computer systems, networks and devices we use and that are used by service providers to us and our accounts to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks, or devices potentially can be breached. An account could be negatively impacted as a result of a cybersecurity breach. Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches may cause disruptions and impact business operations, potentially

resulting in financial losses to an account; impediments to trading; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information. Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which an account invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, and other financial institutions; and other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

*General Investment Risk.* Investments selected directly by us and/or the External Investment Managers we select may decline in value for any number of reasons, including changes in the overall market for equity and/or debt securities, and factors pertaining to particular portfolio securities, such as management, the market for the issuer's products or services, sources of supply, technological changes within the issuer's industry, the availability of additional capital and labor, general economic conditions, political conditions and other similar conditions.

*Alternative Investment Funds.* Alternative investment funds, such as hedge funds, private equity funds, and other private investment funds, often are: (i) highly speculative and invest in complex instruments and structures including derivatives and structured products; (ii) illiquid with limited withdrawal or redemption rights; (iii) leveraged; (iv) subject to significant volatility; (v) subject to long holding periods; (vi) less transparent than public investments; (vii) subject to significant restrictions on transfers; (viii) affected by complex tax considerations; and (ix) in the case of private equity funds, affected by capital call default risk. In addition to the above, investors in these alternative investment funds such as the funds and the Portfolio Funds are subject to fees and expenses which will reduce profits or increase losses.

*Risks Specific to Strategies of the Funds.* The Funds pursue their own investment strategies, such as long/short equity, relative value and event driven strategies. Please also refer to the offering memorandum of each Fund for a discussion of the principal risks specific to that Fund's investment strategies.

*Concentration of Investments.* The identity and number of External Investment Managers to which an account's assets are allocated will vary over time. In addition, certain accounts may allocate to a limited number of External Investment Managers in comparison to other multi-manager Funds. Further, certain of the accounts may from time to time have a material percentage of their respective assets concentrated in one or more investment strategies or investments and a loss in any investment could have a material adverse impact on the applicable account's capital. There is a risk that an account's investments will not be diversified in all market conditions. The possible lack of diversification may subject the investments of such account to more rapid change in value than would be the case if the assets of such account were more widely diversified.

*Hedging Transactions.* Certain accounts and External Investment Managers may utilize certain financial instruments for both investment and risk management purposes. These instruments could include writing or buying options and other derivatives, as well as shorting securities, funds, indices, or swaps, and combining long and short positions in securities and instruments to reduce overall risk. The success of an External Investment Manager's hedging strategy will depend on the External Investment Manager's ability to predict the future correlation, if any, between the performance of the instruments utilized for hedging purposes and the performance of the investments being hedged. The change in the correlation may also result in the hedge increasing the overall risk of the portfolio. There is also a risk that such correlation will change over time rendering the hedge ineffective. Since the characteristics of many securities change as markets change or time passes, the success of an External Investment Manager's hedging strategy may also be subject to the External Investment Manager's ability to correctly readjust and execute hedges in an efficient and timely manner.

*Short Selling.* Short selling may be part of our and the External Investment Managers' investment strategies and will be utilized both in situations where External Investment Managers or we believe the securities in question are overvalued, and therefore likely to experience significant price declines, over time, or as a hedge or offset to related long positions. Short selling inherently involves certain additional risks. Selling securities short creates the risk of losing an amount greater than the initial investment in a relatively short period of time and the theoretically unlimited risk of an increase in the market price of the securities sold short. There is also the risk that the securities borrowed by an account in connection with a short sale would need to be returned to the securities lender on short notice. If the request for return of securities occurs at a time when other short sellers of the security are receiving similar requests, a "short squeeze" can occur, and the account might be compelled, at the most disadvantageous time, to replace borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier. In addition, short selling can involve significant borrowing and other costs which can reduce the profit or create losses in particular positions.

*Price Volatility.* Stocks are inherently volatile. Such volatility may result in the value of an account's assets fluctuating from time-to-time more greatly than that of other investment vehicles which may be more diversified. There can be no assurance that our investment strategies, including hedging techniques, or other techniques, will be effective in protecting the accounts from such price volatility.

