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This brochure provides information about the qualifications and business practices of Westchester Capital Partners, LLC. If you have any questions about the contents of this brochure, please contact us at (914) 741-5600 or compliance@mergerfund.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Westchester Capital Partners, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2 – MATERIAL CHANGES

Since the last annual update of our brochure dated March 27, 2020, we have made certain non-material changes to improve and clarify the description of our business practices and to respond to industry best practices.

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ITEM 4 - ADVISORY BUSINESS

Westchester Capital Partners, LLC (“WCP”), 100 Summit Lake Drive, Valhalla, New York 10595, an investment adviser since 1996, provides investment advice as the general partner of WCM Hudson Valley Partners, L.P., a Delaware limited partnership (“HVP”), investment adviser to WCM Merger Fund Ltd., a Cayman Islands exempt company (“LTD”), and the manager of WCM Master Trust, a Bermuda trust (the “Master Fund”), a master-feeder structure in which HVP and LTD act as feeders into the Master Fund (HVP, LTD and the Master Fund are collectively referred to as the “Funds”). The Funds engage in merger arbitrage. Merger arbitrage is an investment approach designed to profit from the successful completion of transactions typically involving the common stock, preferred stock and, occasionally, warrants of companies, which are involved in publicly-announced mergers, takeovers, tender offers, leveraged buyouts, spin-offs, liquidations and other types of corporate reorganizations.

Roy Behren and Michael T. Shannon, Co-Managers of WCP are WCP’s principal owners.

WCP tailors its advisory services to the specific investment objectives, policies and restrictions, if any, of each Fund as set forth in the relevant offering circular, placing memorandum, limited partnership agreement, investment management agreement and other governing documents pertaining to each Fund (collectively, the “Fund Documents”). Investment advice is provided in respect of each Fund, and not individually to investors in the Funds. Each Fund is subject to the investment restrictions described, if applicable, in its Fund Documents.

In addition, WCP is an affiliate of Westchester Capital Management, LLC, a registered investment adviser (“WCM”). WCM is the investment adviser to The Merger Fund (“TMF”), The Merger Fund VL (“VL”), WCM Alternatives: Event-Driven Fund (“EDF”), and WCM Alternatives: Credit Event Fund (“CEF”) and sub-adviser to JNL/Westchester Capital Event Driven Fund (“JNL”) and JNL Multi-Manager Alternative Fund (“JARB”), each a separate series of shares of JNL Series Trust.

Roy Behren and Michael T. Shannon are Co-Managers, Co-Presidents and members of WCP, Co-Managers and Co-Presidents of WCM and Co-Presidents and Trustees of TMF, VL, CEF and EDF. Mr. Behren also serves as Treasurer of WCP, WCM, TMF, VL, CEF and EDF.

As of December 31, 2020, WCP managed approximately \$94,322,118 in client assets on a discretionary basis and did not manage any assets on a non-discretionary basis.

ITEM 5 - FEES AND COMPENSATION

WCP is the general partner of HVP pursuant to an Agreement of Limited Partnership of HVP, dated as of August 1, 2009, by and between WCP and HVP’s limited partners (the “Partnership Agreement”). The Partnership Agreement provides that HVP will pay to WCP a cash fee (the “Management Fee”), accrued and calculated monthly and payable in arrears as of the last day of each calendar quarter. Each such quarterly payment of the Management Fee shall be equal to the sum of the Management Fee calculated for each month in such calendar quarter, which monthly calculation shall be equal to one-twelfth (1/12) of one percent (1.0%) of the net asset value of HVP calculated as set forth in the Fund Documents. In addition, WCP is entitled to an incentive

allocation, which is an amount, allocated annually, equal to 20% of the Net Profits (as defined herein) of HVP, if any, during each fiscal year. “Net Profits” during a period equals the sum of net realized gains and dividends or interest plus or minus the change in unrealized gain or loss as of the end, as compared to the beginning, of the period, less brokerage commissions, other Fund expenses and management fees paid or accrued and such other expense items included under the basis of accounting used by a Fund. Pursuant to a “high water mark” provision in the Partnership Agreement, any cumulative net loss of a limited partner must be made up in full in subsequent accounting periods before WCP is entitled to an incentive allocation. In addition, a withdrawal or redemption by an investor from HVP is generally treated, for purposes of determining incentive allocations or fees, respectively, as if the date of such withdrawal or redemption were a fiscal year end. Certain investments in the Funds made by employees – including through any entity established by such employee such as trusts, charitable programs, family investment vehicles or estate planning vehicles – will typically not pay performance-based fees.

WCP is the investment adviser to LTD pursuant to an Investment Advisory Agreement, dated as of January 12, 1996, by and between WCP and LTD (the “Advisory Agreement”). The Advisory Agreement provides that WCP receives from LTD a management fee, which is payable quarterly in arrears and is accrued and calculated monthly (as of the last business day of each month) at an annual rate of 1.0% of the net asset value of LTD calculated as set forth in the Fund Documents. In addition, WCP is entitled to an incentive fee, which is an amount, accrued monthly and paid annually, equal to 20% of the Net Profits of LTD, if any, during each fiscal year. If the net asset value per share of LTD at the end of a fiscal year is lower than the net asset value per share at the end of any prior fiscal year, no incentive fee will be paid to WCP (LTD’s “high water mark” provision). In addition, a withdrawal or redemption by an investor from LTD is generally treated, for purposes of determining incentive allocations or fees, respectively, as if the date of such withdrawal or redemption were a fiscal year end.

WCP is the manager of the Master Fund, the “master fund” in a master-feeder structure which also comprises HVP and LTD (as “feeders”), pursuant to a Management Agreement, dated as of May 31, 2005, by and between WCP and Winchester Global Trust Company Limited, a Bermuda corporation (“Winchester”), as trustee of the Master Fund (the “Management Agreement”). WCP does not charge any fee to the Master Fund for its services under the Management Agreement or under the Agreement and Declaration of Trust among HVP, LTD and Winchester, dated as of May 31, 2005.

WCP’s fees are generally negotiated and fixed at the time that each Fund is formed. In addition, WCP may enter into economic and/or other fee sharing arrangements with respect to one or more Funds and/or certain investors therein, the rights of which will not generally be made available to other investors.

WCP deducts management fees from clients’ assets quarterly in arrears in respect of both HVP and LTD, and receives an incentive allocation or fee directly from clients’ assets annually, in respect of both HVP and LTD.

HVP, LTD and the Master Fund pay all other expenses related to their respective operations, including legal and accounting fees, custodial fees, interest on borrowed funds, transfer taxes,

brokerage commissions, finder's fees with respect to borrowed securities, fees and expenses for consulting, research and statistical services and any extraordinary expenses such as litigation expenses. *See Item 12 - Brokerage Practices* below. As an investor in the Master Fund, each of HVP and LTD is also responsible for its pro rata share of the expenses of the Master Fund. There is no duplication of investment management fees, prime broker fees or administration fees, therefore to the extent that such fees are charged at the Master Fund level they are not charged at the HVP or LTD level and to the extent that such fees are charged at the HVP or LTD level they are not charged at the Master Fund level.

ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As discussed above under *Item 5 - Fees and Compensation*, WCP charges performance-based allocations and fees. Specifically, WCP is entitled to an incentive allocation in respect of HVP and an incentive fee in respect of LTD, each of which is an amount, accrued monthly and paid annually, equal to a fixed percentage (set forth in the applicable Fund Documents) of the net profits of the applicable Fund, if any, during each fiscal year (subject to recoupment of each applicable investor's prior cumulative net loss).

In addition, WCP's affiliate, WCM, may enter into sub-advisory agreements from time-to-time for which performance-based fees may be charged.

