

Two Seas Capital LP

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**Part 2A of Form ADV: Firm Brochure
January 5, 2020**

This brochure provides information about the qualifications and business practices of Two Seas Capital LP (the “Adviser”), an investment adviser registered with the United States Securities and Exchange Commission (the “SEC”). If you have any questions about the contents of this brochure, please contact us at 646.420.4504. This information has not been approved or verified by the SEC or by any state securities authority.

Additional information about Two Seas Capital LP also is available on the SEC’s website at www.adviserinfo.sec.gov.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Item 2. Material Changes

The only material change since the last version of the Brochure (Nov 18, 2020) is the change to the Adviser's name.

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Item 4. Advisory Business

The Adviser is an investment adviser with its principal place of business in Rye, New York. The Adviser commenced operations in February 2020. Sina Toussi is the principal owner of the Adviser.

Discretionary Advisory Services

The Adviser provides advisory services on a discretionary basis to certain pooled investment vehicles intended for sophisticated investors and institutional investors (each a “Fund” and collectively, the “Funds”). The Adviser tailors and provides advisory services to the Funds based on the individual needs of each respective Fund as well as the specific investment objectives, investment strategies and any imposed investment guidelines or restrictions of such Fund as described in its investment advisory agreement(s) and/or each Fund’s governing and offering documents (the “Fund Documents”). Certain affiliates or related persons of the Adviser also serve as the managing member or equivalent of the Funds.

Fund investors generally cannot impose restrictions on investing in certain securities or types of securities. Investors in the Fund participate in the overall investment program for the Fund and generally cannot be excused from a particular investment except pursuant to the terms of the applicable Fund Documents. In addition, one or more of the Funds for which the Adviser or its related person serves as the managing member or investment manager has entered into agreements, or “side letters,” with certain investors in the Funds whereby such investors may be subject to terms and conditions that are more advantageous than those set forth in the governing documents for the Fund. For example, such terms and conditions may provide for reduced fees and performance compensation; special redemption rights; a waiver of other terms; rights to information not provided to other investors (including, without limitation, more detailed information regarding portfolio positions) and such other rights as negotiated by the Fund and such investor. The modifications are solely at the discretion of any such Fund and may, among other things, be based on the size of the investor's investment in the Fund or affiliated investment entity.

Non-Discretionary Advisory Services

In addition, the Adviser provides advisory services on a non-discretionary basis to certain other pooled investment vehicles that are managed by an unrelated, third party investment adviser (the “Accounts”). The Adviser currently does not provide continuous and regular supervisory or management services to such non-discretionary Accounts. In the future, the Adviser may potentially offer similar non-discretionary Accounts and services to sophisticated and institutional investors whose accounts are also managed by unaffiliated third party investment advisers.

Hereinafter, the Accounts, together with the Funds, are referred to as “Clients”.

Regulatory Assets Under Management

As of October 31, 2020, the Adviser had approximately \$81,452,125 in regulatory assets under management, which it managed on a discretionary basis.

Item 5. Fees and Compensation

Performance-Based Compensation

The Adviser may be paid performance-based compensation, which is compensation that is based on a share of capital appreciation of the assets of a Client. This compensation may be paid to the Adviser or to a related person of the Adviser and ranges from 15% to 30% of the Client's profits, as further described in each such investment advisory agreement or Fund Documents. In some cases, this is paid on an annual basis and in other cases it is paid out of amounts that would otherwise be distributed to a Client's investors. In some cases, such performance-based compensation is not earned unless a minimum return of 7.5% annualized is achieved.

These fees are negotiable. The Adviser may waive, reduce or otherwise modify the performance-based compensation for any investor in a Fund, including affiliates of the Adviser. In addition and as previously described in Item 4 above, the Adviser may occasionally enter into a side letter arrangement with certain Fund investors, in which the Adviser or its affiliates may grant such investors with preferential terms, which may include fee reductions or waivers.

Payment of Fees

For Funds managed by the Adviser, performance-based compensation is allocated to an affiliate of the Adviser on a crystallization event which could be created at the time of an investor withdrawal, end of the calendar year or on a distribution event, as the case may be. For Accounts managed by the Adviser, performance-based compensation is paid after the realization of income within such Account.

The specific manner in which the Adviser charges and pays fees is established and described in greater detail in the Fund Documents of the respective Fund. Fund investors should refer to these Fund Documents for a complete understanding of how the Adviser is compensated for its advisory services. The information contained herein is a summary only and is qualified in its entirety by such documents.

Other Fees and Expenses

The expenses paid by Clients are set forth in detail in the investment advisory agreement or (if applicable) the Fund Documents of the relevant Client. Such expenses may differ among and within Clients. Clients, prospective Clients, Fund investors and prospective Fund investors should review the applicable advisory agreement or (if applicable) the Fund Documents carefully because such documents, and not the summary in this brochure, describe more specifically the expenses such Client will bear.