*Investments in Restricted Securities.* We or the External Investment Managers may cause the accounts and/or the Portfolio Funds to invest a significant portion of their assets in "restricted securities," which are securities subject to significant legal or contractual restrictions on their public resale. Investing in restricted securities involves a number of significant risks. Without the ability to resell restricted securities in the public markets, an account may be compelled to hold such investments indefinitely or to dispose of them in private transactions on unattractive terms. Such restrictions therefore can impair both the avoidance of losses as well as the timely realization of gains. Although in some instances an account may have registration rights or other contractual means of achieving liquidity as to its investment in restricted securities, such rights may in fact be limited or ineffective in achieving the secondary market desired. Restricted securities invested in by the accounts may include highly speculative, developmental stage issuers, as well as securities of more seasoned companies, which can involve significant issuer or industry related risks.

*Investments with Limited or No Liquidity.* We or the External Investment Managers may decide to cause the accounts and/or the Portfolio Funds to take significant positions in particular securities which are relatively large as compared to their trading volume or overall market capitalization. Such positions may at times prove more difficult to sell in a timely or efficient manner and could thus impair to some extent an account's ability to fully realize portfolio gains or limit losses. We do not generally limit investments to issues of any particular minimum capitalization and may, in fact, focus upon smaller capitalization stocks when such securities appear to afford greater appreciation potential. Such stocks often have less liquidity than large capitalization issues.

*Leverage; Interest Rates; Margin.* As discussed above, accounts and Portfolio Funds may utilize leverage, primarily for investment purposes to increase investment positions or to make additional investments. An account will have no control over the amount of leverage used by a Portfolio Fund. Leverage may be employed by means of conventional margin arrangements, or through options, swaps, forwards and other derivative instruments.

While leverage (including the use of derivatives) presents opportunities for increasing an account's or a Portfolio Fund's total return, it has the effect of potentially increasing losses as well. Accordingly, any event that adversely affects the value of an investment, either directly or indirectly, could be magnified to the extent that leverage is employed. The effect of the use of leverage by the accounts and Portfolio Funds

in a market that moves adversely to the investments of the entity employing the leverage, could result in a loss to an account that would be greater than if leverage were not employed by the account or Portfolio Fund. In addition, to the extent that an account or a Portfolio Fund borrows funds, the interest cost at which the account or Portfolio Fund can borrow will affect the operating results of the account or Portfolio Fund. The use of leverage in accounts or Portfolio Funds organized as partnerships may result in certain investors, such as tax-exempt organizations, employee benefit plans and individual retirement accounts, recognizing “unrelated business taxable income” for federal income tax purposes.

The use of short-term margin borrowings by the accounts or Portfolio Funds may result in certain additional risks to the accounts or Portfolio Fund, as applicable. For example, should the securities that are pledged to brokers to secure an account’s or a Portfolio Fund’s margin accounts decline in value, or should brokers from which the account or Portfolio Fund has borrowed increase their maintenance margin requirements (i.e., reduce the percentage of a position that can be financed), then an account or a Portfolio Fund could be subject to a “margin call”, pursuant to which the account or Portfolio Fund must either deposit additional funds with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. The broker will typically have the right to liquidate an account’s or a Portfolio Fund’s portfolio in certain circumstances. In the event of a precipitous drop in the value of the assets of the account or Portfolio Fund, the account or Portfolio Fund might not be able to liquidate assets quickly enough to pay off the margin debt and might suffer mandatory liquidation of positions in a declining market at relatively low prices. Similar risks may arise in connection with longer-term borrowings and certain derivative transactions.

*Options.* We and the External Investment Managers may utilize options in furtherance of our investment strategies for both speculative and hedging purposes. Options positions may include long positions, where an account or a Portfolio Fund is the holder of put or call options, as well as short positions, where an account or a Portfolio Fund is the seller (writer) of an option. Although option techniques can increase investment return, they can also involve a relatively higher level of risk. The writing (selling) of uncovered options involves a theoretically unlimited risk of a price increase or decline, as the case may be, in the underlying security. The expiration of unexercised long option positions effectively results in loss of the entire cost or premium paid for the option. Option premium costs, as well as the cost of covering options written by an account, can reduce or eliminate position profits or create losses as well. The ability of an account or a Portfolio Fund to close out its position as a purchaser of an exchange listed option is dependent upon the existence of a liquid secondary market on option exchanges. On occasion we and the External Investment Managers may also utilize options, particularly in foreign markets, which may have limited liquidity.