The fact that WCP's and WCM's portfolio managers manage accounts that are charged a performance-based fee and/or accounts that are charged an asset-based fee (and accounts that are charged fees at different rates) creates the potential for a conflict of interest, since receipt of a portion of any profits with respect to WCP-advised and WCM-advised accounts that are charged a performance-based fee (or a fee at a higher rate) could, in theory, create an incentive to favor such accounts (*e.g.*, by allocating to them the most favorable investment opportunities or by allocating more resources and time to managing those accounts). However, WCP believes that any conflicts of interest are mitigated, at least in part, for the following reasons: (i) TMF, VL, EDF, JNL, CEF, JARB and the Funds all may engage in merger arbitrage and other event-driven strategies and, in many respects, are managed in a similar fashion; (ii) WCP and WCM follow written trade allocation procedures designed to allocate securities purchases and sales among TMF, VL, EDF, JNL, CEF, JARB and the Funds in a fair and equitable manner over time; and (iii) all allocations and fair-value pricing reports are subject to review by WCP's and WCM's Chief Compliance Officers.

ITEM 7 - TYPES OF CLIENTS

WCP provides investment advice to pooled investment vehicles. The minimum purchase price of a limited partnership interest in HVP is \$500,000. However, WCP reserves the right to accept a subscription of less than \$500,000. All investors in HVP must be "qualified purchasers" within the meaning of the Investment Company Act of 1940, as amended (the "1940 Act").

Each investor in LTD generally must subscribe for a minimum of \$500,000 worth of redeemable shares of LTD. An existing shareholder subscribing for additional shares must subscribe for a minimum of \$100,000 worth of shares. LTD's directors reserve the right to waive or change

these minimums at any time subject to an absolute minimum initial subscription of \$100,000, as required by the Irish Stock Exchange and by the laws of the Cayman Islands.

Each investor in LTD generally must not be a “U.S. Person,” as defined in Regulation S under the Securities Act of 1933, other than a Permitted U.S. Person, which generally means a U.S. Person, other than a registered investment company, that is subject to the United States Employee Retirement Income Security Act of 1974, as amended (“ERISA”), or is a tax-exempt trust described in Section 401(a) of the United States Internal Revenue Code of 1986, as amended, an Individual Retirement Account (“IRA”), or is otherwise exempt from payment of U.S. Federal income tax and is a qualified purchaser. Each investor in LTD additionally must represent and warrant to LTD that, among other things, it is able to acquire shares without violating applicable laws and that it is a sophisticated investor as defined by the Irish Stock Exchange.

ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Under normal market conditions, the Funds invest principally in the common stock, preferred stock, corporate debt, derivatives, total return swaps and/or contracts for differences and, occasionally, warrants of companies which are involved in publicly-announced mergers, takeovers, tender offers, leveraged buyouts, spin-offs, liquidations and other corporate reorganizations. Merger arbitrage is a highly specialized investment approach generally designed to profit from the successful completion of such transactions. Although a variety of strategies may be employed depending upon the nature of the reorganizations selected for investment, the most common merger-arbitrage activity involves purchasing the shares of an announced acquisition target at a discount to their expected value upon completion of the acquisition. The size of this discount, known as the arbitrage “spread,” may represent a Fund’s potential profit on such an investment. Because WCP seeks to profit from the “spread” described above upon the completion of a merger, takeover or other reorganization rather than the performance of the market overall or any one issuer, it believes the merger-arbitrage strategy is designed to provide performance that normally has relatively low correlation with the performance of stock markets.

A Fund may employ a variety of hedging strategies to protect against issuer-related risk or other risks, including selling short the securities of the company that proposes to acquire the acquisition target and/or the purchase and sale of put and call options. A Fund may enter into derivative transactions and purchase or sell other instruments (including options) of any kind for hedging purposes, duration or volatility management purposes, or otherwise to gain, or reduce, long or short exposure to one or more asset classes or issuers. For example, a Fund may seek to hedge a Fund’s portfolio against a decline in the values of its portfolio securities or a decline in the market generally by purchasing put options.

In pursuing a Fund’s investment objective and strategies, a Fund may invest in U.S. and foreign securities without limit and may invest in companies of any market capitalization. The Funds engage in active trading and may invest a portion of their assets to seek short-term capital appreciation.

A Fund may invest in other investment companies, including exchange-traded funds (“ETFs”). To the extent that a Fund invests in shares of another investment company or ETF, it bears its proportionate share of the expenses of the underlying investment company or ETF and is subject to the risks of the underlying investment company’s or ETF’s investments.

Investing in securities involves risk of loss that clients should be prepared to bear. Many factors may affect the Funds’ net asset values and/or performance, including the following:

Merger and Event-Driven Risk

A principal risk associated with merger-arbitrage and event-driven investing is that WCP’s evaluation of the outcome of a proposed event, whether it be a merger, reorganization, regulatory issue or other event, will prove incorrect and that a Fund’s return on the investment will be negative. Even if WCP’s judgment regarding the likelihood of a specific outcome proves correct, the expected event may be delayed or completed on terms other than those originally proposed, which may cause a Fund to lose money or fail to achieve a desired rate of return. The success of a Fund’s merger-arbitrage strategy also depends on the overall volume of merger activity, which has historically been cyclical in nature. During periods when merger activity is low, it may be difficult or impossible to identify opportunities for profit or to identify a sufficient number of such opportunities to provide diversification among potential merger transactions. If WCP determines that a proposed acquisition or other corporate reorganization is likely to be consummated, a Fund may purchase the target company’s securities at prices often only slightly below the value expected to be paid or exchanged for such securities upon completion of the reorganization (and often substantially above the prices at which such securities traded immediately prior to the announcement of the proposed transaction). If the reorganization appears unlikely to be consummated or in fact is not consummated or is delayed, the market price of the target’s securities may decline sharply. Similarly, if a Fund has sold short the acquirer’s securities in anticipation of covering the short position by delivery of identical securities received in the exchange, the failure of the transaction to be consummated may force a Fund to cover its short position in the open market at a price higher than that at which it sold short, with a resulting loss. In addition, if a Fund purchases the target’s securities at prices above the offer price because WCP determines that the offer is likely to be increased or a different and higher offer made, such purchases may be subject to a greater degree of risk.

If, in a transaction in which a Fund has sold the target’s securities short (often at prices significantly below the announced offer price for such securities) based on a determination that the transaction is unlikely to be consummated, and the transaction, in fact, is consummated at the announced price or higher, a Fund may suffer substantial losses if it is forced to cover the short position in the open market at a higher price. In addition, there can be no assurance that securities necessary to cover a short position will be available for purchase or that securities will be available to be borrowed at reasonable costs. The Funds may invest in hostile tender offers, proposed leveraged buyouts and other similar situations. Those types of transactions have a greater risk that the proposed transaction will not be completed successfully and, consequently, a greater risk of loss. A failed transaction or reorganization may occur for a number of reasons, including failure to get shareholder approval or failure to get regulatory approval. The Funds may incur significant losses unwinding their merger-arbitrage and event-driven positions in the

event that a proposed merger or other corporate event does not occur as expected by WCP or WCP determines the position no longer represents an attractive investment opportunity.

Acquisitions involving U.S. banks, savings and loan institutions, insurance companies, utilities, broadcasters and other regulated companies must be approved by the appropriate federal and/or state agencies. Also, certain of the mergers in which the Funds invest are subject to the pre-merger-notification and waiting-period requirements of the Hart-Scott-Rodino Antitrust Improvements Act and review by the U.S. Federal Trade Commission or the Antitrust Division of the Department of Justice, either of which may seek to challenge any given transaction. In the case of exchange offers, the securities to be issued must be registered under the Securities Act before the transaction can be completed.

If a Fund makes purchases in anticipation of an acquisition attempt or other reorganization that does not in fact occur, the Fund may be forced to sell its position at a loss. Further, when securities are purchased in anticipation of a reorganization, a substantial period of time may elapse before the announcement of the reorganization and its subsequent completion. During this period, a Fund may incur significant interest costs on funds borrowed to maintain its position.

