

Form ADV Part 2A

Beehouse, LLC

660 Madison Avenue, 14th Floor

New York, NY 10065

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This brochure provides information about the qualifications and business practices of Beehouse, LLC (“**Beehouse**” or the “**Firm**”). If you have any questions about the contents of this brochure, please contact Anne Pipala, Beehouse’s Chief Compliance Officer (“**CCO**”) at (929) 367-5390 or by email at ap@beehouselc.com.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“**SEC**”) or by any state securities authority.

Additional information about Beehouse, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

Any reference to Beehouse, LLC as a “registered investment adviser” or being “registered” does not imply a certain level of skill or training.

Item 2: Material Changes

This document is the initial Form ADV Part 2A, also referred to as the Firm Brochure (the “**Brochure**”) for Beehouse, LLC. Pursuant to SEC requirements and rules, you will receive a summary of any material changes to this Brochure within 120 days of the close of Beehouse, LLC’s fiscal year. This Brochure may be requested at any time, without charge, by contacting the CCO at ap@beehouselc.com.

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Item 4: Advisory Business

Beehouse, LLC ("**Beehouse**", the "**Firm**" or the "**Investment Manager**") is a Delaware limited liability company that was formed in August 2017. Gregory Heyman (the "**Principal**") is the Managing Member and Founder of Beehouse, LLC.

Beehouse provides investment advisory services on a discretionary basis to a pooled investment vehicle, Beehouse Partners, LP (the "**Beehouse Fund**"), a Delaware limited partnership, and single-issuer special purpose vehicles (each an "**SPV**" and collectively, the "**SPVs**"). Collectively, the Beehouse Fund and SPVs are referred to hereinafter as the "**Funds**".

Beehouse also provides investment advisory services to separately management accounts (each an "**SMA**" and collectively, the "**SMAs**").

Unless otherwise specified, the Beehouse Fund, SPVs and SMAs are collectively referred to hereinafter as the "**Clients**".

Beehouse manages the Clients pursuant to investment guidelines set forth in the relevant investment management agreements for SMAs, and offering documents for the Beehouse Fund and the SPVs (each an "**Offering Document**", and collectively, the "**Offering Documents**"). The Offering Documents contain more detailed information about the Fund or the SPV, including a description of the investment objective and strategy or strategies employed by the Fund or the SPV and related restrictions that serve as a limitation on Beehouse's advice or management.

Beehouse will not tailor its advisory services to the individual investors in the Funds (each an "**Investor**" and collectively the "**Investors**"), or provide Investors with the right to specify, or restrict the Funds' investment objectives or any investment or trading decisions. Accordingly, an investment in a Fund does not create a client-adviser relationship between such Investors and Beehouse. The Funds is expected to rely on the exception from the definition of an "investment company" provided by Section 3(c)(7) of the U.S. Investment Company Act of 1940, as amended (the "**1940 Act**"). Each Investor is strongly encouraged to undertake appropriate due diligence, including but not limited to a review of relevant Offering Documents and the additional details about Beehouse's investment strategies, methods of analysis and related risks (as discussed in Item 8 of this Brochure and each Fund's Offering Documents) in considering whether Beehouse's advisory services, or an investment in a Fund are appropriate to its own circumstances, based on all relevant factors including, but not limited to, the Investor's own investment objectives, liquidity requirements, tax situation and risk tolerance before making an investment decision.

The general partner of the Beehouse Fund is Beehouse Partners GP, LLC (the "**General Partner**"), a Delaware limited liability company. The General Partner has ultimate responsibility for decisions relating to management and operations made on behalf of the Beehouse Fund, and has ultimate responsibility for the investment decisions made on behalf of the Beehouse Fund but has delegated certain responsibilities to Beehouse.

Additional detailed information about Beehouse is provided below, including information about Beehouse's advisory services, investment approach, personnel and affiliations.

Beehouse does not participate in wrap fee programs.

As of July 1, 2021, Beehouse managed \$313,563,099 in regulatory assets under management ("**RAUM**").

Item 5: Fees and Compensation

The Beehouse Fund***Management Fee***

As an investment adviser to the Beehouse Fund, as further described in the relevant Offering Documents, Beehouse receives a management fee generally equal to 1.5%. The management fees are paid by the Beehouse Fund quarterly in advance on the first day of each calendar quarter, depending upon the net asset value of the Beehouse Fund and each particular investment by an Investor in the Beehouse Fund. Management fees are generally pro-rated for partial periods. Once paid, management fees are non-refundable.

The Firm or its affiliates may reduce, waive or calculate differently the management fee for certain Investors, including but not limited to, members, employees and affiliates of Beehouse.

Other Fees and Expenses

The Beehouse Fund will bear its own expenses and their pro rata share of the Beehouse Fund's expenses, including, but not limited to: organizational expenses (e.g., the costs of preparing any agreements and documents relating to the formation of the General Partner and the Beehouse Fund and the initial offering of interests; expenses relating to the offer and sale of the interests (including, without limitation, legal, travel and lodging, printing and mailing expenses); any taxes imposed on the Beehouse Fund; all fees and expenses incurred in connection with credit facilities (e.g., without limitation, commitment fees incurred in connection with such facilities and accounting and legal fees and expenses incurred in connection with such facilities and accounting and legal fees and expenses incurred in connection with negotiating such facilities); accounting, auditing, tax and tax preparation expenses; the costs of holding any meetings of the Investors; investment expenses (e.g., expenses that the General Partner reasonably determines to be related to the investment of the Beehouse Fund's assets, such as brokerage commissions, expenses relating to short sales, clearing and settlement charges, exchange transaction fees, bank service fees and interest expense, the costs of researching and investigating actual or potential investments, including travel expenses, and other third-party fees (including, without limitation, the Beehouse Fund's share of expenses, due diligence and other costs related to the acquisition, holding, or disposition, bankruptcy of or restructuring of investments (whether or not the related transaction is consummated)); exchange, board of trade or other trading or execution facility membership, participation and/or access fees and expenses; systems fees (including, but not limited to, Bloomberg), market data, newswire and data processing expenses; computer, printer, scanner and other telecommunication hardware and systems expenses; fees and expenses of any administrator; fees and expenses of custodians, outside counsel, accountants (including with respect to all outsourced accounting matters), consultants and other professional service providers (e.g., the costs of any third-party valuation agents or pricing services); expenses of the investor committee, if any; the cost of procuring and maintaining insurance; the costs of printing and mailing, or transmitting or otherwise making available electronically, reports and notices; directors' and officers' liability insurance and other insurance coverages; the costs and expenses of any litigation involving the Beehouse Fund and the amount of any judgments or settlements paid; the costs and expenses of any regulatory filings related to the Beehouse Fund; the Beehouse Fund's pro rata share of any expenses incurred by the Investment Manager and/or the General Partner in connection with satisfying their compliance obligations under the Advisers Act and/or any other rules or regulations applicable to the Investment Manager and/or the General Partner (including, without limitation, costs of compliance programs, third-party compliance consultants, actual and "mock" examinations, regulatory and governmental inquiries, subpoenas and proceedings, regulatory reporting

costs (e.g., Schedules 13D, 13F and 13G and Form PF), filing costs and expenses, as well as EDGAR formatting and filing costs (in each case, whether involving the Beehouse Fund, the General Partner or the Investment Manager); non-U.S. tax and related withholdings; the cost of any future restructuring of the Beehouse Fund and/or updates to the Beehouse Fund's organizational and Offering Documents; extraordinary expenses, which may include, without limitation, taxes, indemnification costs, litigation costs, trade errors or damages; and such other expenses necessary to perform the operation of the Beehouse Fund, as determined by the General Partner in its sole discretion.