In addition to paying the above compensation, each Fund will also be subject to other expenses, in accordance with such Fund's governing documents, which may include, all out-of-pocket expenses incurred by the Funds or on their behalf that are directly related to the organization of the Funds including the initial offering of interests in the Funds, including legal fees related to the organization of the Funds, consultation with the Managing Member, drafting and negotiation of arrangements between the Funds and its service providers and Members and any similar costs and expenses; ongoing expenses, including, without limitation, all administrative fees and expenses, including any expenses incurred in the offering and sale of Interests, legal, accounting, insurance, consulting, auditing and tax services and fees, costs of communication with Members, costs for redeeming Members interests, risk management costs and expenses, costs to make any filings required under applicable law or regulation and fees and

expenses of any administrator; investment expenses, including all brokerage fees and commissions, interest on margin accounts and other indebtedness, borrowing charges on Securities sold short, custodial fees, bank service fees and fees associated with insuring Fund Assets, costs of any outside appraisers, accountants, attorneys, administrators or other experts or consultants engaged in connection with specific transactions, expenses of research and data collection and analysis, withholding and transfer fees, clearing and settlement charges and any other expenses related to the purchase, sale or transfer of investments; litigation expenses including any legal fees and costs (including settlement costs) arising in connection with any litigation or regulatory investigation instituted against the Funds or the Adviser in connection with the investment activities or operations of the Funds; and travel expenses including all travel expenses relating to the Funds investing activities, including travel undertaken for the purpose of researching or monitoring actual or potential investments. Some of the aforementioned expenses may be/are subject to an expense cap as described in the Fund Documents.

In addition to paying advisory fees to the Adviser as described above, non-discretionary Accounts may also be subject to other expenses, that are not paid to or involve the Adviser, similar to those mentioned in the previous paragraph. Given the non-discretionary nature of the Adviser's relationship to the Accounts, the Adviser has minimal transparency to such expenses, other than those that directly impact the advisory services provided by the Adviser.

Please refer to Item 12 of this Firm Brochure for a discussion of the Adviser's brokerage practices.

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

As described in Item 5, the Adviser or an affiliate of the Adviser is entitled to be paid performance-based compensation by Clients. Such performance-based compensation may create an incentive for the Adviser to make investments that are riskier or more speculative than would be the case in the absence of such performance-based compensation arrangements. In addition, the Adviser's investment personnel are typically compensated on a basis that includes a performance-based component. Further, the variation of performance-based compensation structures among Clients may create an incentive for the Adviser to direct the best investment ideas to, or to allocate or sequence trades in favor of, a Client that bears higher performance-based compensation or performance-based compensation providing for payment to the Adviser at different times or over different time intervals than another Client.

Certain Clients hold investments for which the Adviser or an affiliate receives performance-based compensation only upon the sale or deemed realization of the Client's investments. To the extent the Adviser or an affiliate is entitled to performance-based compensation from such Clients upon the sale or deemed realization of investments, the Adviser may have an incentive to delay the realization of such an investment.

The Adviser will adopt and implement policies and procedures intended to address conflicts of interest that may arise relating to the management of multiple accounts, including accounts with different fee arrangements, and the allocation of investment opportunities. The Adviser will review investment decisions for the purpose of evaluating whether all applicable accounts with substantially similar investment objectives are treated equitably over time. The performance of similarly managed accounts will be regularly compared to determine whether there are any unexplained significant discrepancies. In addition, the Adviser will adopt procedures relating to the allocation of investment opportunities which require that similarly managed accounts generally participate in investment opportunities pro rata based on asset size or in some other manner the Adviser considers fair and equitable over time. To the extent orders are aggregated, the Adviser's procedures generally require that Client orders are price-averaged. Finally, the Adviser's procedures will also require the objective allocation for limited opportunities (such as initial public offerings and private placements) to seek to ensure fair allocation among accounts as reasonably determined by the Adviser in accordance with such procedures. These areas are monitored by the Adviser's Chief Compliance Officer. See also Items 8 (Conflicts of Interest) and Item 12 (Brokerage Practices) for additional information.

Item 7. Types of Clients

The Adviser's Clients are directly managed Funds along with Accounts that are managed by other investment advisers. With respect to any Fund, any initial subscription minimums are disclosed in the respective Fund Documents. The Adviser does not have any requirements for opening or maintaining an Account.

The Adviser, however, is not precluded from advising types of Clients that are not listed above.

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

The Adviser's investment strategies primarily focus on investments that have a legal or regulator-based catalyst. Investments can include event driven, special situation and distressed investments primarily in the North American, European and Emerging markets. The Adviser may opportunistically invest anywhere in the capital structure, including equities, equity derivatives, debt instruments and more esoteric and complex asset classes. The Adviser's strategies emphasize investments in situations that it believes have largely misunderstood legal and regulatory considerations.

The Adviser utilizes a variety of methods and strategies, including fundamental research and in-depth legal analysis, to make investment decisions and recommendations. The Adviser regularly obtains advice from attorneys, litigation consultants, accountants and other industry experts to assist in compiling such analysis.

The Adviser may employ the following investment strategies:

Special Situations/Event Driven Investing. The Adviser may look for special situation or event driven investment opportunities, which involve evaluating both the value of the underlying securities and the timing and probability of a specific event, such as a bankruptcy filing, potential merger between two companies or a determination in a legal proceeding.

Derivatives. The Adviser may utilize a variety of financial instruments such as derivatives for profit and/or risk management purposes or to express another investment strategy more efficiently.

Equity. The Adviser's equity strategy focuses primarily on securities with a litigation or regulatory component; however, the Adviser's equity strategy can touch on a broad range of equity investment styles. The Adviser has no capitalization or geographic restrictions as long as such equity investments are in line with the mandates of such Client.

Short Selling. The Adviser may engage in short selling strategies. In a short sale transaction, the Adviser sells a security it does not own in anticipation that the market price of that security will decline. The Adviser makes short sales (i) as a form of hedging to offset potential declines in long positions in similar securities, (ii) to hedge a position in the same issuer, (iii) in order to maintain flexibility and, (iv) for profit.

Leverage. The Adviser's investment program may utilize leverage which involves the borrowing of funds from brokerage firms, banks and other institutions in order to be able to increase the amount of capital available for marketable securities investments.