With respect to a Fund's investments in liquidations, including liquidations stemming from bankruptcy proceedings, there exists the risk that the reorganization either will be unsuccessful (e.g., for failure to obtain the requisite approvals), will be delayed (e.g., until various liabilities, actual or contingent, have been satisfied) or will result in a distribution of cash or securities whose value is less than the price paid by a Fund for the securities in respect of which the distribution was made.

The Funds generally expect to employ strategies that are not designed to benefit from general market appreciation in the equity markets or improved economic conditions in the global economy. Indeed, WCP may seek to limit the Funds' investment exposure to the markets generally. Accordingly, the Funds may underperform the markets under certain market conditions, such as periods when there is rapid appreciation in the markets.

Hedging Transactions Risk

The success of a Fund's hedging strategy will be subject to WCP's ability to assess correctly the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio being hedged. Since the characteristics of many securities change as markets change or time passes, the success of a Fund's hedging strategy will also be subject to WCP's ability to continually recalculate, readjust, and execute hedges in an efficient and timely manner.

Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of those portfolio positions or prevent losses if the values of those positions decline. Rather, hedging typically establishes other positions designed to gain from those same declines, thus seeking to moderate the decline in the portfolio position's value. For a variety of reasons, WCP may not establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent a Fund from achieving the

intended hedge or expose the Fund to risk of loss. In addition, it is not possible to hedge fully or perfectly against any risk, and hedging entails its own costs. WCP may determine, in its sole discretion, not to hedge against certain risks and certain risks may exist that cannot be hedged. Furthermore, WCP may not anticipate a particular risk so as to hedge against it effectively. Hedging transactions also limit the opportunity for gain if the value of a hedged portfolio position should increase.

Hedging activities involve additional expenses and the risk of loss when a hedge is unwound, especially in the case of reorganizations that are terminated. There is no assurance that any such hedging techniques will be employed by WCP on behalf of a Fund or that any of those employed will be successful.

Management Risk

The Funds are subject to management risk because they are actively managed investment portfolios. WCP's judgments about the attractiveness and potential appreciation of a security may prove to be inaccurate and may not produce the desired results. WCP will apply its investment techniques and risk analyses in making investment decisions for a Fund, but there is no guarantee that its decisions will produce the intended result or that its evaluation of the likelihood that a specific merger or reorganization will be completed as expected will prove correct.

With respect to the Funds, the exercise of discretion in valuation by WCP gives rise to conflicts of interest, as valuations impact WCP's track record and the performance allocation in certain Funds is calculated, in part, on these valuations. Further, these valuations affect the amount of performance fees and calculation of the Management Fee. As a result, it is possible for there to be situations where the WCP is incentivized to influence or manipulate the valuation of investments.

Portfolio Turnover Risk

The frequency of a Fund's transactions will vary from year to year, though merger arbitrage portfolios typically have higher turnover rates than portfolios of typical long-only funds. Increased portfolio turnover will result in higher brokerage commissions, dealer mark-ups and other transaction costs and may result in increased taxable costs to Fund investors, including as a result of the recognition of short-term capital gains taxable to investors at ordinary income rates. Higher costs associated with increased portfolio turnover may reduce a Fund's performance. The Funds normally expect to engage in active and frequent trading and expects to have a high rate of portfolio turnover (e.g., greater than 100% annually).

Derivatives Risk

Derivatives typically have a return tied to a formula based upon an interest rate, index, price of a security, currency exchange rate or other reference asset. Derivatives may also be embedded in securities such as convertibles, which typically include a call option on the issuer's common stock. Derivatives in which a Fund may invest include futures, non-U.S. currency contracts,

swap contracts, reverse repurchase agreements and other over-the-counter (“OTC”) contracts. Derivatives, such as options, swaps, futures and forward contracts, may not produce the desired investment results because, for example, they are not perfect substitutes for the underlying securities, indices or currencies from which they are derived. Derivatives also may create leverage which will amplify the effect of their performance on a Fund and may produce significant losses. When WCP causes a Fund to enter into derivatives transactions, an investment in a Fund may be more volatile than investments in other funds.

Derivatives involve special risks, including: (1) the risk that interest rates, securities prices and currency markets will not move in the direction that a portfolio manager anticipates; (2) imperfect correlation between the price of derivative instruments and movements in the prices of the securities, interest rates or currencies being hedged; (3) the fact that skills needed to use these strategies are different than those needed to select portfolio securities; (4) the possible absence of a liquid secondary market for any particular instrument and possible exchange imposed price fluctuation limits, either of which may make it difficult or impossible to close out a position when desired; (5) the risk that adverse price movements in an instrument can result in a loss substantially greater than a Fund’s initial investment in that instrument (in some cases, the potential loss is unlimited); (6) particularly in the case of privately-negotiated instruments, the risk that the counterparty will not perform its obligations, or that penalties could be incurred for positions held less than the required minimum holding period; and (7) the inability to close out certain positions to avoid losses, exposing a Fund to greater potential risk of loss. In addition, the use of derivatives for non-hedging purposes is considered a speculative practice. There is the possibility that derivative strategies will not be used or that ineffective implementation of derivative strategies or unusual market conditions could result in significant losses to a Fund.

In particular, a Fund’s use of OTC derivatives exposes it to the risk that the counterparties will be unable or unwilling to make timely settlement payments or otherwise honor their obligations. An OTC derivatives contract typically can be closed only with the consent of the other party to the contract. If the counterparty defaults, a Fund will have contractual remedies but may not be able to enforce them. Because the contract for each OTC derivative is individually negotiated, the counterparty may interpret contractual terms (e.g., the definition of default) differently than a Fund, and if it does, the Fund may decide not to pursue its claims against the counterparty to avoid incurring the cost and unpredictability of legal proceedings. A Fund, therefore, may be unable to obtain payments WCP believes are owed to it under OTC derivatives contracts, or those payments may be delayed or made only after the Fund has incurred the costs of litigation.

A Fund may invest in derivatives that (i) do not require the counterparty to post collateral (including, but not limited to, non-U.S. currency forwards), (ii) require collateral but that do not provide for the Fund’s security interest in it to be perfected, (iii) require a significant upfront deposit by the Fund unrelated to the derivative’s intrinsic value (Initial Margin), or (iv) do not require that collateral be regularly marked-to-market. When a counterparty’s obligations are not fully secured by collateral, the Fund runs the risk of having limited recourse if the counterparty defaults. Even when obligations are required by contract to be collateralized, there is sometimes a lag between the day the collateral is called for and the day the Fund receives it. A Fund may invest in derivatives with a limited number of counterparties, and events affecting the creditworthiness of any of those counterparties may have a pronounced effect on the Fund.

Derivatives risk is particularly acute in environments (like those of 2008) in which financial services firms are exposed to systemic risks of the type evidenced by the insolvency of Lehman Brothers and subsequent market disruptions. In addition, during those periods, a Fund may have a greater need for cash to provide collateral for large swings in its mark-to-market obligations under the derivatives used by the Fund.

Derivatives also present other risks described in this section, including market risk, liquidity risk, currency risk, credit risk, legal and regulatory risk, and counterparty risk. Many derivatives, in particular OTC derivatives, are complex and their valuation often requires modeling and judgment, which increases the risk of mispricing or improper valuation. The pricing models used may not produce valuations that are consistent with the values a Fund realizes when it closes or sells an OTC derivative. Valuation risk is more pronounced when the Fund enters into OTC derivatives with specialized terms because the value of those derivatives in some cases is determined only by reference to similar derivatives with more standardized terms. As a result, incorrect valuations may result in increased cash payments to counterparties, undercollateralization and/or errors in the calculation of a Fund's net asset value. Derivatives also involve the risk that changes in their value may not move as expected relative to the value of the assets, rates or indices they are designed to track.

In addition, suitable derivatives will not be available in all circumstances. For example, the economic costs of taking some derivative positions may be prohibitive, and if a counterparty or its affiliate is deemed to be an affiliate of a Fund, the Fund will not be permitted to trade with that counterparty. In addition, WCP may decide not to use derivatives to hedge or otherwise reduce a Fund's risk exposures, potentially resulting in losses for the Fund.