The Beehouse Fund does not have a pre-determined limit on its ordinary or extraordinary operating expenses. The Beehouse Fund's actual annual operating expenses will be disclosed in the Beehouse Fund's year-end audited financial statements, which are provided to each Investor in the Beehouse Fund.

Beehouse remains responsible for its overhead expenses of an ordinary and recurring nature, such as rent, supplies, charges for furniture and fixtures, salaries and bonuses of its employees, employee insurance, employee benefits and payroll taxes.

Beehouse has adopted policies and procedures intended to address trade errors to ensure that the Funds are treated fairly. Subject to any contractual limitations set forth in each Fund's Offering Documents, Beehouse has discretion to resolve a particular error in a manner that it deems appropriate and consistent with Beehouse's policies and procedures.

For information on the Firm's brokerage and transaction costs, please see "Item 12 – Brokerage Practices."

The SPVs

As an investment adviser to the SPVs, as further described in the relevant Offering Documents, Beehouse receives a management fee generally equal to 1.5% of the Investors capital contribution due and payable on the effective date and annually thereafter. In the event that any Investor fails to make a payment of the management fee when required (a "**Fee Default**"), and such Investor (a "**Fee Defaulting Investor**") shall not have cured the Fee Default failure within three (3) Business Days of receipt of written notice of the Fee Default from the Investment Manager, then the Investment Manager may, in its sole discretion, elect to charge the Fee Defaulting Member interest at an annual rate equal to The Wall Street Journal prime rate plus six percent (6%) (not to exceed the highest rate permitted by applicable law) on the amount due from the date such amount became due until the date on which payment of the management fee is received by the Investment Manager.

The Firm or its affiliates may reduce, waive or calculate differently the management fee for certain Investors, including but not limited to, members, employees and affiliates of Beehouse.

The SMAs

Beehouse negotiates management fees for SMAs individually and reserves the right to reduce, waive or calculate differently the management fee for certain SMA Investors, including but not limited to, members, employees and affiliates of Beehouse.

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

The Beehouse Fund

Generally, the General Partner is entitled to receive a performance-based distribution from the Fund. The Beehouse Fund reallocates an incentive allocation (the “**Incentive Allocation**”) to the General Partner.

Generally, such allocations are made at the end of a performance period (the “**Performance Period**”) which (a) commences with (i) the open of business on the date of the establishment of such investor capital account (“**Capital Account**”) or (ii) the day following the last day of the preceding performance period and (b) ends on the close of business on (i) the last day of a fiscal year or (ii) if earlier (A) a redemption date when an Investor redeems from the Fund or (B) termination of the Beehouse Fund.

Generally, the Incentive Allocation ranges by series from 0% to 20% (depending upon the annual net profits of the Fund) as set forth in detail in the Fund’s respective Offering Documents.

In the sole discretion of the General Partner, the Incentive Allocation may be waived, reduced or calculated differently for certain Investors, including but not limited to, partners, members, employees and affiliates of Beehouse.

The Beehouse Fund maintains a loss recovery account (the “**Loss Recovery Account**”) or “high water mark” for each Capital Account that tracks the losses that must be recovered before an Incentive Allocation can be made with respect to such series Capital Account.

The SPVS

Generally, Beehouse is entitled to receive a performance-based distribution from the SPVs. The SPVs reallocate the Incentive Allocation to Beehouse where such fees are based on the underlying advisory agreement between such parties. Amounts being distributed shall be apportioned as between such Investors and Beehouse, and distributed in the following order of priority:

- (i) First, one hundred percent (100%) to such Investor until such Investor’s unreturned capital contributions is equal to zero; and
- (ii) Second, eighty percent (80%) to such Investor, and twenty percent (20%) to Beehouse.

The SMAs

Beehouse negotiates performance-based fees for SMAs individually and reserves the right to reduce, waive or calculate differently the performance-based fee for certain SMA Investors, including but not limited to, members, employees and affiliates of Beehouse.

Item 7: Types of Clients

Currently, Beehouse provides investment advice to the Fund, SPVs and SMAs. Initial and additional subscription minimums are disclosed in the Offering Documents for each Fund, SPV or SMA, which may be waived at the discretion of Beehouse.

Each Investor generally must be (i) an “accredited investor”, as defined in Regulation D under the U.S. Securities Act of 1933 (the “**Securities Act**”), and (ii) either a “qualified purchaser”, as defined in the U.S. Investment Company Act of 1940 (the “**Company Act**”), or a “knowledgeable employee”, as

defined under Rule 3c-5 of the Company Act, and must meet other suitability requirements. Interests may not be purchased by non-resident aliens, foreign corporations, foreign partnerships, foreign trusts or foreign estates, all as defined in the Internal Revenue Code. The Subscription Agreement contains representations and questionnaires relating to these qualifications.

The minimum investment for an Investor in the Beehouse Fund is \$1,000,000, subject in each case to Beehouse's or the General Partner's discretion to accept initial subscriptions in lesser amounts or to establish different minimum amounts in the future.

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

Methods of Analysis

The Beehouse Fund

The principal investment objective of the Beehouse in advising the Fund is to seek to achieve long-term capital appreciation, even under adverse market conditions, by taking long and short equity positions primarily in exchange-traded securities issued by companies involved in the legal cannabis industry ("**Cannabis Companies**"). The Beehouse Fund's investments may include both long and short positions in publicly listed equities, initial public offerings ("**IPOs**") and private investments in public companies ("**PIPEs**"). The Beehouse Fund may also purchase and write (i.e., sell) call and put options on individual securities, indexes and exchange traded funds ("**ETFs**"), including in order to manage the position size of individual security holdings, and to seek to enhance the Beehouse Fund's return and reduce volatility. The Investment Manager will also have broad and flexible investment authority to invest in a wide variety of securities and financial instruments in support of its principal investment objective.

The Beehouse Fund will invest in a portfolio of securities designed to capture the growth of legal cannabis in the United States. Beehouse will employ a portfolio strategy designed to:

- (i) Focus on U.S. Cannabis Companies that are growing revenue, generating free cash flow and that have high margins of safety;
- (ii) Leverage Beehouse's reputation as a trusted value-add partner, with an extensive industry network, to attract and select the best risk-adjusted return opportunities;
- (iii) Exploit inefficiencies in the current capital-constrained market where Beehouse is a sought-after partner that can meaningfully influence terms and outcomes by providing capital solutions; and
- (iv) Leverage Beehouse's structural advantage to gain public exposure to the few U.S. Cannabis Companies that meet the firm's investment criteria.