The seller (“writer”) of a call option which is covered assumes the risk of a decline in the market price of the underlying security or other instrument below the purchase price of the underlying instrument, less the amount of premium received by the seller, and forgoes the opportunity for gain on the underlying instrument above the exercise price of the option. The buyer of a call option assumes the risk of losing its entire investment (the premium paid) in the call option. If the buyer of a call option sells short the underlying security or other instrument, a loss on the call option itself may be offset, in whole or in part, by any gain on the short sale of the underlying position.

The seller (“writer”) of a put option which is covered assumes the risk of an increase in the market price of the underlying security or other instrument above the sales price (in establishing the short position) of the underlying instrument, plus the premium received by the seller, and forgoes the opportunity for gain on the underlying instrument below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment (the premium paid) in the put option. If the buyer of a put option holds a long position in the underlying security or other instrument, a loss on the put option itself may be offset, in whole or in part, by any gain on the underlying position.

*Derivatives.* The derivatives markets are frequently characterized by limited liquidity, which can make it difficult as well as costly to close out open positions in order to either realize gains or to limit losses. Additionally, many derivatives are valued on the basis of dealers' pricing of these instruments. However, the price at which dealers value a particular derivative and the price which the same dealers would actually be willing to pay for such derivative should an account or a Portfolio Fund be required to sell such position may be materially different. Such differences may have a materially adverse effect on an account or a Portfolio Fund if it is required to sell derivative instruments in order to raise funds for margin purposes or to pay withdrawals.

The pricing relationships between derivatives and the underlying instruments on which they are based may not conform to anticipated or historical patterns, resulting in unanticipated losses.

The stability and liquidity of forwards, swaps, repurchase agreements, and other over-the-counter derivative transactions depend in large part on the creditworthiness of the parties to the transaction. If there is a default by the counterparty to a transaction, an account or a Portfolio Fund may have contractual remedies pursuant to the agreements related to the transaction; however, exercising such contractual rights may involve delays or costs, or may not be successful, which could adversely affect the account or Portfolio Fund. It is possible that in the event of a counterparty credit default, an account or a Portfolio Fund may not be able to recover all or a portion of its investment in such derivative instrument and may be exposed to additional liability (*i.e.*, the obligations associated with what has become an unhedged position).

*Defaulted Debt Securities and Other Securities of Distressed Companies.* We or the External Investment Managers may invest a portion of capital of the accounts or the Portfolio Funds in low grade or unrated debt securities ("high yield" or "junk" bonds) or in securities of distressed companies. Such investments involve highly significant risks. High yield bonds are regarded as being predominantly speculative as to the issuer's ability to make payments of principal and interest. Investment in such securities involves substantial risk. Issuers of high yield debt may be highly leveraged and may not have available to them more traditional methods of financing. Therefore, the risks associated with acquiring the securities of such issuers generally are greater than is the case with higher rated securities. The risk of loss due to default by the issuer is significantly greater for the holders of high yield bonds because such securities may be unsecured and may be subordinated to the creditors of the issuer.

Investment in securities of distressed companies involves highly significant risks. In general, we will only cause the accounts to make such investments when we believe it is reasonably likely that the issuer of the securities will successfully complete an exchange offer or other restructuring or consummate a plan of reorganization, as the case may be. However, there can be no assurance that such restructurings or reorganization plans will be successfully completed or consummated. In addition, even if a restructuring or reorganization is completed, there can be no assurance that the securities or other assets received by an account as a result of the restructuring or reorganization will not have a lower value or income potential than anticipated and may also be significantly restricted as to resale. Successful investing in distressed companies involves substantial time, effort and expertise, as compared to other types of investments. Information necessary to properly evaluate a distress situation may be difficult to obtain or be unavailable and the risks attendant to a restructuring or reorganization may not necessarily be identifiable or susceptible of considered analysis at the time of investment.