Arbitrage Transactions. The Adviser may engage in one or more types of arbitrage strategies. Arbitrage strategies attempt to take advantage of perceived price discrepancies of identical or similar financial instruments, on different markets or in other forms. The Adviser may engage in event-driven arbitrage, capital structure arbitrage and spread trades.

Credit. The Adviser may engage in a credit strategy. The Adviser generally would invest in credit-related assets across all levels of the capital structure, including, investments in distressed debt securities and other financial instruments, high yield and investment grade loans and bonds, structured credit and special situations. The Adviser also may purchase trade creditor claims, bank debt or other non-publicly traded debt obligations of bankrupt or financially distressed enterprises.

Growth. The Adviser engages in a capital growth investment strategy wherein the Adviser attempts to select securities of a company whose earnings the Adviser expects to grow at an above-average rate compared to the company's specific industry or the overall market.

Activist Strategy. The Adviser's investment strategy may, from time to time, involve shareholder activism that may attempt to influence the companies in which some Client accounts invest. The Adviser may also attempt to build strong relationships with management of the companies in which some Client accounts invest.

Buy and Hold. The Adviser may engage in buy and hold investment strategies wherein the Adviser buys securities and holds them for a relatively longer period of time, regardless of short-term factors such as fluctuations in the market or volatility of the stock price.

Litigation Finance. The Adviser may provide financing to a company to fund a potential litigation in exchange for a return of investment along with a share of the potential recovery.

These methods, strategies and investments involve risk of loss to Clients and Clients must be prepared to bear the loss of their entire contribution.

Material Risks (Including Significant, or Unusual Risks) Relating to Investment Strategies:

No investment is free of risk. Clients as well as current and prospective Fund investors are cautioned that investments in securities involve risk of loss, including the possibility of a complete loss of the amount invested, and that they should be prepared to bear these risks. In addition, Clients and investors in the Funds must understand that past performance is not indicative of future results. Therefore, current and prospective Clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investors in the Funds should also refer to the respective Fund Documents for a description of the risk factors specific to the Funds.

The following summary identifies the material risks related to the Adviser's significant investment strategies and should be carefully evaluated before making an investment with the Adviser; however, the following does not intend to identify all possible risks of an investment with the Adviser or provide a full description of the identified risks.

Special Situations/Event Driven Investing Risks. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction or legal proceeding either will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Adviser's Client of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur or such legal proceeding has an unfavorable ruling, the Adviser's Client may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which the Adviser's Client may invest, there is a potential risk of loss by the Adviser's Client of its entire investment in such companies.

Analysis of Troubled, Distressed or Bankrupt Companies Risks. The Adviser may invest in securities of issuers that are troubled, in distress or bankrupt. As such, they are subject to a multitude of legal, industry, market, environmental and governmental forces that make analysis of these companies'

securities inherently uncertain. Further, the Adviser may rely on company management, outside experts, market participants and personal experience to analyze potential investments. There can be no assurance that any of these sources will prove credible or that the resultant analysis will produce accurate conclusions.

Nature of Reorganization Proceedings Risks. Investments in the securities of companies involved in reorganization proceedings typically entail a number of risks that do not normally apply to investments in financially sound companies. For example, if the Adviser's evaluation of the anticipated outcome of a reorganization or the timing of such outcome should prove incorrect, the Funds could experience losses. A wide variety of considerations make any evaluation of the outcome of an investment in such a company uncertain. Such considerations include, for example, the possibility of litigation between the participants in a reorganization or liquidation proceeding or a requirement to obtain mandatory or discretionary consents from various governmental authorities or others. The uncertainties inherent in evaluating such investments may be increased by legal and practical considerations which limit the access of the Adviser to reliable and timely information concerning material developments affecting a company or which cause lengthy delays in the completion of a reorganization or liquidation proceeding. Competition from other investors may also render it difficult or impossible for the Adviser to achieve intended results or promptly effect transactions.

Lack of Diversification Risks. Client accounts will not be diversified among a wide range of types of securities, countries or industry sectors. Accordingly, Client portfolios are subject to more rapid change in value than would be the case if the Adviser were required to maintain a wider diversification among types of securities and other instruments, geographic areas or sectors.

Hedging Risks. There can be no assurances that a particular hedge is appropriate, or that certain risk is measured properly. Further, while the Adviser may enter into hedging transactions to seek to reduce risk, such transactions may result in poorer overall performance and increased (rather than reduced) risk for the Adviser's investment portfolios than if the Adviser did not engage in any such hedging transactions.

Derivatives Risks. The risks posed by any swap, option and other derivatives, which the Adviser may invest in for speculative or hedging purposes, can be extremely complex. The risks associated with these investments and techniques include: (i) credit risks (the exposure to the possibility of loss resulting from a counterparty's failure to meet its financial obligations); (ii) market risk (adverse movements in the price of a financial asset); (iii) legal risks (the characterization of a transaction or a party's legal capacity to enter into it could render the financial contract unenforceable, and the insolvency or bankruptcy of a counterparty could preempt otherwise enforceable contract rights); (iv) operations risk (inadequate controls, deficient procedures, human error, system failure or fraud); (v) documentation risk (exposure to losses resulting from inadequate documentation); (vi) liquidity risk (exposure to losses created by inability to prematurely terminate the derivative); (vii) system risk (the risk that financial difficulties in one institution or a major market disruption will cause uncontrollable financial harm to the financial system); (viii) concentration risk (exposure to losses from the concentration of closely related risks such as exposure to a particular industry or exposure linked to a particular entity); and (ix) settlement risk (the risk faced when one party to a transaction has performed its obligations under a contract but has not yet received value from its counterparty).