When a Fund uses credit default swaps to obtain synthetic long exposure to a fixed income security such as a debt instrument or index of debt instruments, the Fund is exposed to the risk that it will be required to pay the full notional value of the swap contract in the event of a default.

Swap contracts and other OTC derivatives are highly susceptible to liquidity risk and counterparty risk (see "Counterparty Risk" below), and are subject to documentation risks. Because many derivatives have a leverage component (i.e., a notional value in excess of the assets needed to establish and/or maintain the derivative position), adverse changes in the value or level of the underlying asset, rate or index may result in a loss substantially greater than the amount invested in the derivative itself.

Certain derivatives contracts are required to be executed through swap execution facilities ("SEFs"). A SEF is a trading platform where multiple market participants can execute derivatives by accepting bids and offers made by multiple other participants in the platform. Such requirements may make it more difficult and costly for investment funds, such as the Funds, to enter into highly tailored or customized transactions. Trading swaps on a SEF may offer certain advantages over traditional bilateral over-the-counter trading, such as ease of execution, price transparency, increased liquidity and/or favorable pricing. Execution through a SEF is not, however, without additional costs and risks, as parties are required to comply with SEF and U.S. Commodity Futures Trading Commission ("CFTC") rules and regulations, including disclosure and recordkeeping obligations, and SEF rights of inspection, among

others. SEFs typically charge fees, and if a Fund executes derivatives on a swap execution facility through a broker intermediary, the intermediary may impose fees as well. A Fund also may be required to indemnify a SEF, or a broker intermediary who executes cleared derivatives on a SEF on the Fund's behalf, against any losses or costs that may be incurred as a result of the Fund's transactions on the SEF. In addition, a Fund may be subject to execution risk if it enters into a derivatives transaction that is required to be cleared (or which the general partner of a Fund expects to be cleared), and no clearing member is willing to clear the transaction on the Fund's behalf. In that case, the transaction might have to be terminated, and a Fund could lose some or all of the benefit of any increase in the value of the transaction after the time of the trade.

Counterparty Risk

To the extent a Fund enters into contracts with counterparties, such as repurchase or reverse repurchase agreements or other OTC derivatives contracts, or lends its securities, the Fund runs the risk that the counterparty will be unable or unwilling to make timely settlement payments or otherwise honor its obligations. If a counterparty fails to meet its contractual obligations, goes bankrupt, or otherwise experiences a business interruption, a Fund could miss investment opportunities or otherwise hold investments it would prefer to sell, resulting in losses for the Fund. There is no explicit limit on the amount of exposure that HVP may have with any one counterparty nor a requirement that counterparties maintain a specific rating by a nationally recognized rating organization in order to be considered for potential transactions. As a result of LTD's listing on the Irish Stock Exchange ("ISE"), LTD may not, while listed on ISE, enter into any derivative transaction that would result in an exposure of more than 20% of the value of its net assets to any single counterparty. To the extent that WCP's view with respect to a particular counterparty changes (whether due to external events or otherwise), existing transactions are not required to be terminated or modified. Additionally, new transactions may be entered into with a counterparty that is no longer considered eligible if the transaction is primarily designed to reduce the overall risk of potential exposure to that counterparty (for example, re-establishing the transaction with a lesser notional amount). Counterparty risk is pronounced during unusually adverse market conditions and is particularly acute in environments (like those of 2008) in which financial services firms are exposed to systemic risks of the type evidenced by the insolvency of Lehman Brothers in 2008 and subsequent market disruptions.

Participants in OTC derivatives markets typically are not subject to the same level of credit evaluation and regulatory oversight as are members of exchange-based markets, and, therefore, OTC derivatives generally expose a Fund to greater counterparty risk than exchange-traded derivatives. The Funds are subject to the risk that a counterparty will not settle a derivative in accordance with its terms because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem. If a counterparty's obligation to a Fund is not collateralized, then the Fund is essentially an unsecured creditor of the counterparty. If the counterparty defaults, the Fund will have contractual remedies, but the Fund may be unable to enforce them, thus causing the Fund to suffer a loss. Counterparty risk is greater for derivatives with longer maturities because of the greater possibility that events will intervene to prevent final settlement. Counterparty risk also is greater when a Fund has concentrated its derivatives with a single or small group of counterparties as it sometimes does as a result of its use of swaps and

other OTC derivatives. Significant exposure to a single counterparty increases a Fund's counterparty risk. To the extent a Fund uses swap contracts, it may be subject, in particular, to the creditworthiness of the counterparties because some types of swap contracts have durations longer than six months (and, in some cases, decades). The creditworthiness of a counterparty may be adversely affected by greater than average volatility in the markets, even if the counterparty's net market exposure is small relative to its capital. Counterparty risk still exists even if a counterparty's obligations are secured by collateral because a Fund's interest in the collateral may not be perfected or additional collateral may not be promptly posted as required.

The Funds also are subject to counterparty risk because they execute their securities transactions through brokers and dealers. If a broker or dealer fails to meet its contractual obligations, goes bankrupt, or otherwise experiences a business interruption, a Fund could miss investment opportunities or be unable to dispose of investments it would prefer to sell, resulting in losses for the Fund.

Options Risk

A Fund may engage in a variety of options transactions. When a Fund purchases options, it risks the loss of the cash paid for the options if the options expire unexercised. When a Fund sells (writes) covered call options, it forgoes the opportunity to benefit from an increase in the value of the underlying stock above the exercise price, but it continues to bear the risk of a decline in the value of the underlying stock. In addition, a Fund may earn premiums from writing call options. For investors who hold Fund interests in a taxable account, profits from writing call options are generally treated as short-term capital gains for federal and state income tax purposes, taxable to investors as ordinary income when distributed to them.

Distressed Securities Risk

Distressed securities risk refers to the uncertainty of repayment of defaulted securities and obligations of distressed issuers. Because the issuer of such securities is likely to be in a distressed financial condition, repayment of distressed or defaulted securities (including insolvent issuers or issuers in payment or covenant default, in workout or restructuring or in bankruptcy or insolvency proceedings) is subject to significant uncertainties. Insolvency laws and practices in foreign jurisdictions are different than those in the U.S. and the effect of these laws and practices may be less favorable and predictable than in the U.S. Investments in defaulted securities and obligations of distressed issuers are considered highly speculative.

Foreign Investing Risk

Investing in foreign companies or ETFs which invest in foreign companies, may involve more risks than investing in U.S. companies and such investments may entail political, cultural, regulatory, legal and tax risks different from those associated with comparable transactions in the United States. These risks can increase the potential for losses in a Fund and may include, among others, currency devaluations, currency risks (fluctuations in currency exchange rates), country risks (political, diplomatic, regional conflicts, terrorism, war, social and economic instability and policies that have the effect of limiting or restricting foreign investment or the movement of

assets) as well as different trading and settlement practices, less government supervision, less publicly available information, limited trading markets and greater volatility than comparable investments in U.S. companies. Additionally, investments in securities denominated in foreign currencies are subject to the risk that those currencies will decline in value relative to the U.S. dollar. A decline in the value of foreign currencies relative to the U.S. dollar will reduce the value of securities held by a Fund and denominated in those currencies. The foregoing risks may apply to a greater extent to investments in emerging market countries. The securities markets of emerging market countries are generally smaller, less developed, less liquid, and more volatile than the securities markets of the United States and developed countries. Foreign investments may be subject to foreign withholding taxes.