*Foreign Investments.* A portion of the assets of the accounts and the Portfolio Funds may consist of foreign investments, which may include foreign or domestic equity securities denominated in foreign currencies and/or traded outside of the United States. Such investments require consideration of certain risks typically not associated with investing in U.S. securities or property. Such risks include, among other things, trade balances and imbalances and related economic policies, unfavorable currency exchange rate fluctuations, imposition of exchange control regulation by the United States or foreign governments, United States and

foreign withholding taxes, limitations on the removal of funds or other assets, policies of governments with respect to possible nationalization of their industries, political difficulties, including expropriation of assets, confiscatory taxation and economic or political instability in foreign nations.

There may be less publicly available information about certain foreign companies than would be the case for comparable companies in the United States and certain foreign companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of United States companies. Securities markets outside the United States, while growing in volume, have for the most part substantially less volume than U.S. markets, and many securities traded on these foreign markets are less liquid and their prices more volatile than securities of comparable U.S. companies. In addition, settlement of trades in some non U.S. markets is slower, less systematic and more subject to failure than in U.S. markets. There also may be less extensive regulation of the securities markets in countries other than the United States.

*Transaction Execution and Costs.* As a result of certain strategies that we and/or one or more External Investment Managers may employ, the accounts' or Portfolio Funds' portfolios may include short-term holdings (which may comprise a significant portion of the accounts' or Portfolio Funds' portfolios) and, consequently, the accounts or Portfolio Funds may experience a relatively high volume of trading activity. In addition, in many cases relatively narrow spreads may exist between the prices at which the accounts or Portfolio Funds will purchase and sell particular positions. The successful application of our and the External Investment Managers' methodology may therefore depend, in part, upon the quality of execution of transactions, such as the ability of broker-dealers to execute orders on a timely and efficient basis. Although we will seek to utilize brokerage firms which will afford superior execution capability to the accounts, there is no assurance that all of the accounts' transactions will be executed with optimal quality. Furthermore, on account of the degree of trading, total commission charges and other transaction costs may be expected to be high. The level of commission charges, as an expense of the accounts and/or Portfolio Funds, may therefore be a factor in determining future profitability of the accounts or Portfolio Funds.

In addition to seeking broker-dealers with superior execution capability, we may allocate transactions to brokers which agree to pay all or part of our and/or our affiliates' research-related expenses and those of the accounts, or so-called "soft dollar" arrangements. Although we will, in general, seek such arrangements only when we believe the same will be consistent with principles of best execution, such soft dollar arrangements may result in increased commission costs or other inefficiencies in execution. There can be no assurance that we will be successful in seeking to reduce the expense costs of the accounts through satisfactory soft dollar arrangements or that such arrangements will not result in increased transaction costs or otherwise impact the accounts. External investment managers are likely to implement similar arrangements.

*Limitations on Shorting and Hedging Strategies.* We and the External Investment Managers may employ certain hedging techniques, principally short selling, directed primarily toward general market risks. Hedging against a decline in the value of a portfolio position through short selling or other techniques does not eliminate fluctuations in the values of portfolio positions, or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the overall portfolio value. Such hedge transactions, however, also limit the opportunity for gain if the value of the portfolio position should increase. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio position being hedged may vary. Insufficient correlation between hedged and hedging positions may not only result in failing to protect the accounts against the risks sought to be hedged but may actually increase the magnitude of overall loss in the event of losses in the hedging positions.

For a variety of reasons, we and/or an External Investment Manager may not seek or be able to establish a sufficiently accurate correlation between such hedging instruments and the portfolio holdings being hedged. Moreover, we or an External Investment Manager may not necessarily endeavor to hedge an account's or a Portfolio Fund's portfolio whatsoever. As a general matter, the accounts' and Portfolio Funds' portfolios will be exposed to basic issuer risk and other risks attendant to their investment strategy and to particular positions, which risks will not be generally hedged.