In addition, investments in derivative instruments require a high degree of leverage, meaning the overall contract value (and, accordingly, the potential for profits or losses in that value) is much greater than the modest deposit used to buy the position in the derivative contract. Derivative securities can also be highly volatile. The prices of derivative instruments and the investments underlying the derivative instruments may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the Client or the Adviser. Further, transactions in derivative instruments may not be undertaken on recognized exchanges and will expose the Client's account to greater risks than regulated exchange transactions that provide greater liquidity and more accurate valuation of securities.

Arbitrage Transaction Risks. If the requisite elements of an arbitrage strategy are not properly analyzed, or unexpected events or price movements intervene, losses can occur which can be magnified to the extent the Adviser is employing leverage. Moreover, arbitrage strategies often depend upon identifying favorable "spreads", which can also be identified, reduced or eliminated by other market participants.

Activist Strategy Risks. There is a risk that the intended strategy for a particular company will be unsuccessful. Further, when securities are purchased in anticipation of influencing the future direction of a company, a substantial period of time may elapse between the purchase of the securities and the anticipated results. If the anticipated results do not in fact occur, the Adviser may be required to sell the investment at a loss. Moreover, there may be instances where the Adviser will be restricted in transacting in or redeeming a particular investment as a result of the size of its investments or its activist investment strategy.

Leverage Risks. Performance may be more volatile if a Client's account employs leverage. The use of leverage exposes Clients to additional levels of risk, including (i) greater losses from investments than would otherwise have been the case had the Client not borrowed to make the investments, (ii) margin calls or interim margin requirements which may force premature liquidations of investment positions and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the Client's cost of borrowing such funds.

Short Selling Risk. The Adviser's investment program may include short selling. Short selling transactions expose the Adviser to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed by the Adviser in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, wherein the Adviser might be compelled, at the most disadvantageous time, to replace the borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

Risks associated with Issuer-Specific Changes. Changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic or political conditions can increase the risk of default by an issuer or counterparty, which can affect a security's or instrument's value. The value of securities of smaller, less well-known issuers can be more volatile than that of larger issuers. Smaller issuers can have more limited product lines, markets, or financial resources.

High Growth Industry Related Risks. High growth companies may face undeveloped or limited markets, have limited products, have no proven profit-making history, may operate at a loss or with substantial variations in operating results from period to period, have limited access to capital and/or be in the developmental stages of their businesses, or be otherwise adversely affected by the extremely competitive markets in which many of their competitors operate.

Interest Rate Risks. Generally, the value of fixed-income securities changes inversely with changes in interest rates. As interest rates rise, the market value of fixed-income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed-income securities tends to increase. This risk is greater for long-term securities than for short-term securities. The Adviser may attempt to minimize exposure to interest rate changes through the use of interest rate swaps, interest rate futures and/or interest rate options. However, there can be no guarantee that the Adviser will be successful in fully mitigating the impact of interest rate changes.

Natural Resource Related Investments Risks. In the past, natural resource related investments have been subject to substantial price fluctuations over short periods of time. Such prices are affected by various factors, including economic conditions, political events, natural disasters, exploration and development success or failure, and technological changes. In addition, certain natural resources are geographically concentrated, and events in those parts of the world in which such concentration exists may affect their values.

International Investing and Non-U.S. Securities Risks. Investing outside the United States may involve greater risks than investing in the United States. These risks include: (i) less publicly available information; (ii) potential lack of uniform accounting, auditing and financial reporting standards; (iii) varying levels of governmental regulation and supervision; and (iv) the difficulty of enforcing legal rights in a non-U.S. jurisdiction and uncertainties as to the status, interpretation and application of laws. The transaction costs of buying and selling non-U.S. securities, including brokerage, tax and custody costs, may be higher than those involved in U.S. transactions. Furthermore, many non-U.S. financial markets, while generally growing in volume, have, for the most part, substantially less volume than U.S. markets, and securities of many non-U.S. companies are historically less liquid and their prices historically more volatile than securities of comparable U.S. companies. The economies of individual non-U.S. countries may also differ favorably or unfavorably from the U.S. economy.

Cross Class Liabilities Risks. Each separate class of certain of the Funds represent separate accounts and will be maintained with separate accounting records. However, these Funds are each single legal entities. Thus, all of the assets of the respective Funds may be available to meet all of the liabilities of such Funds, regardless of the separate account to which such assets or liabilities are attributable. In practice, cross class liability will usually only arise where any class, sub-class, or series becomes insolvent or exhausts its assets and is unable to meet all of its liabilities.

Loan Origination Risk. The Adviser may make investments in loans whose value may be detrimentally affected to the extent a borrower defaults on its obligations, there is insufficient collateral and/or there are extensive legal and other costs incurred in collecting on a defaulted loan. The Adviser may attempt to minimize this risk by maintaining low loan-to-liquidation values with each loan and the collateral underlying the loan. However, there can be no assurance that the value assigned by the Adviser to collateral underlying a loan will be realized upon liquidation, nor can there be any assurance that collateral will retain its value. There may be a monetary, as well as a time cost involved in collecting on

defaulted loans and, if applicable, taking possession of and subsequently liquidating various types of collateral.