Beehouse relies on rigorous discipline to focus on Cannabis Companies that satisfy the following criteria:

- (i) Future, credible revenue and EBITDA generation that are not represented in current stock prices;
- (ii) EBITDA growth and accelerating operating leverage at relatively, and absolutely, low valuations;
- (iii) Strong balance sheets (net cash and reasonable debt) in capital constrained environments;

- (iv) Management teams known to Beehouse who have track records of doing what they say they will do; and
- (v) Sustainable competitive advantages to grow market share and capture what Beehouse has identified as the “virtuous cycle”, as defined in the Beehouse Fund Offering Documents.

From time to time Beehouse also identifies investment opportunities in privately held Cannabis Companies and will form a SPV to raise capital to invest in the single issuer. Beehouse deploys a similar research process to the Beehouse Fund when identifying and vetting privately held Cannabis Companies.

Summary of Material Risks

There can be no assurance that Beehouse’s investment objective in managing the Clients will be achieved, and that the Clients will not incur losses. The risks described below are not meant to be a comprehensive collection of all risks with which the Clients will be confronted. Each Investor is also encouraged to consult with Beehouse to review the specific risk parameters of, and assets that comprise, each Client at any given time and from time to time.

Potential Loss of Investment

An investment in the Funds or via a SMA is speculative and involves substantial risks, including the risk that the entire investment will be lost.

General Investment Risks

Beehouse intends to invest its Clients available capital (other than capital the Investment Manager determines to retain in cash or cash equivalents) in publicly traded securities and other investment instruments, including securities issued by non-public companies, which may include options and warrants and other convertible securities. The trading price or valuation for such instruments, even if quoted on national or other public markets, generally are subject to significant fluctuation. Securities in which the Beehouse Fund invests may be or become thinly traded or may cease to be traded after the Beehouse Fund acquires them, and some securities purchased by the Beehouse Fund may be subject to restrictions on resales under the Securities Act and state securities laws, so that the Beehouse Fund may be unable to sell some of its securities holdings for extended periods, which may be several years, or may be unable to sell them at all. No assurance can be given that the Client’s investment portfolio will generate any income or will appreciate in value, or that the Clients will be able to realize the appreciation that may occur. The investments by the Clients are not expected to provide dividends. Accordingly, the only source of income that is expected to be available to the Beehouse Fund is the trading (capital gain) income and the sole source of the Beehouse Fund’s liquidity is expected to be the net trading proceeds and the additional investments of the Beehouse Fund.

Competition; Inadequate Return.

Beehouse competes with numerous other private investment funds as well as other investors, many of which may have resources substantially greater than Beehouse. No assurance can be given that the returns on the Client’s investments will be commensurate with the risk of investment. There can be no assurance that returns of similar funds in future periods will reflect previous historical levels. This may be due in part to changes in market conditions affecting such funds’ investments and strategies, as well as the proliferation of investment funds pursuing similar strategies (thereby making it difficult for one fund to outperform others).

Limited Operating History

The Fund, the General Partner and the Investment Manager are recently-formed entities and have limited operating histories. The results of other investment funds and accounts managed by Beehouse or any of its affiliates currently or in the past, which have or have had an investment program that is different from or similar to the investment program of the Clients, are not indicative of the results that the Clients may achieve.

Concentration in Investment Strategies and Certain Investment Categories

The Investment Manager will invest the Client's assets primarily in Cannabis Companies, and will not take a diversified investment approach with the Clients. Accordingly, the Client's assets will be concentrated in the legal cannabis industry.

Reliance on Key Person

Decisions with respect to the management of the Client's affairs have been delegated by to the Investment Manager. In this respect, the Investment Manager has full discretionary authority to identify, structure, execute, administer, monitor and liquidate the Client's investments. In exercising their authority, the Investment Manager has no responsibility to consult with any Investor. The only individual with the authority over the Client's affairs is Mr. Gregory Heyman, who may retain other professionals and may delegate authority to any such additional professionals. Accordingly, no person should purchase an interest unless such person is willing to entrust all aspects of the management of to Mr. Heyman. If Mr. Heyman is unable to participate in the management, the consequences to the would be material and adverse and could lead to the premature termination of the Funds or SMAs.

Limited Right of Withdrawal; Liquidity and Information Rights

An investment in the Beehouse Fund is suitable only for sophisticated Investors who have no need for current liquidity. An investment in the Beehouse Fund provides limited liquidity since interests are not freely transferable and Investors may also only withdraw capital upon the expiration of the initial two-year lock-up period and thereafter may only withdraw as of each March 31, June 30, September 30 and December 31, and any such withdrawals are subject to a fund-level gate which may further limit an Investor's withdrawal rights.

Any portion of any Capital Account that has been allocated to a special investment account may not be withdrawn without the prior consent of the General Partner. The Beehouse Fund may allocate part of its assets to illiquid securities (whether through Special Investment Accounts or otherwise). Beehouse may not be able to readily dispose of such illiquid securities and, in some cases, may be contractually prohibited from disposing of such securities for a specified period of time. Withdrawal proceeds may be paid in cash, in kind or partially in cash and partially in kind.

Investor committee members may be provided with certain information and reporting relating to the Beehouse Fund and its investments that other Investors generally will not receive. As a result, such information may influence decisions by Investors affiliated with such members to request withdrawals.

Business and Regulatory Risks of Hedge Funds

Legal, tax and regulatory developments that may adversely affect the Beehouse Fund could occur during the term of the Beehouse Fund. Securities markets are subject to comprehensive statutes, regulations and margin requirements enforced by the SEC, other regulators and self-regulatory organizations and exchanges authorized to take extraordinary actions in the event of market emergencies. The regulatory environment for private funds is evolving, and changes in the regulation of private funds and their trading activities may adversely affect the ability of the Beehouse Fund to

pursue its investment strategy, its ability to obtain leverage and financing and the value of investments held by the Beehouse Fund. There has been an increase in governmental, as well as self-regulatory, scrutiny of the alternative investment industry in general. It is impossible to predict what, if any, changes in regulations may occur, but any regulations which restrict the ability of the Beehouse Fund to trade in securities or the ability of the Beehouse Fund to employ, or brokers and other counterparties to extend, credit in their trading (as well as other regulatory changes that result) could have a material adverse impact on the Beehouse Fund's investment portfolio.

Effect of General Economic and Market Conditions on the Beehouse Fund's Activities

The success of the Beehouse Fund's activities will be affected by general economic and market conditions such as interest rates, availability of credit, inflation rates, economic uncertainty (including as a result of the COVID-19 pandemic), changes in law (including laws relating to taxation of the Client's investments), and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of financial instruments' prices and the liquidity of the Beehouse Fund's long equity investments. Volatility or illiquidity could impair the Beehouse Fund's profitability or result in losses. The Beehouse Fund may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets.

The economies of non-U.S. countries may differ favourably or unfavourably from the U.S. economy in such respects as growth of gross domestic product, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and balance of payments position. Further, certain non-U.S. economies are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. The economies of certain non-U.S. countries may be based, predominantly, on only a few industries and may be vulnerable to changes in trade conditions and may have higher levels of debt or inflation.