*Overall Investment Risk.* All securities investments risk the loss of capital. The nature of the securities purchased and traded by the accounts and Portfolio Funds and of the investment techniques and strategies we and the External Investment Managers employ may increase this risk. There can be no assurance that the accounts will not incur losses. Many unforeseeable events, including, but not limited to, actions by various government agencies, such as the Federal Reserve Board, and domestic and international economic and political developments, may cause sharp market fluctuations which could adversely affect the accounts.

Any past successes with our investment methodology cannot assure future results. There can be no assurance that the investments or investment techniques we employ for the accounts will achieve the accounts' investment objectives or that the accounts will be profitable. Similarly, any past successes of an External Investment Manager with its investment methodology cannot assure future results. There can be no assurance that the investments or investment techniques employed by an External Investment Manager for a Portfolio Fund will achieve the Portfolio Fund's investment objectives or that the Portfolio Fund will be profitable.

## **Item 9. Disciplinary Information**

Neither we nor any of our management personnel have been involved in any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management.

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

Effective January 1, 2021, Alphadyne Asset Management LP ("Alphadyne"), an investment adviser registered with the SEC, acquired a majority ownership interest in Whitney Peak, (the "Acquisition").

In addition to being registered with the SEC as an investment advisor, Alphadyne is a registered Commodity Pool Operator with the CFTC and a member of the NFA in such capacity. Alphadyne Asset Management (UK) LLP, an affiliate of Whitney Peak, is authorized and regulated by the Financial Conduct Authority in the United Kingdom and performs investment management services for the benefit of the funds managed by Alphadyne. Alphadyne Asset Management Holdings Limited, an affiliate of Whitney Peak, is authorized and regulated by the Financial Services Agency in Japan pursuant to the Financial Instruments and Exchange Act and registered financial instruments business with the Kanto Local Finance Bureau and performs investment management services for the benefit of the funds managed by Alphadyne. Alphadyne Asset Management (Hong Kong) Limited, an affiliate of Whitney Peak, is licensed by the Hong Kong Securities and Futures Commission ("SFC") to conduct Type 9 (asset management) regulated activities, regulated by the SFC with regards to such business in Hong Kong, and performs investment management services for the benefit of the funds managed by Alphadyne. Alphadyne (Singapore) Pte. Ltd., an affiliate of Whitney Peak, has obtained a Capital Markets Services License from the Monetary Authority of Singapore and performs investment management services for the benefit of the funds managed by Alphadyne.

Whitney Peak is also affiliated with Alphadyne Capital LLC, which acts as the general partner of certain U.S. limited partnerships associated with the funds managed by Alphadyne, and Alphadyne GP Holdings LLC, which acts as the general partner of both Whitney Peak and Alphadyne.



Each of the above affiliates (the “Affiliated Parties”) may conduct other business, including any business within the securities industry, whether or not such business is in competition with the Funds. The Affiliated Parties may act as general partner, investment adviser or investment manager for others, may manage funds, separate accounts or capital for others, may have, make and maintain investments in their own name or through other entities and may serve as an officer, director, consultant, partner or stockholder of one or more investment funds, partnerships, securities firms or advisory firms. The results of the Funds’ activities may differ significantly from the results achieved by the Affiliated Parties for other accounts or clients which they manage or for which they provide investment advisory or investment management services.

Certain funds managed by Whitney Peak invest a portion of their assets in funds managed by Alphadyne, with both advisers collecting advisory fees from the funds they manage. Following the Acquisition, Alphadyne will receive a portion of the revenues generated by Whitney Peak, which results in potential or actual conflicts of interest. Specifically, given that Alphadyne will have a majority controlling and economic interest in Whitney Peak, Whitney Peak will have an incentive to invest more Fund assets in Alphadyne-managed funds to generate higher fees for Alphadyne. In addition, Whitney Peak’s enhanced transparency into the Alphadyne-managed funds’ portfolios and business and operations of Alphadyne could cause Whitney Peak to make certain decisions to invest in or redeem from an Alphadyne-managed fund that it would not have made in the absence of such transparency.