Coronavirus and Public Health Emergencies. As of the date of this brochure, there is an outbreak of a novel and highly contagious form of coronavirus ("COVID-19"), which the World Health Organization has declared to constitute a "Public Health Emergency of International Concern." The outbreak of COVID-19 has resulted in numerous deaths, adversely impacted global commercial activity and contributed to market volatility. The global impact of the outbreak is rapidly evolving, and many countries, states, provinces, districts, departments and municipalities have reacted by instituting quarantines, curfews, prohibitions on travel and the closure of offices, businesses, schools, retail stores and other public venues, including certain infrastructure structures and facilities. Businesses are also implementing similar precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, are creating significant disruption in supply chains and economic activity and are having a particularly adverse impact on transportation, hospitality, tourism and entertainment, among other industries. As COVID-19 continues to spread, the potential impacts, including a global, regional or other economic recession, are increasingly uncertain and difficult to assess.

Any public health emergency, including any outbreak of COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, Ebola or other existing or new epidemic diseases, or the threat thereof, could have a significant adverse impact on a Client and its investments and could adversely affect a Client's ability to fulfill its investment objectives. The extent of the impact of any public health emergency on the operational and financial performance of a Client will depend on many factors, including the duration and scope of such public health emergency, the extent of any related travel advisories and restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of a public health emergency may materially and adversely impact the value and performance of a Client's investments as well as the ability of a Client and source, manage and divest investments and achieve its investment objectives, all of which could result in significant losses to the Client. In addition, the operations of a Client, its investments and the Adviser may be significantly impacted, or even halted, either temporarily or on a long-term basis, as a result of government quarantine and curfew measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity's personnel.

Risks Associated with Types of Securities that are Primarily Recommended (Including Significant, or Unusual Risks):

Equity Securities Risks. The value of equity securities fluctuates in response to issuer, political, market, and economic developments. Fluctuations can be dramatic over the short term as well as long term, and different parts of the market and different types of equity securities can react differently to these developments. For example, large cap stocks can react differently from small cap stocks, and "growth" stocks can react differently from "value" stocks. Issuer, political, or economic developments can affect a single issuer, issuers within an industry or economic sector or geographic region, or the market as a whole. Changes in the financial condition of a single issuer can impact the market as a whole. Terrorism

and related geo-political risks have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally. The Adviser may from time to time purchase restricted securities as part of its investment program. Restricted securities owned by the Partnership may involve special registration risks, liabilities and costs, and valuation difficulties.

Bank Loans and Participations Risks. The Adviser may invest in bank loans and participations. The special risks associated with these obligations include (i) the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors' rights laws, (ii) so-called lender-liability claims by the issuer of the obligations, (iii) environmental liabilities that may arise with respect to collateral securing the obligations and (iv) limitations on the ability of the Partnership to directly enforce its rights with respect to participations. The Adviser will balance the magnitude of these risks against the potential investment gain prior to entering into each such investment. Successful claims by third parties arising from these and other risks, absent bad faith, will be borne by the Clients.

Emerging Markets Risks. There are greater risks associated with investments in securities of issuers located in less developed countries than investments in securities of issuers located in the U.S. and other developed markets. Political risk for many developing countries is a significant factor. During certain social and political circumstances, governments may be involved in policies of expropriation, confiscatory taxation, nationalization, intervention in the securities market and trade settlement, and imposition of foreign investment restrictions and exchange controls. In comparison to more developed markets, trading volumes in emerging markets may be lower, which can result in a lack of liquidity and greater price volatility.

Illiquid Instruments Risks. Certain instruments may have no readily available market or third-party pricing. Reduced liquidity may have an adverse impact on market price and the Adviser's ability to sell particular securities when necessary to meet liquidity needs or in response to a specific economic event, such as the deterioration of creditworthiness of an issuer. In some cases, the relevant portfolio may be contractually prohibited from disposing of certain securities for a specified period of time. Reduced liquidity in the secondary market for certain securities may also make it more difficult for the Adviser to obtain market quotations based on actual trades for the purpose of valuing a fund's portfolio.

Litigation Risks. A Fund, as an independent legal entity, may participate in lawsuits, arbitrations, or other proceedings in U.S. or foreign courts and other tribunals in order to challenge proposed valuations of certain investments. The outcome of any such litigation is uncertain and will be handled under the laws of foreign jurisdictions, which may and do differ from the laws of the United States.

Currency, Convertibility and Exchange Rates Risks. Client assets may be invested in securities denominated in currencies other than U.S. dollars. The value of these and the income from them, as measured in U.S. dollars, may be affected by fluctuations in currency rates (which may include significant devaluations, as against the U.S. dollar), and uncertainties such as changes in the policies regarding foreign investment, taxation and restrictions on currency conversion and repatriation, and other developments in the laws and regulations of the economies in which the Adviser invests.

The Adviser may attempt to mitigate the risks associated with currency fluctuations by entering into forward, futures and options contracts to purchase or sell the currency of denomination of any investment held by the Partnership and any other currencies held by the Funds to the extent such

contracts are available on terms which the Adviser deems acceptable to the Funds. However, the Adviser is not required to do so.

Additional Risks Relating to the Adviser

Cybersecurity Risk. The information and technology systems of the Adviser and of key service providers to the Adviser and its Clients may be vulnerable to potential damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the Adviser has implemented various measures 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 the Adviser 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 and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of the Adviser or its Client accounts and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information.

Risk Management Failures. Although the Adviser attempts to identify, monitor and manage significant risks, these efforts do not take all risks into account and there can be no assurance that these efforts will be effective. Moreover, many risk management techniques, including those employed by the Adviser, are based on historical market behavior, but future market behavior may be entirely different and, accordingly, the risk management techniques employed on behalf of Clients may be incomplete or altogether ineffective. Similarly, the Adviser may be ineffective in implementing or applying risk management techniques. Any inadequacy or failure in risk management efforts could result in material losses to Clients.