Debt Securities Risk

Debt securities may fluctuate in value and experience periods of reduced liquidity due to, among other things, changes in interest rates, governmental intervention, general economic conditions, industry fundamentals, market sentiment and the financial condition of the issuer, including the issuer's credit rating or financial performance. During those periods, a Fund may experience high levels of shareholder redemptions, and may have to sell securities at times when it would otherwise not do so, and at unfavorable prices. Debt securities may be difficult to value during such periods. Debt securities are subject to interest rate risk, which is the risk that when interest rates rise, the values of fixed income debt securities tend to decline. Debt securities have varying levels of sensitivity to changes in interest rates, and the values of securities with longer durations tend to be more sensitive to changes in interest rates. Debt securities are subject to the risk that if interest rates decline, issuers of debt securities may exercise redemption or call provisions. This may force a Fund to reinvest redemption or call proceeds in securities with lower yields, which may reduce Fund performance. Debt securities are also subject to credit risk, which is the risk that the issuer of an instrument may default on interest and/or principal payments due to a Fund. An increase in credit risk or a default will cause the value of a Fund's fixed and floating rate income securities to decline. Securities rated below-investment-grade (and unrated securities of comparable credit quality), commonly referred to as "high-yield" or "junk" bonds, have speculative characteristics and generally have more credit risk than higher-rated securities. Lower rated issuers are more likely to default and their securities could become worthless. These securities may be subject to a greater price volatility due to such factors as specific corporate developments, interest rate sensitivity, negative perceptions of junk bonds generally, and less secondary market liquidity. This potential lack of liquidity may make it more difficult for a Fund to accurately value these securities. In addition, investments in defaulted securities and obligations of distressed issuers, such as issuers undergoing or expected to undergo bankruptcy, may be illiquid and are considered highly speculative.

The market value of convertible debt securities will also be affected by changes in the price of the underlying equity securities. The market values of debt securities issued by companies involved in pending corporate mergers, takeovers or other corporate events, or debt securities that will be repaid in connection with a merger, takeover or other corporate event, may be determined in large part by the status of the transaction and its eventual outcome, especially if the debt securities are subject to change of control provisions that entitle the holder to be paid par value or some other specified dollar amount upon completion of a transaction or other event.

In recent periods, governmental financial regulators, including the U.S. Federal Reserve, have taken steps to maintain historically low interest rates by purchasing bonds. Steps by those regulators, including to curtail or “taper” such activities, could result in the effects described above or otherwise adversely affect the value of a Fund’s investments, and could have a material adverse effect on prices for debt securities and the management of the Fund.

Leveraging Risk

A Fund’s investments in futures contracts, forward contracts, swaps and other derivative instruments also may provide the economic effect of financial leverage by creating additional investment exposure, as well as the potential for greater loss. If a Fund employs leverage through activities such as borrowing money to purchase securities, engaging in reverse repurchase agreements, lending portfolio securities and investing in derivative instruments, a Fund’s shares could be expected to be more volatile. The interest, financing or other costs which a Fund must pay on borrowed money or other forms of leverage, together with any additional fees or requirements, are additional costs which will reduce the Fund’s returns. Unless profits and income on securities acquired with leverage exceed the costs of the leverage, the use of leverage will diminish the investment performance of a Fund compared with what it would have been without leverage, and the use of leverage will cause any losses the Fund incurs to be greater than they otherwise would have been had the Fund not employed leverage.

Short Selling Risk

If the price of a security sold short increases between the time of the short sale and the time a Fund covers its short position, the Fund will incur a loss. Short selling is subject to theoretically unlimited risk of loss because there is no limit on how much the price of a security may appreciate before the “short” position is closed out. Also, a Fund is required to deposit collateral in connection with such short sales and has to pay a fee to borrow particular securities and will often be obligated to pay to the lender of the security amounts equal to any dividends and accrued interest on the borrowed securities during the period of the short sale. These aspects of short selling increase the costs to a Fund and will reduce its rate of return. Additionally, the successful use of short selling may be adversely affected by imperfect correlation between movements in the price of the security sold short and the securities being hedged.

The U.S. Securities and Exchange Commission (“SEC”) has adopted restrictions on the short sale of securities which fall more than 10 percent in a given day (referred to as the “circuit breaker” or “modified uptick rule”). If the SEC were to adopt additional restrictions on short sales, such restrictions could restrict the Funds’ ability to engage in short sales in certain circumstances, and the Funds may be unable to execute their investment strategy as a result. The SEC and regulatory authorities in other jurisdictions may adopt (and in certain cases have adopted) bans on short sales of certain securities in response to market events. Bans on short selling may make it impossible for the Funds to execute certain investment strategies and may have a material adverse effect on the Funds’ ability to achieve their investment objective and generate returns. In addition, engaging in short selling may increase the risk of the Funds becoming subject to government investigation.

Liquidity Risk

The markets for high-yield, convertible and certain lightly-traded equity securities (particularly small cap issues) are often not as liquid as markets for higher-rated securities or large cap equity securities. For example, relatively few market makers may participate in the secondary markets for high-yield debt securities, and the trading volume for high-yield debt securities is generally lower than that for higher-rated securities. Accordingly, these secondary markets (generally or for a particular security) could contract under real or perceived adverse market or economic conditions. These factors may have an adverse effect on a Fund's ability to dispose of particular portfolio investments and may limit the ability of a Fund to obtain accurate market quotations for purposes of valuing securities and calculating NAV. Less liquid secondary markets also may affect a Fund's ability to sell securities at their fair value. A Fund may invest in illiquid securities, which are more difficult to value and may be difficult to sell. If the secondary markets for lightly-traded securities contract due to adverse economic conditions or for other reasons, certain liquid securities in a Fund's portfolio may become illiquid, and the proportion of a Fund's assets invested in illiquid securities may increase.

Smaller, unseasoned companies (those with less than a three-year operating history) and recently-formed public companies may not have established products, experienced management, or an earnings history. As a result, their stocks may lack liquidity. Investments in foreign securities may lack liquidity due to heightened exposure to potentially adverse local, political, and economic developments such as war, political instability, hyperinflation, currency devaluations, and overdependence on particular industries. In addition, government interference in markets such as nationalization and exchange controls, expropriation of assets, or imposition of punitive taxes may result in a lack of liquidity. Possible problems arising from accounting, disclosure, settlement, and regulatory practices or changes and legal rights that differ from U.S. standards might reduce liquidity. The chance that fluctuations in foreign exchange rates will decrease the investment's value (favorable changes can increase its value) will also impact liquidity. These risks are heightened for investments in developing countries.

Market Risk

Investment markets can be volatile. Various market risks can affect the price or liquidity of an issuer's securities in which a Fund may invest. The prices of investments can fall rapidly in response to developments affecting a specific company or industry, or to changing economic, political or market conditions. No hedging or other instrument exists that would allow a Fund to eliminate all of such Fund's exposure to market volatility. During periods of significant market stress or volatility, the performance of a Fund may correlate to a greater extent with the overall equity markets than it has during periods of less stress and volatility. There can be no assurance that a Fund's performance will not correlate closely with that of the equity markets during certain periods. A Fund's investments may decline in value if markets perform poorly. There is also a risk that a Fund's investments will underperform either the securities markets generally or particular segments of the securities markets.

The liquidity in a market for a particular security will affect its value and may be affected by factors relating to the issuer, as well as the depth of the market for that security. Other market risks that can affect value include a market's current attitudes about types of securities, market reactions to political, social, economic or other events, including litigation, and tax and regulatory effects (including lack of adequate regulations for a market or particular type of instrument).

Additionally, the consummation of mergers and other corporate reorganizations can be prevented or delayed by changes in market conditions. Unstable market conditions in the past have caused certain transactions to be canceled or deferred, resulting in significant losses to participants in merger arbitrage. Further, in recent years, U.S. and global financial markets and the broader current financial environment have been, and continue to be, characterized by uncertainty, volatility and instability. There can be no assurance that conditions in the financial markets will not worsen or materially and adversely affect transactions currently pending or announced in the future.