In an effort to mitigate the risks associated with the conflicts noted above, Whitney Peak has implemented certain investment allocation guidelines relating to investments in affiliated funds that seek to reduce Mr. Minklei’s investment discretion and such guidelines were agreed to by all Whitney Peak investors at the time of the Acquisition.

Following the Acquisition, Mr. Minklei remains the Chief Executive Officer and Chief Investment Officer of Whitney Peak, devoting the time and effort to each advisory client’s investment strategy as is necessary to accomplish the purposes of each client. Mr. Minklei also performs certain investment advisory services for Alphadyne.

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

### **Code of Ethics**

We have established a Code of Ethics pursuant to Rule 204A-1 under the Advisers Act. The purpose of the Code of Ethics is to identify the ethical and legal framework in which we and our personnel are required to operate and to highlight some of the guiding principles and mechanisms for upholding our standard of business conduct. The Code of Ethics is designed to ensure that all applicable personnel are aware of and adhere to our policies and procedures. The description below is summary only. A complete copy of the Code of Ethics will be provided to clients and prospective clients upon request.

**Standard of Business Conduct.** As a fiduciary, we owe our clients the highest duty of loyalty and we rely on each of our personnel to avoid conduct that is or may be inconsistent with that duty.

**Basic Principles.** The Code of Ethics is based on a few basic principles: (i) the interests of our clients come before our interests and those of our personnel; (ii) the professional activities and personal investment activities of our personnel must be consistent with the Code of Ethics and avoid any actual or potential conflict between the interests of clients and those of our Firm or our personnel; (iii) the activities of our

personnel must be conducted in a way that avoids any abuse of any such person's position of trust with and responsibility to our Firm and its clients; and (iv) our personnel may not engage in any act, practice or course of conduct that would violate the provisions of Rule 204A-1.

**Conflicts of Interest.** As a fiduciary, we have an affirmative duty of care, loyalty, honesty and good faith to act in the best interests of our clients. We make every effort to avoid conflicts of interest and fully disclose all material facts concerning any conflict of interest that may arise with respect to any client. We take a conservative approach and impose a high standard on our personnel by stressing that individuals subject to this Code of Ethics must try to avoid situations that have even the appearance of conflict or impropriety.

**Insider Trading.** Our personnel may not trade, either personally or on behalf of another, on material non-public information or communicate material non-public information to another person in violation of the law. This policy applies to all of our personnel and extends to their activities both within and outside their duties at the Firm. We have also implemented policies and procedures designed to detect and prevent insider trading.

**Personal Securities Transactions.** All personnel must comply with our Personal Account Trading Policy. Except with respect to certain securities (including, indices, mutual funds, exchange-traded funds and certain government securities) and with respect to certain accounts for which a person does not exercise investment discretion, personal securities transactions by our personnel must be pre-approved by our Chief Compliance Officer ("CCO").

**Service as a Director.** None of our personnel may serve as a director of a publicly-held company without prior approval by the CCO based upon a determination that service as a director would not be adverse to the interest of any of our clients. We may not trade in any securities issued by any company of which any of our covered persons is a director.

**Reporting of Violations.** Our personnel are required to report any violation, apparent violation or potential violation of the Code of Ethics to the CCO.

**Review and Enforcement.** The CCO is responsible for ensuring adequate supervision over the activities of all persons who act on our behalf in order to prevent and detect violations of the Code of Ethics by such persons.

### **Interested Transactions**

As described above, all personal securities transactions by the Firm's personnel are subject to pre-approval by the CCO before the supervised person may proceed with the transaction, except for transactions in certain categories of securities such as mutual funds, money market funds and U.S. government securities.

We may permit a supervised person to invest in securities or related securities in which an account is also investing, but subject to the requirement that such a transaction will not disadvantage any client account. In addition, all supervised persons are required to submit personal trading information to the Firm for review by the CCO. Our pre-approval procedure and the submission of supervised persons' personal trading information assist us towards our goal of ensuring that no personal trading of any supervised person will disadvantage any client account.

## **Item 12. Brokerage Practices**

### **Selection of Brokers**

Although we typically have the discretion to select or recommend broker-dealers for client transactions, we do so only in limited circumstances, as most of the assets of each account are usually invested with External Investment Managers. In limited circumstances, clients may direct us to use one or more particular broker-dealers in managing their accounts.