The current global economic and political climate continues to be one of uncertainty. A climate of uncertainty may reduce the availability of potential investment opportunities and increase the difficulty of modeling market conditions, reducing the accuracy of the Investment Manager's financial projections. Furthermore, such uncertainty may have an adverse effect upon the companies in which the Beehouse Fund makes investments. Unpredictable or unstable market conditions may also make it more difficult for the Beehouse Fund to exit and realize value from its investments. The current political environment could also create additional regulatory burdens applicable to the General Partner, the Investment Manager and/or the Beehouse Fund.

It is important to understand that the Beehouse Fund could incur material losses even if it reacts relatively quickly to difficult market conditions, and the Clients may suffer material adverse effects from broad and rapid changes in market conditions.

Investment and Trading Risks

All investments involve the risk of a loss of capital. The Investment Manager believes that the Beehouse Fund's investment program and its research and risk-management techniques moderate this risk through the careful selection of securities and other financial instruments and/or portfolio construction. No guarantee or representation is made that the Beehouse Fund's (the SPVs, SMAs or other future private investment vehicles advised by Beehouse) investment program will be successful, and investment results may vary substantially over time. The Beehouse Fund's investment program may utilize such investment techniques as option transactions, limited diversification, margin transactions, short sales and futures and forward contracts, which practices can, in certain circumstances, maximize the adverse impact to which the Beehouse Fund may be subject.

Inside Information; Inability to Buy/Sell or Vote Certain Positions

From time to time the Investment Manager or its affiliates may be in possession of material, non-public information concerning the issuer of securities in which the Clients have invested, or in which it intends to invest. The possession of such information may limit the ability of the Clients to buy or sell such securities or other instruments. Accordingly, the Clients may be required to refrain from buying or selling such securities or other instruments at times when the Investment Manager might otherwise wish the Clients to buy or sell such securities or other instruments even if such information was obtained in the context of investment activities of other funds or accounts managed or advised by Beehouse. In addition, as a result of voting agreements or other arrangements relating to certain issuers, securities or instruments in which the Clients are invested, the Investment Manager or its affiliates may also be subject to restrictions on their ability to vote or take other actions with respect to such issuers or securities. In such situations, the Investment Manager may not be able to vote or take other actions with respect to such issuers or securities in the manner that it otherwise would believe to be in the best interests of the Clients.

Leverage

The Beehouse Fund may borrow money and employ other forms of leverage when the Investment Manager deems appropriate for enhancing the Beehouse Fund's performance, or in order to finance the payment of withdrawal proceeds to withdrawing Investors. The amount of leverage that the Beehouse Fund may employ is expected to vary over time, both on a portfolio-wide basis and on an investment-by-investment basis, depending on market conditions, investment opportunity, and other relevant factors.

In transactions involving margin borrowings, counterparties and lenders will likely require the Beehouse Fund to post its investments and assets as collateral to support its obligations. Should the instruments and other assets pledged as collateral decline in value, or should brokers increase their maintenance margin requirements (i.e., reduce the percentage of a position that can be financed), the Beehouse Fund could be subject to a "margin call," pursuant to which it must either deposit additional funds with the broker or suffer mandatory liquidation of the pledged assets to compensate for the decline in value. The Beehouse Fund might not be able to liquidate assets quickly enough to pay off the margin debt or provide additional collateral and may suffer mandatory liquidation of positions in a declining market at relatively low prices, thereby incurring substantial losses.

Furthermore, secured counterparties and lenders generally will have the right to sell, pledge, rehypothecate, assign, use or otherwise dispose of collateral posted by the Beehouse Fund. This could increase exposure to the risk of a counterparty default since, under such circumstances, the Beehouse Fund may be unable to recover the posted collateral promptly or may be unable to recover all of the posted collateral. The occurrence of defaults may trigger cross-defaults under the Beehouse Fund's agreements with other brokers, lenders, clearing firms or other counterparties, creating or increasing a material adverse effect on the performance of the Beehouse Fund. The use of leverage may enable the Beehouse Fund to achieve a higher rate of return than would be otherwise possible. Accordingly, the Beehouse Fund may employ leverage in order to obtain investment returns. Leverage may take the form of instruments that are inherently leveraged and trading in products with embedded leverage.

Any use of leverage will magnify the volatility of changes in the value of the investments of the Beehouse Fund that would have been the case absent such leverage. The cumulative effect of the use of leverage by the Beehouse Fund in a market that moves adversely to their investments could result in losses to the Beehouse Fund that would be greater than if the Beehouse Fund were not leveraged.

Illiquid Investments; Special Investments

The Beehouse Fund may make investments that are subject to legal or other restrictions on transfer or for which no liquid market exists. Illiquidity increases risk and volatility and may make it impossible to close out positions against which the market is moving or to realize such positions' value at the time of sale, and may cause substantial delays in the payment of withdrawal proceeds. The General Partner or the Investment Manager may designate certain of the Beehouse Fund's illiquid investments as special investments, and place them in special investment accounts, which the Beehouse Fund generally will account for separately until liquidated or marked to market, which may be for a period of several years.

Turnover

The Beehouse Fund may invest on a short-term basis. The turnover rate within the Beehouse Fund may be significant, potentially involving substantial brokerage commissions, fees and other transaction costs.

Equity Securities Generally

The Beehouse Fund's investment portfolio includes equity and equity-related securities. Equity securities fluctuate in value in response to many factors, including the activities and financial condition of individual companies. As a result, the Beehouse Fund may suffer losses if it invests in equity instruments of issuers whose performance diverges from the General Partner's expectations.

Purchasing Initial Public Offerings

The Beehouse Fund may purchase securities of companies in IPOs or shortly after those offerings are complete. Special risks associated with these securities may include a limited number of shares available for trading, lack of a trading history, lack of investor knowledge of the issuer, and limited operating history. These factors may contribute to substantial price volatility for the shares of these companies. The limited number of shares available for trading in some IPOs may make it more difficult for the Beehouse Fund to buy or sell significant amounts of shares without an unfavourable effect on prevailing market prices. In addition, some companies in IPOs are involved in relatively new industries or lines of business, which may not be widely understood by investors. Some of these companies may be undercapitalized or regarded as developmental stage companies, without revenues or operating income, or near-term prospects of achieving revenues or operating income.

Moreover, the Beehouse Fund and/or certain Investors may be limited as to the amount of new issue allocations it/they can receive while other Investors may not be restricted at all and may be entitled to receive or may actually receive a larger portion of any new issue allocation. Conversely, the General Partner and/or the Investment Manager may determine to restrict the Beehouse Fund as a whole from purchasing new issues even though one or more Investors may otherwise be eligible to receive new issue allocations.