Legal and Regulatory Risk

Legal, tax and regulatory changes could occur and may adversely affect a Fund, its investments and its ability to pursue its investment strategies and/or increase the costs of implementing such strategies. New (or revised) laws or regulations may be imposed by the CFTC, the SEC, the Internal Revenue Service ("IRS"), the U.S. Federal Reserve or other governmental regulatory authorities or self-regulatory organizations that could adversely affect a Fund or a Fund's investments, including, for example, by preventing the completion of a proposed merger or eliminating some or all of the benefits of a proposed merger. The Funds also may be adversely affected by changes in the enforcement or interpretation of existing statutes and rules by governmental regulatory authorities or self-regulatory organizations. Regulators around the globe have increasingly taken measures to seek to increase the stability of the financial markets, including by proposing rules that may curtail a Fund's ability to use derivative and other instruments and that may require a Fund to change how it has been managed historically. WCP continues to evaluate these measures, and there can be no assurance that they will not adversely affect the Funds and their performance.

In addition, the securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. The CFTC, the SEC, the Federal Deposit Insurance Corporation, other regulators and self-regulatory organizations and exchanges are authorized under these statutes, regulations and otherwise to take extraordinary actions in the event of market emergencies.

The CFTC and certain futures exchanges have established limits, referred to as "position limits," on the maximum net long or net short positions which any person may hold or control in particular options and futures contracts; those position limits may apply to certain other derivatives positions a Fund may wish to take. All positions owned or controlled by the same person or entity, even if in different accounts, may be aggregated for purposes of determining whether the applicable position limits have been exceeded. Thus, even if a Fund does not intend to exceed applicable position limits, it is possible that different clients managed by WCP and its affiliates may be aggregated for this purpose. Therefore it is possible that the trading decisions of

WCP may have to be modified and that positions held by a Fund may have to be liquidated in order to avoid exceeding such limits. The modification of investment decisions or the elimination of open positions, if it occurs, may adversely affect the performance of a Fund.

The SEC has in the past adopted interim rules requiring reporting of all short positions above a certain *de minimis* threshold and may adopt rules requiring monthly public disclosure in the future. In addition, other non-U.S. jurisdictions where a Fund may trade have adopted reporting requirements. If a Fund's short positions or its strategy become generally known, it could have a significant effect on WCP's ability to implement its investment strategy. In particular, it would make it more likely that other investors could cause a short squeeze in the securities held short by a Fund forcing the Fund to cover its positions at a loss. In addition, if other investors engage in copycat behavior by taking positions in the same issuers as a Fund, the cost of borrowing securities to sell short could increase drastically and the availability of such securities to a Fund could decrease drastically. Such events could make a Fund unable to execute its investment strategy. In addition, if the SEC were to adopt restrictions regarding short sales, they could restrict a Fund's ability to engage in short sales in certain circumstances, and the Fund may be unable to execute their investment strategies as a result.

The SEC and regulatory authorities in other jurisdictions may adopt (and in certain cases, have adopted) bans on short sales of certain securities in response to market events. Bans on short selling may make it impossible for a Fund to execute certain investment strategies and may have a material adverse effect on the Fund's ability to generate returns.

Investing in companies involved in significant mergers, restructurings and other similar transactions or corporate events tends to involve increased litigation risk. This risk may be greater in the event a Fund takes a large position or is prominently involved on a bankruptcy or creditors' committee. The expense of asserting claims (or defending claims) and recovering any amounts pursuant to settlements or judgments may be borne by a Fund. Further, ownership of companies over certain threshold levels involves additional filing requirements and substantive regulation on such owners, and if a Fund fails to comply with all of these requirements, the Fund may be forced to disgorge profits, pay fines or otherwise bear losses or other costs from such failure to comply. Public disclosure of a Fund's positions could have a significant effect on WCP's ability to implement its investment strategies for the Fund. For example, if other investors engage in copycat behavior by taking positions in the same issuers as a Fund, the cost of such securities to the Fund could increase drastically. Additionally, to the extent that such purchases are opposed by management of the target company or others, a Fund may be subject to litigation. Such events could increase a Fund's costs significantly, reduce the Fund's returns, and prevent the Fund from executing its investment strategy.

Concentration of Investments

Other than if prohibited by a Fund's investment policies and restrictions, the Funds are not limited in the amount of Fund capital which may be committed to any one investment. Although it is the policy of WCP to diversify a Fund's capital among a number of investments deemed attractive, a Fund may at certain times hold a few, relatively large (in relation to its capital)

securities positions, with the result that a loss in any such position could have a material adverse impact on the Fund's capital.

From time to time, a Fund may purchase shares in a given company which, when aggregated with similar purchases by entities affiliated with the Fund, equal five percent (5%) or more of that company's outstanding equity securities. In connection therewith or in other cases, a Fund and such other affiliated entities, may seek to influence the company's consideration of its strategic alternatives or affect the outcome of a pending corporate reorganization. Purchases of five percent (5%) or more may require WCP to file a Schedule 13D or 13G with the Securities and Exchange Commission ("SEC"), which documents are available to the public. Public disclosure of a Fund's positions could have a significant effect on WCP's ability to implement its investment strategies for a Fund. For example, if other investors engage in copycat behavior by taking positions in the same issuers as a Fund, the cost of such securities to the Fund could increase drastically. Additionally, to the extent that such purchases are opposed by management of the target company or others, a Fund may be subject to litigation. Such events could increase a Fund's costs significantly, reduce a Fund's returns, and prevent a Fund from executing its investment strategy.

Payment of Incentive Fee

The incentive fee is paid to WCP on the basis of any Net Profits achieved in a year at the end of which a Fund's Net Asset Value per Share exceeds the highest previous year end level. However, the incentive fee is calculated at the Fund level, not on an investor by investor basis, and a Fund is not charged an incentive fee at the Master Fund level. Therefore, as in any open end fund with a structure similar to a Fund's (i.e., an incentive fee, high water mark and uniform net asset value), incentive fees may in certain instances be subject to being misallocated among investors. It is impossible to predict the effect of any such misallocations over time on any particular investor. Although it is generally anticipated that such effect will be insignificant, in certain scenarios there could be a material misallocation of these fees.

Side Letters; Other Agreements

A Fund may enter into side letter agreements with certain prospective or existing shareholders whereby such shareholders may be subject to terms and conditions that are more advantageous than those set forth in a Fund's offering memorandum. For example, such terms and conditions may provide for special rights to make future investments in a Fund, other investment vehicles or managed accounts; special redemption rights; a reduction or rebate in fees to be paid by the shareholder; rights to receive reports from a Fund on a more frequent basis or that include information not provided to other shareholders (including, without limitation, more detailed information regarding portfolio positions) and such other rights as may be negotiated by a Fund and such shareholders. The modifications are solely at the discretion of WCP and may, among other things, be based on the size of the shareholder's investment in a Fund or affiliated investment entity, an agreement by a shareholder to maintain such investment in a Fund for a significant period of time, or other similar commitment by a shareholder to a Fund.

Competition

The Funds will compete with numerous other arbitrage firms, many of which have larger research and trading staffs and greater financial resources. In any given transaction, arbitrage activity by other firms will tend to narrow the spread between the price at which a security may be purchased by a Fund and the expected value of the security upon completion of the reorganization.

Broker or Dealer Insolvency

While great care is taken in selecting brokers or dealers who will maintain custody of certain of the Funds' assets held as margin or other collateral, there is a risk that any of such brokers or dealers could become insolvent. It is expected that all securities and other assets deposited with brokers or dealers will be held "in street name" and hence the Funds will be exposed to a credit risk with regard to such parties. There may be practical or time problems associated with enforcing a Fund's rights to its assets in the case of an insolvency of any such party. To the extent that any broker or dealer not satisfying a Fund's investment restrictions with regard to counterparties that holds assets of the Fund other than margin deposits, WCP will instruct that such assets, including collateral, be held in segregated accounts in the name of the Fund and therefore be unavailable to the creditors of the broker or dealer upon insolvency of such broker or dealer. To the extent that collateral and margin deposits are held by any broker or dealer satisfying a Fund's investment restrictions with regard to counterparties, such collateral and margin deposits will be fungible to the extent possible with regard to the characteristics of the collateral and margin deposits and the Fund's investment program. WCP expects that such collateral and margin deposits will only be held by brokers that satisfy the counterparty requirements as set out herein. Such brokers must be regulated as a broker by such regulatory authority as set out herein. WCP expects prime brokers for the Funds to comply with all relevant regulations and restrictions of the Irish Stock Exchange.