When we do select broker-dealers, our decisions as to which broker-dealer to use to execute client transactions are generally made on a transaction-by-transaction basis.

In selecting a particular broker-dealer to effect a securities transaction for an account, our primary objective is to obtain “best execution.” Price, giving effect to brokerage commissions (if any) and other transaction costs, is an important factor, but the selection may also take into account other factors, including the execution, clearance and settlement capabilities of the broker-dealer, the broker-dealer’s willingness to commit capital, the broker-dealer’s reliability and financial stability, the size of the particular transaction and its complexity in terms of execution and settlement, the market for the security, and the value of any research products and services and brokerage services provided by the broker-dealer. We need not, however, solicit competitive bids and do not have an obligation to seek the lowest available commission cost.

### **Soft Dollars**

The commissions an account will pay to brokers will not necessarily represent the lowest commission rates available, but will reflect our evaluation of the research and other brokerage related services supplied by such brokers and which benefit the account, either alone or together with others of our clients. In each case, we will make a determination that the amount of any increased commission costs on account of such research or other services is reasonable relative to the value of services so provided.

The research obtained through an account’s brokerage allocations, whether or not directly useful to it, may be useful to us in connection with services we render to another account or accounts we or our principals manage. Similarly, research we obtain for commissions paid to brokers in the course of managing such other accounts may be useful to the account. Since any particular research we obtain may be useful to the account and such other accounts, in considering the reasonableness of brokerage commissions paid by an account, we will not attempt to allocate the relative costs or benefits of research as between the account and the other accounts we manage, except in limited circumstances where we deem appropriate.

Section 28(e) of the Securities Exchange Act of 1934, as amended, provides a “safe harbor” to investment managers who use commission dollars of their advisory accounts to obtain investment research, brokerage and other services that provide lawful and appropriate assistance to the managers in performing investment decision making responsibilities, provided that the amount of any increased commission costs on account of such research or other services is reasonable relative to the value of the services so provided. Any such arrangement we may enter into will be confined to the products or services that qualify as “research and brokerage services” within the meaning of Section 28(e) and that meet the other requirements of that Section. The research we receive under such an arrangement may be proprietary (prepared by the relevant broker/dealer) or may be created or developed by third parties.

When we use an account’s brokerage commissions (or markups or markdowns) to obtain research or other products or services, we receive a benefit because we do not have to produce or pay for the research, products or services. We may, therefore, have an incentive to select or recommend a broker-dealer based

on our interest in receiving the research or other products or services, rather than on the account's interest in receiving most favorable execution.

In general, any and all brokerage allocations will be subject to principles of best execution and the other allocation policies described above, as well as any restrictions imposed by applicable law.

### **Aggregation of Orders**

When we deem the purchase or sale of securities to be in the best interest of more than one account, we may aggregate the securities to be purchased or sold by all such accounts in order to obtain superior execution or lower brokerage expenses. In particular, execution prices for identical securities purchased or sold on behalf of multiple accounts in any one business day may be averaged. In such events, allocation of the securities purchased or sold, as well as expenses incurred in the transaction, will be made among the accounts by applying such considerations as we deem appropriate, including:

- Relative account size of such entities and clients;
- Amount of available capital;
- Size of existing positions in the same or similar securities;
- Impact of leverage;
- Investment objective; and
- Strategy considerations, including, without limitation:
  - Concentration parameters;
  - Tax considerations; and
  - Other factors.

Although such allocations may be *pro rata* among accounts, they will not necessarily be so. No account will be entitled to investment priority over another account and may not necessarily participate in every investment opportunity. We endeavor to make all investment allocations in a manner which we consider to be the most equitable to all accounts.

### **Item 13. Review of Accounts**

Our portfolio manager and other relevant investment team members monitor and review the accounts' portfolios on a regular basis.

The administrator of each Fund generally provides investors in such Fund or their designee with monthly statements setting forth estimated Fund performance and annual audited financial statements.