Short Selling

The Beehouse Fund expects to engage in short selling as part of its investment strategies. A short sale by the Beehouse Fund involves the sale of a security that the Beehouse Fund does not own in the hope of purchasing the same security at a later date at a lower price. To make delivery to the buyer, the Beehouse Fund must borrow the security, and is obligated to return the security to the lender, which is accomplished by a later purchase of the security. The Beehouse Fund realizes a profit or a loss as a result of a short sale if the price of the security decreases or increases, respectively, between the date of the short sale and the date on which the Beehouse Fund covers its short position (i.e., purchases the security to replace the borrowed security). A short sale involves the theoretically

unlimited risk of an increase in the market price of the security that would result in a theoretically unlimited loss.

Derivatives

The Beehouse Fund may invest in complex derivative instruments that seek to modify or replace the investment performance of particular securities or other investments on a leveraged or unleveraged basis. These instruments generally have counterparty risk and may not perform in the manner expected by the counterparties, thereby resulting in greater loss or gain to the investor. These investments are all subject to additional risks that can result in a loss of all or part of an investment, in particular, interest rate and credit risk volatility, world and local market price and demand and general economic factors and activity. Derivatives may have leverage embedded in them that can substantially magnify market movements and result in losses greater than the amount of the investment. Some of the markets in which the Beehouse Fund may effect derivative transactions are OTC or “interdealer” markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of “exchange-based” markets. This exposes the Beehouse Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a credit or liquidity problem with the counterparty.

Options

The Beehouse Fund may buy or sell (write) both call options and put options (either exchange-traded, over-the-counter or issued in private transactions), and when it writes options it may do so on a “covered” or an “uncovered” basis. A call option is “covered” when the writer owns securities of the class and amount of those as to which the call option applies. A put option is covered when the writer has an open short position in securities of the relevant class and amount. The Beehouse Fund’s options transactions may be part of a hedging tactic (i.e., offsetting the risk involved in another securities position) or a form of leverage, in which the Beehouse Fund has the right to benefit from price movements in a large number of securities with a small commitment of capital. These activities involve risks that can be large, depending on the circumstances. In general, the principal risks involved in options trading can be described as follows, without taking into account other positions or transactions the Beehouse Fund may enter into.

When the Beehouse Fund buys an option, a decrease (or inadequate increase) in the price of the underlying security in the case of a call, or an increase (or inadequate decrease) in the security in the case of a put, would result in a total loss of the Beehouse Fund’s investment in the option (including commissions). When the Beehouse Fund sells (writes) an option, the risk can be substantially greater than when it buys an option. The seller of an uncovered call option bears the risk of an increase in the market price of the underlying security above the exercise price. Theoretically, the risk is unlimited unless the option is “covered.”

Cannabis Industry Generally

The cannabis industry is a very young, fast evolving industry with increased exposure to the risks associated with changes in applicable laws (including increased regulation, other rule changes, and related federal, state and local enforcement activities), as well as market developments, which may cause businesses to contract or close suddenly and negatively impact the value of securities held by the Clients. The industry is highly dependent on an ever-changing set of laws and regulations which are dependent on a political climate supportive of the industry.

General Legal Considerations

Cannabis Companies are subject to various laws and regulations that may differ at the local, state, federal and international level. These laws and regulations may significantly affect a Cannabis

Company's ability to secure financing and traditional banking services, impact the market for cannabis business sales and services, and set limitations on cannabis use, production, transportation, export and storage. There is a risk that a Cannabis Company currently operating legally may suddenly find itself accused (or found guilty) of illegal activities, including because of changes to applicable law. Cannabis Companies may face litigation, formal or informal complaints, enforcement actions, and inquiries by various federal, state, or local governmental authorities, which could consume considerable amounts of financial and other corporate resources and have a negative impact on sales, revenue, profitability, and growth prospects. Additionally, to the extent that the United States and other countries pass laws that permit individuals to grow cannabis for personal, non-commercial use, the markets may shrink for certain Cannabis Companies in which the Clients invest. Similarly, certain Cannabis Companies may not be able to obtain or maintain the necessary licenses, permits, authorizations, or accreditations, or may only be able to do so at great cost. Failure to comply with or to obtain the necessary licenses, permits, authorizations, or accreditations could result in restrictions on a Cannabis Company's ability to legally engage in its business activity, which could have a negative impact on the value of the Client's investments. Actions taken against certain Cannabis Companies could have an indirect, negative effect on the value of other Cannabis Companies in the cannabis industry, even Cannabis Companies not directly affected by such actions.

U.S. Federal Cannabis Regulation Generally

The possession, use and importation of cannabis remains illegal under U.S. federal law. Federal law criminalizing the use of cannabis remains enforceable notwithstanding state laws that legalize its use for medicinal and recreational purposes. This conflict between the regulation of cannabis under federal and state law creates volatility and risk for all Cannabis Companies operating in the United States ("**U.S. Cannabis Companies**"), and any stepped-up enforcement of cannabis laws by the federal government could adversely affect the value of the Client's investments.

U.S. Regulation of Medical Cannabis Generally

Few drug products containing cannabis or cannabis extracts have been approved for use by the FDA or obtained registrations for commercial production from the DEA, and there is no guarantee that such products will ever be legally produced or sold in the United States. Cannabis Companies in the United States that engage in medical or pharmaceutical research or the production and distribution of controlled substances, such as marijuana, must be registered with the DEA to perform such activities and have the security, control, recordkeeping, reporting and inventory mechanisms required by the DEA to prevent drug loss and diversion.

Operational Risks of the Cannabis Industry

Companies involved in the cannabis industry face increased competition, may have limited access to the services of banks, may have substantial burdens on company resources due to litigation, complaints or enforcement actions, and are heavily dependent on receiving necessary permits and authorizations to engage in medical cannabis research or to otherwise cultivate, possess or distribute cannabis. Since the use of cannabis is illegal under United States federal law, federally regulated banking institutions may be unwilling to make financial services available to growers and sellers of cannabis.

Risks for Investors in U.S. Cannabis Companies

While some cannabis-related stocks and securities are presently accepted by, and trade on national securities exchanges including the New York Stock Exchange, and while federal securities regulators such as the SEC have not issued any prohibition against selling or issuing cannabis related securities, there is still uncertainty in the investment world as to the possible effects that marijuana being illegal under the Controlled Substance Act (the "**CSA**") could have on investors in Cannabis Companies, including the Clients and, indirectly, its Investors. In theory, investment by the Clients in U.S. Cannabis

Companies could be found to violate the CSA. It is theoretically possible that federal law enforcement officials could issue indictments to the Clients and/or Investors under federal law, and all of the assets an Investor has contributed to the Clients, and/or all of the assets the Clients have invested in securities issued by U.S. Cannabis Companies, could be subject to asset forfeiture. The Clients cannot assure any Investor that the present federal climate, which seems to not be interested in prosecuting those involved with the growing cannabis business in states where such activity is legal at the state level, will continue to not prosecute those involved in U.S. Cannabis Companies. Beehouse is not aware of any investor ever being prosecuted for simply investing in a U.S. Cannabis Company by the United States federal government, but there is no assurance that such a prosecution will not occur in the future.