Systems and Operational Risk. The Adviser relies on certain financial, accounting, data processing and other operational systems and services that are employed by the Adviser and/or by third party service providers, including prime brokers, the third-party administrator, market counterparties and others. Many of these systems and services require manual input and are susceptible to error. These programs or systems may be subject to certain defects, failures or interruptions. For example, the Adviser and its Clients could be exposed to errors made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated or accounted for or related to other similar disruptions in the Clients' operations. In addition, despite certain measures established by the Adviser and third-party service providers to safeguard information in these systems, the Adviser, Clients and their third-party service providers are subject to risks associated with a breach in cybersecurity which may result in damage and disruption to hardware and software systems, loss or corruption of data and/or misappropriation of confidential information. Any such errors and/or disruptions may lead to financial losses, the disruption of the Client trading activities, liability under applicable law, regulatory intervention or reputational damage.

Brokerage and Custodial Risk. There are risks involved in dealing with the custodians or prime brokers who settle trades. There is no guarantee that a prime broker or any other custodian that a Fund may use from time to time, will not become bankrupt or insolvent. While both the U.S. Bankruptcy Code and the Securities Investor Protection Act of 1970 seek to protect customer property in the event of a bankruptcy, insolvency, failure, or liquidation of a broker-dealer, there is no certainty that, in the event

of a failure of a broker-dealer that has custody of Fund assets, such Fund would not incur losses due to its assets being unavailable for a period of time, the ultimate receipt of less than full recovery of its assets, or both.

Conflicts of Interests

Various potential and actual conflicts of interest may arise between and among the Adviser, its Clients (including the Funds) and each of their affiliates. The following briefly summarizes some of these conflicts but is not intended to be an exhaustive list of all such conflicts. Please also see Items 11 and 12 for additional disclosures related to other potential conflicts of interests that may arise and the Adviser's efforts to mitigate or address such risks. Investors in the Funds should also review the Fund Documents, which may contain additional disclosures related to conflicts of interest that are applicable to that respective Fund.

Conflicts Regarding the Management of Multiple Clients (including those related to fees and investment allocations). The Adviser will employ a wide range of investment objectives and strategies for its Clients. These differing objectives and strategies raise potential conflicts of interest. For example, the Adviser may buy a security for one Client account while it is selling that security for another Client account. In addition, the Adviser may cause one Client account to buy a particular security "long" and another Client account to sell that same security "short." In specific instances, the Adviser's strategies may result in buying and selling different securities and instruments within an issuer's capital structure for different Clients. Accordingly, it is possible that one Client may acquire an instrument that is senior on the capital structure of an issuer relative to an instrument for a different Client that is more junior on the capital structure (including common stock). In certain circumstances, such as if the credit quality of the issuer deteriorates, the Adviser may owe conflicting fiduciary duties to multiple Clients, in that action taken to protect the interest of one set of holders may be detrimental to, or conflict with the interests of, other holders of the same issuer's securities or instruments. When the Adviser causes its Clients to take opposite positions with respect to a particular security, or to invest in different ranks of seniority with respect to a particular issuer, action taken for the benefit of one set of Clients may appear to favor that set of Clients. As previously discussed above in Item 6, certain potential conflicts of interest also may arise relating to the Adviser's management of accounts with different fee arrangements and the allocation of investment opportunities within such accounts.

As previously described in Item 6, the Adviser has adopted and implemented policies and procedures intended to address these potential conflicts of interests (see such disclosure for a summary of such policies and procedures) as well as Item 12 (Brokerage Practices).

The Adviser's Possession of Confidential and Material Nonpublic Information. The Adviser, in the course of its investment management and other activities (e.g., board or creditor committee service), may come into possession of confidential or material nonpublic information about issuers, including issuers in which the Adviser or its related persons have invested or seek to invest on behalf of Clients. The Adviser is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, regardless of whether such other person is a Client. The Adviser maintains and enforces written policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and to assure that the Adviser is meeting its obligations to its Clients and remains in compliance with applicable law. In certain circumstances, the Adviser may possess certain confidential or material, nonpublic information that, if

disclosed, might be material to a decision to buy, sell or hold a security, but the Adviser will be prohibited from communicating such information to the Client or using such information for the Client's benefit. In such circumstances, the Adviser will have no responsibility or liability to the Client for not disclosing such information to the Client (or the fact that the Adviser possesses such information), or not using such information for the Client's benefit, as a result of following the Adviser's policies and procedures designed to provide reasonable assurances that it is complying with applicable law.

Co-Investment Opportunities. As permitted in the Fund Documents but otherwise in its sole discretion, the Adviser may provide certain Clients, investors in a Fund or other persons including affiliates or employees of the Adviser or its affiliates with the opportunity to co-invest in certain investments to which the Adviser has access. Conflicts of interest may arise in the allocation of such co-investment opportunities. The allocation of co-investment opportunities, which may be made to one or more persons for any number of reasons as determined by the Adviser in its sole discretion, may not be in the best interests of a Fund or any individual Fund investor. In exercising its sole discretion in connection with such co-investment opportunities, the Adviser may consider some or all of a wide range of factors, which may include factors which benefit the Adviser. Participation in such opportunities may be limited to a select number of Clients or investors based on their relationship with the Adviser or other factors and may not be available to all of the Adviser's Clients or investors.

Item 9. Disciplinary Information

This Item is not applicable.

Item 10. Other Financial Industry Activities and Affiliations

This item is not applicable.