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

We do not currently have any formal arrangements directly or indirectly with any person for client referrals. However, we reserve the right to compensate individuals for client referrals. All such compensation will be fully disclosed to each client consistent with applicable law. The client will incur no additional costs or expenses as a result of any such compensation arrangements. Any such referred activities will be conducted in accordance with SEC Rule 206(4)-3 under the Advisers Act.

## **Item 15. Custody**

To the extent that it is required to do so, the Firm complies with the applicable requirements of Rule 206(4)-2 of the Advisers Act (the “Custody Rule”) with regard to the Firm’s custody of the assets of the Funds.

The Firm is deemed to have custody of the Funds’ assets and will provide all Investors with audited financial statements for the Funds in which they are invested within 120 days of such Fund’s fiscal year end. In addition, the audited financial statements are prepared by an independent accounting firm that is registered with and subject to review by the Public Company Accounting Oversight Board, in accordance with U.S. Generally Accepted Accounting Principles. Investors should carefully review the audited financial statements of the Funds.

## **Item 16. Investment Discretion**

Item 4 includes a description of the investment discretion that we exercise with respect to the accounts. We exercise discretion over each account in accordance with the account’s applicable investment objectives, policies and strategies disclosed in the offering memorandum and set forth in the governing documents.

## **Item 17. Voting Client Securities**

We have the authority to vote proxies relating to securities owned by the accounts we advise. We have adopted policies and procedures governing our voting of proxies that include the following elements:

- General Policy – which is to vote proxy proposals, amendments, consents or resolutions relating to client securities, including interests in the accounts, if any, in a manner that serves the best interests of the accounts, as we determine in our discretion, and taking into account relevant factors, including, but not limited to:
  - The impact on the value of the securities;
  - The anticipated costs and benefits associated with the proposal;
  - The effect on liquidity; and
  - Customary industry and business practices.
- Specific Policies, including:
  - Routine Matters
    - General Matters,
    - Board Members,
    - Capital Structure, and
    - Appointment of Auditors.
  - Non-Routine Matters:
    - Board Members,
    - Compensation, Fees and Expenses,
    - Voting Rights,
    - Takeover Defenses and Related Actions,
    - Reincorporation,
    - Debt Issuance and Pledging of Assets for Debt,
    - Mergers and Acquisitions,
    - Termination of Liquidation of the Company, and

- Social and Environmental Issues and Corporate Responsibility.
- Abstaining from Voting or Affirmatively Not Voting
- Conflicts of Interest
- Procedures for Proxies
- Recordkeeping

Account holders do not have any authority to direct our vote in a particular solicitation.

If we determine that the Firm has, or may be perceived to have, a conflict of interest when voting a proxy, we will address matters involving such conflicts of interest as follows:

- If a proposal is addressed by the specific policies in our proxy voting policies we will vote in accordance with those policies, except that if we believe it is in the best interest of the investing accounts to depart from our standard specified policies, we will be subject to the requirements below;
- If the proxy proposal is (1) not addressed by our specific policies or (2) requires a case-by-case determination by the Firm, we may vote such proxy as we determine to be in the best interest of the investing accounts. We may, in our discretion, take one of the following actions in voting such proxy:
  - Delegate the voting decision for such proxy proposal to an independent third party;
  - Delegate the voting decision to an independent committee of partners, members, directors or other representatives of the Funds, as applicable;
  - Inform the investors in the accounts of the conflict of interest and obtain consent to (majority consent in the case of a Fund) vote the proxy as we recommend; or
  - Obtain approval of the decision from our CCO and outside counsel.

Investors may obtain a copy of our Proxy Voting Policies and Procedures, and information regarding how we voted particular proxies on behalf of the accounts, on request.

## **Item 18. Financial Information**

Registered investment advisers are required in this Item to provide certain financial information or disclosures about the registered investment adviser's financial condition. The Firm is not aware of any financial commitment that impairs its ability to meet contractual and fiduciary commitments to the Funds and has not been the subject of a bankruptcy proceeding. The Firm does not require or solicit prepayment of more than \$1,200 in fees for any Fund, six months or more in advance, and therefore has not included a balance sheet.