Investors in U.S. Cannabis Companies could be subject to a suspicious activity report being filed when the Investors transfers funds to purchase the securities, under the theory that transferring funds to a business that is legally growing and selling cannabis under state law is still violating federal law, making the need for a suspicious activity report to be filed. Although Beehouse has not been able to find any relevant precedent or confirmed media reports related to this issue, it remains theoretically possible that the Clients, and potentially even Investors, could get flagged for money laundering when they transfer funds to purchase cannabis-related stocks, and it is also possible that a bank could shut down the accounts of Beehouse.

New and Evolving Industry

In the United States, the cannabis industry is a relatively new and rapidly evolving industry, making the business and prospects of U.S. Cannabis Companies difficult to evaluate. If new developments in the U.S. cannabis industry occur, particularly new laws or regulations or adverse interpretations of existing laws and regulations, technologies or if a U.S. Cannabis Company is unable to successfully compete with current and new competitors, its business will be harmed, and it may not be able to survive. The growth and profitability of this industry, as it exists today, and the level of demand and market acceptance for U.S. Cannabis Companies, are subject to a high degree of uncertainty. Beehouse believes that the continued growth of the cannabis industry will depend on many factors, some of which cannot be foreseen at present. This nascent industry may develop more slowly than Beehouse expects, which could adversely impact the Client's investment performance.

Cybersecurity, Security Breaches and Disruptions

In the ordinary course of business, the Clients, the Investment Manager, the General Partner and their service providers collect and store, on such parties' networks and/or on the networks of their third party vendors, sensitive data including the intellectual property, trading data and personally identifiable information of the Investors. The secure processing, maintenance and transmission of this information is critical to the Client's operations. The Investment Manager and the General Partner have procedures and systems in place that they believe are reasonably designed to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time resulting in the information stored therein being accessed, publicly disclosed, lost and/or stolen. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to the General Partner or the Investment Manager may be susceptible to compromise, leading to a breach of the General Partner's or the Investment Manager's network. The General Partner's or the Investment Manager's systems or facilities may be susceptible to attacks by hackers and/or breaches as a result of employee error or malfeasance, government surveillance, or other security threats and technological disruptions. On-line services provided by the General Partner or the Investment Manager to the Investors may also be susceptible to compromise. Breach of the General Partner's or the Investment Manager's information systems may cause information relating to the

transactions of the Clients and personally identifiable information of the Investors to be lost or improperly accessed, used or disclosed.

The service providers of the General Partner, the Investment Manager and the Clients are subject to the same electronic information security threats as the General Partner and the Investment Manager. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Clients and personally identifiable information of the Investors may be lost or improperly accessed, used or disclosed. The loss or improper access, use or disclosure of the General Partner's, Investment Manager's or the Client's proprietary information may have legal ramifications (including legal claims or proceedings, liability under laws that protect the privacy of personal information and regulatory penalties under federal and/or state securities laws) and may result in the disclosure or misuse of confidential information concerning the Investors, cause financial loss, the disruption of its business, liability to third parties, the Client's reputation, harm to the General Partner, the Investment Manager and/or the Clients and increase their respective costs. Any of the foregoing events could have a material adverse effect on the Client's and the Investors' interests therein.

Risks Related to COVID-19

In December 2019, a novel strain of coronavirus was reported to have surfaced in Wuhan, China, which spread throughout China and other parts of the world, including the United States. On January 30, 2020, the World Health Organization declared the outbreak of the coronavirus disease (COVID-19) a "Public Health Emergency of International Concern." On January 31, 2020, U.S. Health and Human Services Secretary Alex M. Azar II declared a public health emergency for the United States to aid the U.S. healthcare community in responding to COVID-19, and on March 11, 2020 the World Health Organization characterized the outbreak as a "pandemic." In the United States, state and local governments issued "shelter in place" orders and ordered "non-essential" businesses temporarily closed, some of which restrictions are still in place. A significant outbreak of COVID-19 and the potential outbreak of other infectious diseases could result in a widespread health crisis that could adversely affect the economies and financial markets worldwide, and could materially and adversely affect the operations of Cannabis Companies and the investments and potential investments of the Funds and SMAs. Furthermore, the Funds and SMAs may be unable to locate and complete attractive investments if continued concerns relating to COVID-19 restrict travel, limit the ability to have meetings in regards to potential opportunities in which to invest, or if vendors and services providers are unable to operate their businesses or otherwise are unavailable to negotiate and consummate a transaction in a timely manner. The extent to which COVID-19 impacts our search for attractive investments will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19 and the actions to contain COVID-19 or treat its impact, among others. If the disruptions posed by COVID-19 or other matters of global concern continue for an extended period of time or recur in the future, our ability to locate and consummate investments may be materially adversely impacted.

Both U.S. and non-U.S. markets have been experiencing increased volatility and turmoil, and it is uncertain whether or for how long these conditions will continue. These events and possible continuing market turbulence may have an adverse effect on the Funds and SMAs, may decrease the likelihood that the Funds and SMAs will achieve their investment objectives, may reduce the ability of the Funds and SMAs to precisely value their investments, or reduce the Fund's and SMA's liquidity.

Item 9: Disciplinary Information

Beehouse has not been subject to any disciplinary action, whether criminal, civil or administrative (including regulatory) in any jurisdiction. Likewise, no persons involved in the management of Beehouse have been subject to such action.

Item 10: Other Financial Industry Activities and Affiliations

Neither Beehouse nor the General Partner are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

Neither Beehouse nor the General Partner are registered or have an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

The General Partner is an affiliated entity of Beehouse.

Neither Beehouse nor the General Partner recommend or select other investment advisers for the Clients.

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

Code of Ethics

Beehouse has adopted a Code of Ethics pursuant to Rule 204A-1 of the Advisers Act (the “**Code**”) that establishes certain standards of conduct and rules for its employees and/or access persons (as applicable). A summary of the Code is provided below. All access persons of Beehouse must acknowledge annually that they understand and agree to the terms of the Code.

The Code incorporates the following general principles that all employees are expected to uphold at all times:

- Employees must place the interest of Clients first;
- Employees must conduct all personal securities transactions in a manner consistent with the Code and seek to avoid both actual conflicts of interest and the appearance thereof, and
- Employees may not take inappropriate advantage of their own positions with Beehouse for their own personal benefit.

Personal Trading

The Code provides that access persons are prohibited from purchasing individual publicly traded securities in the Cannabis Section for their own accounts or accounts that the access person controls or which the access person may be deemed to have beneficial ownership (such as an account of a spouse or minor child). Beehouse believes that this mitigates the most likely conflict of interest that may arise from personal trading activity.

Access persons are permitted to buy and sell private securities (such as investments in hedge fund, private equity funds and private companies) with prior approval. Access persons are also permitted to invest in exchange traded funds, mutual funds and U.S. and non-U.S. government issued obligations without prior approval. In addition, Beehouse may permit access persons to maintain accounts that

are managed on a discretionary basis by a third party if the access person has no direct or indirect influence or control over the investments for the account.

Exceptions to the personal trading policy are handled on a case-by-case basis. For example, an exception may be granted for legacy positions that were held by an access person (or a covered family member) prior to that access person joining Beehouse or to sell an investment that was originally made when the company was private and subsequently became publicly traded. In such a case, the access person would be required to obtain prior approval to sell such positions and may be subject to other restrictions as deemed appropriate by Beehouse under the circumstances.