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

Code of Ethics. The Adviser is adopting a Code of Ethics (the “Code”) that requires the Adviser and its supervised persons to put the interests of the Adviser’s Clients before their own interests and to act honestly and fairly in all respects in their dealings with Clients. In addition to compliance with the Adviser’s policies and procedures, all of the Adviser’s personnel are required to comply with applicable federal securities laws. Clients or prospective Clients may obtain a copy of the Code by contacting the Chief Compliance Officer, Lawrence Palermo, by email at larry@kairos-cap.com or by telephone at 646.420.4504. See below for further provisions of the Code as they relate to the preclearing and reporting of securities transactions by the Adviser’s supervised persons.

Gifts and Entertainment Policies. The Adviser and its supervised persons may give and/or receive gifts, services or other items to/from any person or entity that does business with or potentially could conduct business with or on behalf of the Adviser. The Adviser is adopting policies and procedures governing the receipt and acceptance of such gifts and business entertainment, which generally includes requirements related to the disclosure of gifts and business entertainment in excess of certain de minimis thresholds and pre-clearance by the Chief Compliance Officer prior to giving/receiving gifts above a certain de minimis threshold.

Insider Trading. The Adviser is also implementing policies and procedures designed to detect and prevent insider trading. Under such policies, the Adviser’s supervised persons 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 applicable law.

Participation or Interest in Client Transactions and Personal Securities Trading. The Adviser or its supervised persons may hold the same securities (or related securities, e.g., warrants, options or futures) that the Adviser recommends to Clients. The Adviser or its supervised persons may trade in a particular security in a manner that is the same as, different from, or even opposite to the trading activity undertaken by the Adviser on behalf of its Clients with respect to that same security. Such practices present a conflict when, because of the information an Adviser has, the Adviser or its supervised persons are in a position to trade in a manner that could adversely affect the Clients (e.g., place their own trades before or after Client trades are executed in order to benefit from any price movements due to the Client trades). In addition to affecting the Adviser’s or its supervised person’s objectivity, these practices by the Adviser or its supervised persons may also harm Clients by adversely affecting the price at which the Clients’ trades are executed.

The Adviser is adopting the following procedures in an effort to minimize such conflicts: The Adviser requires its supervised persons to preclear any transaction in their personal accounts with the Chief Compliance Officer, with certain exceptions. In addition, the Adviser’s Code prohibits the Adviser or its related persons and its supervised persons from executing personal securities transactions of any kind in any securities on a restricted securities list maintained by the Chief Compliance Officer. All of the Adviser’s supervised persons are required to disclose their securities transactions on a quarterly basis. In addition, the Adviser’s supervised persons are required to disclose the holdings in their personal accounts upon commencement of employment with the Adviser and on an annual basis thereafter. Trading in the personal accounts of the Adviser’s supervised persons is reviewed by the Chief Compliance Officer and compared with transactions for Client accounts and reviewed against the restricted securities list.

A related person of the Adviser from time to time may recommend securities to Clients, or buy or sell securities for Client accounts, at or about the same time that the related person buys or sells the same securities for its own account. However, such transactions will be subject to the Adviser's procedures described above in an attempt to minimize the potential conflicts of interests stemming from situations where the contemporaneous trading results in an economic benefit for the Adviser's related person to the detriment of the Client.

To the extent that the Adviser enters into such a principal transaction, the Adviser will comply with the requirements of Section 206(3) of the Investment Advisers Act of 1940, and provide written notification to such Client and obtain Client consent either prior to the principal transaction or prior to its settlement. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account knowingly buys from or sells a security to an advisory client.

The Adviser's related persons may, and currently do, invest in Funds managed by the Adviser. As the investment adviser and manager of such Funds, the Adviser's related persons have access to information that is not available to other investors in such private funds. However, as previously noted above and in this brochure, the Adviser has adopted compliance policies and procedures in an attempt to address potential conflicts of interest associated with the Adviser's management of the Funds.

Item 12. Brokerage Practices

Generally. As an SEC registered adviser, the Adviser has a duty to seek best execution with respect to client accounts for which it has authority to select broker-dealers and other counterparties. In seeking best execution, the determinative factor evaluated by the Adviser is not necessarily the lowest possible cost, but whether the transaction represents the best qualitative execution. In selecting a broker-dealer to execute transactions (or a series of transactions) and determining the reasonableness of the broker-dealer's compensation, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost.

The Adviser considers a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation. Such factors include, but are not limited to, reputation, financial strength and stability, creditworthiness, efficiency of execution and error resolution, the actual executed price and the commission, research (including economic forecasts, fundamental and technical advice on securities, valuation advice on market analysis); custodial and other services provided for the enhancement of the Adviser's portfolio management capabilities; the size and type of the transaction; the difficulty of execution and the ability to handle difficult trades; and the operational facilities of the brokers and/or dealers involved (including back office efficiency). It is not the Adviser's practice to negotiate "execution only" commission rates, thus a Client may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate as further discussed below. Certain of the Adviser's personnel will meet periodically to evaluate the broker-dealers used by the Adviser to execute Client trades using the foregoing factors.

Soft Dollar Arrangements. The Adviser may receive research and other products or services other than execution from a broker-dealer and/or a third party in connection with Client securities transactions. This is commonly known as a "soft dollar" relationship. With respect to Adviser's receipt of such research and other products or services in connection with Client securities transactions, the Adviser intends to 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) of the Securities Exchange Act of 1934, as amended ("Section 28(e)"), as further described below.