Master-Feeder Fund Structure

HVP and LTD invest through a "master-feeder" structure. HVP and LTD are required to contribute substantially all of their assets (other than cash and short-term investments held pending contribution or distribution) to the Master Fund. The master-feeder fund structure presents certain unique risks to the investors. Smaller investment vehicles investing in the Master Fund may be materially affected by the actions of a larger investment vehicle investing in the Master Fund. For example, if a larger investment vehicle withdraws from the Master Fund, the remaining funds may experience higher pro rata operating expenses, thereby producing lower returns. Similarly, the Master Fund may become less diversified due to a redemption by a larger investment vehicle, resulting in increased portfolio risk.

Contingent Tax Liability

There are potential additional tax liabilities relating to uncertain tax positions associated with the Master Fund's investments in foreign jurisdictions during the periods that are open to review by the taxing authorities in those jurisdictions. WCP has determined that under FASB's Accounting

Standards Codification (ASC) 740, titled Income Taxes, the financial statements of the Fund ordinarily would be required to recognize additional tax liabilities with respect to such tax positions. WCP considers the risk of these uncertain tax positions to be immaterial to the Fund and the likelihood of these uncertain tax positions becoming a definite tax liability as remote. Accordingly, no such liability has been recognized in the financial statements of the Master Fund or the Fund.

Non-Disclosure of Positions

In an effort to protect the confidentiality of their positions (held through their investments in the Master Fund), HPV and LTD may not generally disclose all of their positions to shareholders on an ongoing basis.

Cyber Security Risk

With the increased use of technologies, such as the Internet, and the dependence on computer systems to perform necessary business functions, the Funds and their service providers are susceptible to operational and information security risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber attacks include, but are not limited to, gaining unauthorized access to digital systems for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites. Cyber security failures or breaches of a Fund's third party service provider (including, but not limited to, the administrator) or the issuers of securities in which such Fund invests, have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, the inability of investors to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, and/or additional compliance costs. In addition, substantial costs may be incurred in attempting to prevent any cyber incidents in the future. The Funds and the investors could be negatively impacted as a result. The Funds' service providers may have adopted business continuity plans and systems designed to prevent such cyber attacks. However, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Furthermore, the Funds cannot control the cyber security plans and systems put in place by issuers in which the Funds invest.

Coronavirus Outbreak Risk

The recent global outbreak of the 2019 novel coronavirus ("COVID-19"), together with resulting voluntary and U.S. federal and state and non-U.S. governmental actions, including, without limitation, mandatory business closures, public gathering limitations, restrictions on travel and quarantines, has meaningfully disrupted the global economy and markets. COVID-19 has and is expected to continue to have ongoing material adverse effects across many, if not all, aspects of the regional, national and global economy. In particular, the COVID-19 outbreak has already, and will continue to, adversely affect the Funds' investments and the industries in which they operate. Furthermore, WCP's ability to operate effectively, including the ability of its personnel or its service providers and other contractors to function, communicate and travel to the extent necessary to carry out the Fund's investment strategies and objectives and WCP's business and

to satisfy its obligations to the funds, their investors, and pursuant to applicable law, has been, and will continue to be, impaired. The spread of COVID-19 among WCP's personnel and its service providers would also significantly affect WCP's ability to properly oversee the affairs of the Funds (particularly to the extent such impacted personnel include key investment professionals or other members of senior management), which could result in a temporary or permanent suspension of a Fund's investment activities or operations. The full effects, duration and costs of the COVID-19 pandemic are impossible to predict, and the circumstances surrounding the COVID-19 pandemic will continue to evolve.

LIBOR Risk

The London Interbank Offered Rate, or "LIBOR," is intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. LIBOR may be available for different durations (e.g., 1 month or 3 months) and for different currencies. The terms of many investments, financings or other transactions to which a Fund may have exposure have been historically tied to LIBOR. LIBOR may be a significant factor in determining a Fund's payment obligations under a derivative investment, the cost of financing to the Fund or an investment's value or return to the Fund, and may be used in other ways that affect the Fund's investment performance. The regulatory authority that oversees financial services firms and financial markets in the U.K. has announced that, after the end of 2021, it would no longer persuade or compel contributing banks to make rate submissions for purposes of determining the LIBOR rate. On November 30, 2020, the administrator of LIBOR announced a delay in the phase out of a majority of the U.S. dollar LIBOR publications until June 30, 2023, with the remainder of LIBOR publications to still end at the end of 2021. As a result, it is possible that commencing in 2022, LIBOR may no longer be available or no longer deemed an appropriate reference rate upon which to determine the interest rate on or impacting certain investments of the Fund's portfolio.

In light of this eventuality, public and private sector industry initiatives are currently underway to identify new or alternative reference rates to be used in place of LIBOR. However, there are obstacles to converting certain securities and transactions to a new reference rate. Transition planning is at an early stage, and neither the effect of the transition process nor its ultimate success can yet be known. The transition process might lead to increased volatility and illiquidity in markets for instruments whose terms currently include LIBOR. It could also lead to a reduction in the value of some LIBOR-based investments and reduce the effectiveness of new hedges placed against existing LIBOR-based investments. There is no assurance that the composition or characteristics of any such alternative reference rate will be similar to or produce the same value or economic equivalence as LIBOR or that it will have the same volume or liquidity as did LIBOR prior to its discontinuance or unavailability, which may affect the value or liquidity or return on certain investments of the Funds and result in costs incurred in connection with closing out positions and entering into new trades. These risks may also apply with respect to changes in connection with other interbank offering rates (e.g., Euribor) and a wide range of other index levels, rates and values that are treated as "benchmarks" and are the subject of recent regulatory reform. All of the aforementioned may adversely affect the Funds' performance or NAV.

Possibility of Fraud and Other Misconduct of Employees and Service Providers

Misconduct by employees of the WCP, service providers to WCP or the Funds and/or their respective affiliates could cause significant losses to such Funds. Misconduct may include entering into transactions without authorization, the failure to comply with operational and risk procedures, including due diligence procedures, misrepresentations as to investments being considered by such Funds, the improper use or disclosure of confidential or material non-public information, which could result in litigation, regulatory enforcement or serious financial harm, including limiting the business prospects or future marketing activities of such Funds and noncompliance with applicable laws or regulations and the concealing of any of the foregoing. Such activities may result in reputational damage, litigation, business disruption and/or financial losses to such Funds. WCP has controls and procedures through which they seek to minimize the risk of such misconduct occurring. However, no assurances can be given that WCP will be able to identify or prevent such misconduct.

ITEM 9 - DISCIPLINARY INFORMATION

We are required to disclose all material facts regarding legal or disciplinary events that would be material to your evaluation of WCP's advisory business or the integrity of WCP's management. WCP does not have any such legal or disciplinary events to report.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

As described above under *Item 6 - Performance-based Fees and Side-by-Side Management*, WCM, an affiliate of WCP, is a registered investment adviser that serves as investment adviser or sub-adviser to registered investment companies. The Co-Managers of WCP are officers and/or trustees of WCM, TMF, VL, CEF and EDF. WCP considers this relationship material to its business. This relationship creates the potential for a conflict of interest; this potential conflict and the manner in which it is addressed are discussed under *Item 6 - Performance-based Fees and Side-by-Side Management* and *Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*.

ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

WCP has adopted a Code of Ethics and will provide a copy of the Code of Ethics to any client or prospective client upon request. The Code of Ethics is designed to reinforce fiduciary principles that govern the conduct of WCP and its personnel and is designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940. The Code of Ethics covers a wide range of issues, including general fiduciary principles, personal securities transactions in Covered Securities (defined below), gifts, nonpublic material information, certification of compliance and sanctions.

WCP's access persons, which include officers, principals, employees and other personnel of WCP, as well as officers, principals and employees and other personnel of its affiliates (collectively, "Adviser Personnel"), must report all personal transactions in Covered Securities.