Gifts and Entertainment, Political Activities and Outside Activities

The Code provides that gifts and entertainment must be reasonable in light of industry practices and should never be given or received if the purpose is to influence the recipient. Beehouse requires access persons to report or receive approval for the receipt or giving of gifts and entertainment under certain circumstances.

The Code also generally requires access persons to obtain prior approval before the access person, a spouse or certain other immediate family members makes a political contribution or engages in certain campaign-related fundraising activities. This policy is intended to prevent scenarios whereby an access person may contribute or engage in an activity for the selection of Beehouse as an investment adviser for a governmental equity.

Finally, the Code provides that, without prior approval, access persons are generally not permitted to engage in certain types of outside business activities. This policy is intended to prevent material conflicts of interest that could arise from an access person's personal activities.

Participation or Interest in Client Transactions

Beehouse, its Principal and employees do not purchase or sell any securities for their own accounts to or from the Funds or SMAs. In the future, if Beehouse were to manage more than one hedge fund, subject to each Fund's investment guidelines and restrictions, Beehouse may affect rebalancing or internal cross transactions. In such cases, Beehouse would determine that it would be in the best interests of one or more of the Funds and one or more other accounts to transfer a security from one account to another (each such transfer, a "**Cross Trade**") for a variety of reasons, including tax purposes, liquidity purposes, to rebalance the portfolios of the accounts, or to reduce transaction costs that may arise in an open market transaction. If Beehouse decides to engage in a Cross Trade, Beehouse will determine that the trade is in the best interests of both of the accounts involved and take steps to ensure that the transaction is consistent with the duty to obtain best execution for each of those accounts.

If Beehouse is to execute Cross Trades, the Firm intends to do so with the assistance of a broker-dealer that executes and books the transaction at the close of the market on the day of the transaction. Alternatively, a cross transaction between two Funds or clients may occur as an "internal cross", where Beehouse instructs the custodian for the accounts to book the transaction at the price determined in accordance with Beehouse's Valuation Policy. If Beehouse effects an internal cross, Beehouse will not receive any fee in connection with the completion of the transaction.

Additional Considerations

From time to time, various potential and actual conflicts of interest may arise from the overall advisory, investment and other activities, partners and personnel in connection with client transactions. Beehouse has established written policies and procedures, which contain procedures to monitor and

resolve conflicts and will endeavor to resolve conflicts in a manner it deems equitable to the extent possible under the prevailing facts and circumstances.

Item 12: Brokerage Practices

Beehouse has complete discretion in deciding which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and commissions or markups and markdowns paid.

Portfolio transactions for the Beehouse Fund are allocated to brokers and dealers on the basis of numerous factors and not necessarily lowest pricing. Brokers and dealers may provide other services that are beneficial to Beehouse and/or certain Funds or clients, but not beneficial to all accounts. Subject to best execution, in selecting brokers and dealers (including prime brokers) to execute transactions, provide financing and securities on loan, hold cash and short balances and provide other services, Beehouse may consider, among other factors that are deemed appropriate to consider under the circumstances, the following: the ability of the brokers and dealers to effect the transaction; the brokers' or dealers' facilities, reliability and financial responsibility; and the provision by the brokers of capital introduction, talent introduction, marketing assistance, consulting with respect to technology, operations and equipment, commitment of capital, access to company management and access to deal flow.

Accordingly, the prices and commission rates (or dealer markups and markdowns arising in connection with riskless principal transactions) charged to the Beehouse Fund by brokers or dealers in the foregoing circumstances may be higher than those charged by other brokers or dealers that may not offer such services. Beehouse need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost or spread. Generally, neither Beehouse nor the Beehouse Fund separately compensates any broker or dealer for any of these other services. Beehouse maintains policies and procedures to review the quality of executions, including periodic reviews by its investment professionals.

Soft Dollar Usage

Beehouse does not currently have any soft dollar arrangements with broker-dealers. In the future, Beehouse may pay a broker-dealer commissions (or markups or markdowns with respect to certain types of riskless principal transactions) for effecting Beehouse Fund transactions in excess of that which another broker-dealer might have charged for effecting the transaction in recognition of the value of the brokerage and research services provided by the broker-dealer. Beehouse will affect such transactions, and receive such brokerage and research services, only to the extent that they fall within the safe harbor provided by Section 28(e) of the Exchange Act and subject to prevailing guidance provided by the SEC regarding Section 28(e). Beehouse believes it is important to its investment decision-making processes to have access to independent research.

Also, consistent with Section 28(e), research products or services obtained with "soft dollars" generated by the Beehouse Fund may be used by Beehouse to service one or more other accounts, including accounts that may not have paid for the soft dollar benefits. Beehouse will not seek to allocate soft dollar benefits to accounts in proportion to the soft dollar credits the accounts generate. Where a product or service obtained with soft dollars provides both research and non-research assistance to Beehouse (i.e., a "mixed use" item), Beehouse will make a good faith allocation of the cost which may be paid for with soft dollars. In making good faith allocations of costs between administrative benefits and research and brokerage services, a conflict of interest may exist by reason of Beehouse's allocation of the costs of such benefits and services between those that primarily benefit Beehouse and those that primarily benefit the accounts.

When Beehouse uses brokerage commissions (or markups or markdowns) generated by any accounts to obtain research or other products or services, Beehouse receives a benefit because it does not have to produce or pay for such products or services. While Beehouse is obligated to seek best execution for each account, the fact that Beehouse can obtain or receive such products or services may create an incentive for it to select or recommend a particular broker-dealer based on Beehouse's interests, to the exclusion of another broker-dealer that offers business terms that are also favorable to one or more accounts.

At least annually, Beehouse considers the amount and nature of research and research services provided by broker-dealers, as well as the extent to which such services are relied upon and attempts to allocate a portion of the brokerage business of its accounts on the basis of that consideration. Broker-dealers sometimes suggest a level of business they would like to receive in return for the various products and services they provide. Actual brokerage business received by any broker-dealer may be less than the suggested allocation but can (and often does) exceed the suggested level, because total brokerage is allocated on the basis of all of the considerations described above. In no case will Beehouse make binding commitments as to the level of brokerage commissions it will allocate to a broker-dealer, nor will it commit to pay cash if any informal targets are not met. A broker-dealer is not excluded from receiving business because it has not been identified as providing research products or services.

Trade Aggregation and Allocation Policies and Procedures

It is the policy of Beehouse to allocate investment opportunities to the Beehouse Fund and to any other accounts on a fair and equitable basis, to the extent practical and in accordance with the Beehouse Fund's or other accounts' applicable investment strategies, over a period of time. Investment opportunities will generally be allocated among those accounts for which participation in the respective opportunity is considered appropriate, taking into account, among other considerations: whether the risk-return profile of the proposed investment is consistent with an account's objectives, the potential for the proposed investment to create an imbalance in an account's portfolio, the liquidity requirements of an account, potentially adverse tax consequences, regulatory restrictions that would or could limit an account's ability to participate in a proposed investment, and the need to re-size risk in an account's portfolio.