The use of Client commissions (or markups or markdowns) to obtain research and brokerage products and services raises potential conflicts of interest. For example, the Adviser may not have to pay for the products and services itself under a soft dollar arrangement. This creates an incentive for the Adviser to select or recommend a broker-dealer based on its interest in receiving those products and services. The Adviser may also cause Clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), resulting in higher transaction costs for Clients.

With respect to the usage of soft dollars, the Adviser has adopted the following soft dollar policies and procedures in an effort to address these above requirements and the requirements under Section 28(e). In determining whether to direct Client brokerage transactions to particular broker-dealers, certain of the Adviser's personnel will meet periodically to review and evaluate the soft dollar practices of the Adviser and its compliance with applicable requirements under Section 28(e), including to determine in good faith whether, with respect to any research or other products or services received from a broker-

dealer, the commissions used to obtain those products and services were reasonable in relation to the value of the brokerage, research or other products or services provided by the broker-dealer.

In some instances, the Adviser may obtain a product or service that is used, in part, by the Adviser for Section 28(e) eligible purposes and, in part, for other purposes. In such instances, the Adviser will make a good faith effort to determine the relative proportion of the product or service used to assist the Adviser in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e). Such determination will be made based on the actual use of the product or service by the Adviser's personnel. The proportion of the product or service attributable to assisting the Adviser 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 the Adviser from its own resources. The determination by the Adviser of the appropriate allocation of "mixed use" products and services creates a potential conflict of interest between the Adviser and Clients.

Research and brokerage services obtained by the use of commissions arising from a Client's portfolio transactions may be used by the Adviser in its other investment activities, including, for the benefit of other Client accounts. The Adviser seeks to allocate soft dollar benefits to Client accounts proportionately to the soft dollar credits the accounts generate.

Trade Aggregation & Allocation. As discussed previously in Item 6, the Adviser seeks to place orders for advisory clients in a manner that is fair and equitable to clients over time and will allocate securities purchased or sold for its clients pursuant to its allocation and trade aggregation compliance policies. Although not obligated, the Adviser may aggregate orders for the purchase or sale of the same security for Client accounts when deemed appropriate in accordance with such policies. Each participating client account generally will participate at the average share prices for the aggregated order.

The Adviser's Participation in Capital Introduction Programs. From time to time, the Adviser may participate in capital introduction programs arranged by broker-dealers, including firms that serve as prime brokers to a private fund managed by the Adviser. The Adviser may place Client portfolio transactions with firms who have made such recommendations or provided capital introduction opportunities, if the Adviser determines that it is otherwise consistent with seeking best execution and the Adviser's related policies and procedures. In no event will the Adviser select a broker-dealer as a means of remuneration for recommending the Adviser or any other product managed by the Adviser (or an affiliate) or affording the Adviser with the opportunity to participate in capital introduction programs.

Item 13. Review of Accounts

Client accounts are reviewed by the Chief Investment Officer of the Adviser, on an ongoing basis to determine whether securities positions should be maintained in light of current market conditions. Matters reviewed include specific securities held, adherence to investment guidelines and the performance of the Client account.

Significant market events affecting the prices of one or more securities in a Client account or changes in the investment objectives or guidelines of a particular Client may trigger reviews of a Client account on other than a periodic basis.

Each investor in a Fund will receive written reports from the Adviser pursuant to the terms of the respective Fund Documents.

Item 14. Client Referrals and Other Compensation

The Adviser has entered into an arrangement with an unaffiliated third party for introducing, soliciting or referring prospective investors to invest in a Fund managed by the Adviser. Upon registration, to the extent that a referral arrangement involves or implicates Rule 206(4)-3 under the Investment Advisers Act of 1940, it will be done in accordance with the applicable requirements of that rule.

Item 15. Custody

The Adviser and its affiliate are deemed to have custody of certain Fund assets and intend to comply with Rule 206(4)-2 under the Investment Advisers Act of 1940, as amended, by meeting the conditions of the “Pooled Vehicle Annual Audit Exception”. Such Rule requires that each Fund be subject to an annual financial statement audit by an independent public accountant registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. The audited financial statements will be prepared in accordance with generally accepted accounting principles in the U.S. and will be distributed to each Fund Investor within 120 days of the applicable Fund’s fiscal year end.

Item 16. Investment Discretion

The Adviser provides investment advisory services on a discretionary and non-discretionary basis to Clients.

Prior to assuming full discretion in managing a Client's assets, the Adviser enters into an investment management agreement or other agreement that sets forth the scope of the Adviser's discretion.

Where the Adviser provides investment advisory services on a discretionary basis, it has the authority to determine (i) the securities to be purchased and sold for the Client account (subject to restrictions on its activities set forth in the applicable investment management agreement and any investment guidelines) and (ii) the amount of securities to be purchased or sold for the Client account.

Item 17. Voting Client Securities

To the extent the Adviser has been delegated proxy voting authority on behalf of its Clients, the Adviser complies with its proxy voting policies and procedures. In cases where the Adviser votes proxies with respect to Client securities, the Adviser will vote such proxies in the manner it perceives to be in the best interests of the Fund in accordance with its proxy voting policies and procedures. To the extent that a potential conflict of interest arises (such as (but not limited to) the Adviser, a related person or any personnel of the Adviser owning securities that the Adviser or its related persons also recommends to Clients), such Clients' proxies will be voted according to predetermined guidelines rather than subject to the Adviser's (or its related person's) discretion.

Investors may obtain a copy of the Adviser's proxy voting policies and procedures and information about how the Adviser voted a Client's proxies by contacting the Chief Compliance Officer, Lawrence Palermo, by email at larry@kairos-cap.com or by telephone at 646.420.4504.

Item 18. Financial Information

This item is not applicable.