Beehouse will have no obligation to purchase or sell a security for, enter into a transaction on behalf of, or provide an investment opportunity to, the Beehouse Fund or other accounts solely because Beehouse purchases or sells the same security for, enters into a transaction on behalf of, or provides an opportunity to, another account or the Beehouse Fund if, in its reasonable opinion, such security, transaction or investment opportunity does not appear to be suitable, practicable or desirable for the Beehouse Fund or the other account.

In particular, when the Beehouse Fund is ramping up its investment or trading strategies, it may receive larger allocations of certain securities than the other accounts in order to obtain its desired risk and portfolio size. Conversely, when other accounts ramp up their investment and trading strategies, the Beehouse Fund may receive reduced or no allocations of certain securities.

Trade Errors

Trade errors involving transactions in any account directly or indirectly held by the Beehouse Fund or any derivatives contract or other similar agreement of the Beehouse Fund and/or any trading vehicle (each, a "**Trade Error**") may occur. Trade Errors include the placement of orders (either purchases or sales) in excess of, or less than, the amount of securities the account intended to trade; the sale of a security when it should have been purchased; the purchase of a security when it should have been sold; the purchase or sale of the wrong security; and the purchase or sale of a security for the wrong account and the post-settlement discovery of such purchase or sale. Trades implemented as a result

of faulty data, systems, coding, modeling or analysis, trades that are properly executed but result in losses, errors committed by other persons (including brokers and custodians), or that are otherwise caused by human error other than those specifically described above, are not considered Trade Errors. The loss of an investment opportunity is not considered a Trade Error.

Such errors may result in losses or gains. Beehouse will use reasonable efforts to detect such errors prior to settlement and promptly correct them. To the extent that an error is caused by a counterparty, such as a broker-dealer, Beehouse will use reasonable efforts to recover any losses associated with such error from the counterparty.

Pursuant to the exculpation and indemnification provided by the Beehouse Fund to Beehouse and its affiliates and personnel, Beehouse and its affiliates and personnel will generally not be liable to the Beehouse Fund for any act or omission, absent bad faith, gross negligence, willful misconduct or actual fraud of such person, and the Beehouse Fund will generally be required to indemnify such persons against any losses they may incur by reason of any act or omission related to the Beehouse Fund, absent bad faith, gross negligence, willful misconduct or actual fraud of such person. As a result of these provisions, Beehouse Fund (and not Beehouse) will benefit from any gains resulting from Trade Errors and other errors and will be responsible for any losses (including additional trading costs) resulting from Trade Errors and other errors, absent bad faith, gross negligence, willful misconduct or actual fraud of the relevant person. Beehouse will not offset any such gains and losses resulting from Trade Errors and other errors unless the underlying transactions constitute a single transaction or closely related series of transactions. Beehouse will reimburse the Beehouse Fund for losses for which Beehouse is responsible under the exculpation provisions. Given the potentially large volume of transactions executed by Beehouse on behalf of the Beehouse Fund, Investors should assume that Trade Errors and other errors will occur and that, to the extent permitted by applicable law and under the Beehouse Fund's Offering Documents, the Beehouse Fund will be responsible for any resulting losses, even if such losses result from the negligence (but not gross negligence) of Beehouse's personnel.

Item 13: Review of Accounts

Beehouse performs daily reviews of the Beehouse Fund's portfolio, as well as various other periodic formal and informal reviews.

Investors in the Beehouse Fund generally receive monthly performance letters, as well as monthly account statements. Beehouse may, in its discretion, provide certain investors with additional information on a more frequent basis upon request. In addition, Beehouse issues investors tax reports, as well as audited financial statements concerning the Beehouse Fund within 120 days of the end of the Beehouse Fund's fiscal year.

Item 14: Client Referrals and Other Compensation

Beehouse currently utilizes a third-party placement agent to introduce prospective investors to the Beehouse Fund and any future Clients. The Beehouse Fund discloses in its Offering Documents that they have entered, and/or may in the future enter, into these arrangements. Generally, any placement agent fees will be borne by Beehouse directly, or indirectly through a corresponding reduction in the management fee that Beehouse receives from the Beehouse Fund, and not by Investors themselves. Third-party solicitors in the United States will be registered as broker-dealers with the SEC, and third-party solicitors outside of the United States will be registered with a non-U.S. regulatory body to the extent such registration is required in the applicable non-U.S. jurisdiction.

The referral arrangements described above involve potential conflicts of interest because the placement agent may have an incentive to favor sales of interests in a Fund over sales of other investment products for which the agent will receive no or lower fees. Prospective and existing

investors should consider this potential conflict of interest when evaluating any recommendation or referral by an agent regarding an investment in a Fund.

Item 15: Custody

Beehouse will comply with the requirements of the Rule 206(4)-2 of the Advisers Act ("**Custody Rule**") with regards to Beehouse's custody of the Funds' assets. Beehouse is deemed to have custody of client funds and securities because it has the authority to obtain client funds or securities, for example, by deducting advisory fees from a client's account or otherwise withdrawing funds from a client's account.

Beehouse does not expect to be required to comply (or expects to be deemed to have complied) with certain requirements of the Custody Rule with respect to each Fund or SPV because it complies with the provisions of the so-called "Pooled Vehicle Annual Audit Exception", which, among other things, requires that (i) each Fund and SPV be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board (PCAOB), (ii) each Fund's audited financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP), and (iii) each Fund distributes its audited financial statements to all Investors in the relevant Fund(s) and SPV(s) within 120 days of the end of its fiscal year.

Item 16: Investment Discretion

Beehouse has full discretionary authority to manage the Clients, including authority to make decisions with respect to which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and the commissions paid. Beehouse's authority is limited by its own internal policies and procedures and each Client's investment guidelines. These terms are set out in the Offering Documents of each Fund and investment management agreements for the SMAs.

Item 17: Voting Client Securities

Proxy Voting Policies and Procedures

Beehouse has established proxy voting policies and procedures designed to ensure that proxies, to the extent Beehouse has been delegated authority to vote such proxies on behalf of the Funds and elects to vote, are voted in the best interest of the Funds. When voting proxies, Beehouse must identify and address material conflicts that may arise between Beehouse's interests and those of the Clients. Specifically, Beehouse monitors the potential for conflicts of interest that might arise from personal relationships that Beehouse or its employees may have with parties involved in the vote, significant Investor relationships with those parties, and other special circumstances.

Beehouse will vote proxies as it deems necessary or appropriate, on a case by case basis. Prior to voting, the CCO will determine whether the conflict is material to the vote and will either resolve the conflict or refer the proxy vote to an outside service for its independent consideration.

Investors or clients may also contact Beehouse to request a copy of its proxy voting policy.

Class Action Participation Procedures

To the extent that Beehouse has discretion to participate in class action lawsuits filed against companies or issuers in which the Clients are invested, Beehouse may participate in such class action lawsuits if it believes that such participation is in the best interest of the Clients on a case-by-case basis.

Item 18: Financial Information

Beehouse has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to investors and has not been the subject of a bankruptcy proceeding.