In addition, certain personal transactions in Covered Securities must be precleared. A “Covered Security” shall mean a security as defined in Section 2(a)(36) of the 1940 Act, except that it does not include: (i) direct obligations of the Government of the United States; (ii) bankers’ acceptances, bank certificates of deposit, commercial paper and high quality short-term debt instruments, including repurchase agreements; (iii) shares of money market investment companies registered under the 1940 Act, and (iv) shares issued by registered open-end investment companies other than HVP, LTD, MF, VL, EDF, JNL, CEF, and JARB, including shares issued by registered open-end investment companies or unit investment trusts that are traded on a national securities exchange throughout the day. All persons deemed to be access persons of WCP are subject to the provisions of the Code of Ethics regarding personal securities transactions and trading while in the possession of inside information and may only enter into personal securities transactions subject to the Code of Ethics. WCP’s access persons also must report periodically all of the holdings and transactions in Covered Securities in which such access person had any beneficial ownership, which reports are reviewed for trading inconsistent with WCP’s Code of Ethics by WCP’s CCO or his designee. The Code of Ethics is designed to mitigate conflicts of interest and prevent violations of law by persons subject to its provisions.

Participation in Client Transactions

WCP and its related entities may engage in a broad range of activities, including investment activities for the account of other investment funds. In the ordinary course of conducting WCP’s activities, the interests of a Fund may conflict with the interests of WCP, other Funds or their respective affiliates. Certain of these conflicts of interest, as well as a description of how WCP addresses such conflicts of interest, can be found below.

HVP and LTD may make investments in, or otherwise enter into transactions with, other investment funds or accounts managed or sponsored by WCP or its affiliates, or with affiliates of WCP or a general partner of any of the Funds, as applicable (collectively, the “Related Parties”). Conflicts of interest may arise in a number of different situations involving transactions with the Related Parties (“Related Party Transactions”), including, without limitation, (i) if the Funds invest in a Related Party or a Related Party invests in the Funds or (ii) if the Funds invest in an existing investment held by a Related Party. WCP will use its reasonable judgment when resolving conflicts of interest that arise in connection with Related Party Transactions.

Conflicts

The material conflicts of interest encountered by WCP include those discussed below, although the discussion below does not necessarily describe all of the conflicts that may be faced by WCP. Certain other conflicts may be disclosed throughout this brochure and the brochure should be read in its entirety for other conflicts.

Allocation of Investment Opportunities Among Funds

In connection with its investment activities, WCP may encounter situations in which it must determine how to allocate investment opportunities among various Funds and other persons, which may include, but are not limited to, funds advised by WCM. In recognition of its fiduciary

duties, it is the policy of WCP to allocate such investment opportunities on an equitable basis and in accordance with the written policies and procedures relating to the allocation of investment opportunities WCP has adopted. Typically, in order to address potential conflicts of interest associated with the aggregation of trades for multiple Funds, WCP, in conjunction with WCM, where applicable, will determine how an aggregated trade will be allocated among eligible Funds and/or accounts either (i) before or (ii) at the time the trade order is entered, where practicable. The pre-allocation of trades may not be practical or possible, for instance, due to the type of trade or the multiple legs involved in creating a certain position. In those situations, WCP and WCM will use certain regular methods of order allocation (“Default Methodologies”) to allocate the investment opportunity. The Default Methodologies include allocating the investment opportunity pro rata among eligible Funds based on each eligible Fund’s (i) total assets, (ii) existing position in the relevant security (or securities, as the case may be), or (iii) for forward currency contract trades, pro-rata based on the allocation of the corresponding trade(s) that the forward currency contract trade is hedging. However, the application of the Default Methodologies, may result in allocation on a non-pro rata basis and there can be no assurance that a Fund will participate in all investment opportunities that fall within its investment objectives. Allocation determinations are inherently subjective and give rise to conflicts of interest due to the inherent biases in the process. WCP makes allocation determinations based solely on WCP’s expectations at the time such investments are made, however investments and their characteristics may change and there can be no assurance that an investment may prove to have been more suitable for another Fund in hindsight.

There can be no assurances that an investment opportunity that comes to the attention of WCM and WCP will be allocated wholly or primarily to certain funds advised or sub-advised by them, with one or more Funds potentially being unable to participate in such investment opportunity or participating only on a limited basis. If, in the discretion of WCP, the Funds should not participate in a particular investment opportunity for tax, regulatory or other reasons, such investment opportunity will not be allocated to such Funds.

In addition, where more than one Fund of WCP (or its affiliates) invest in the same investments, there can be no assurance that such parties will dispose of investments at the same time and on the same terms. Investments of different Funds disposed of at different times will likely be disposed of at different valuations and, as a result, each Fund may realize different returns as compared to the same investment held by another Fund. These variations in timing may be detrimental to a Fund. At the same time, if WCP determines it is advisable for a Fund to exit an investment at the same time as another Fund of WCP or its affiliates, the term of which may expire sooner than the former Fund’s, such Fund may dispose of its interest earlier than it ordinarily would have and may, as a result, experience lower returns than it otherwise may have earned on such investments.

Diverse Membership

The investors in the Funds may include U.S. taxable and tax-exempt entities, and persons and institutions from jurisdictions outside of the United States. Such investors may have conflicting investment, tax and other interests with respect to their investments in a Fund. The conflicting interests among the investors may relate to or arise from, among other things, the nature of

investments made by a Fund, the structuring of the acquisition of investments and the timing of the disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by WCP, including with respect to the nature or structuring of investments, that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring investments appropriate for a Fund, WCP will consider the investment and tax objectives of the applicable Fund, not the investment, tax or other objectives of any investor individually. WCP, its affiliates and their employees and other investment vehicles advised by WCP or its affiliates may have a material interest in the Funds.

Allocation of Expenses

WCP, or management of the Funds who are employees of WCP, may have a conflict of interest with respect to the allocation of expenses incurred by WCP's advisory clients (e.g., the expenses associated with a shared service provider). WCP may have an incentive to allocate expenses disproportionately to clients who will bear those expenses as compared to clients where WCP may bear those costs. To the extent WCP has discretion in the allocation of expenses shared across clients, WCP seeks to allocate those expenses in a fair and equitable manner by, for example, utilizing itemized invoices provided by service provider (where available), allocating shared expenses based on average net assets of the clients, or by such other methodology or methodologies as WCP determines are fair and equitable to its clients.

Other Activities

The general partner or trustee of a Fund, as applicable, WCP and their respective officers and employees devote as much of their time to the activities of each Fund as the particular general partner, trustee or WCP, as applicable, deem necessary and appropriate. Such persons are not restricted from forming additional investment funds, from entering into other investment advisory relationships, or from engaging in other business activities, even though such activities may be in competition with the Funds. These activities could be viewed as creating a conflict of interest in that the time and effort of such persons will not be devoted exclusively to the business of one particular Fund, or to the Funds collectively.

The general partner or trustee of a Fund, WCP and their respective principals, owners, or employees may engage in investment activities for other client accounts, for their own accounts and for family members and others and may make personal investments in other investment funds, some of which have investment strategies similar to that of the Funds, or that may participate with the Funds in certain private or special situation investment opportunities. These investments may be in or alongside certain Funds, and therefore have additional conflicting interests in connection with these investments. In addition, Funds from time to time invest may in securities of companies in which officers, principals, employees and other related persons of WCP and its affiliates have previously invested for their own accounts. Furthermore, Adviser Personnel and other related persons of WCP and its affiliates from time to time invest for their own accounts in securities of companies in which the Funds have previously invested. While the significant interests of the officers and employees of WCP generally aligns the interest of such persons with the Funds, such persons may have differing interests from the Fund with respect to

such investments (for example, with respect to the availability and timing of liquidity) creating conflicts of interest. There can be no assurance that the return of a Fund participating in a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflicts not existed. *See discussion under “Code of Ethics” and “Allocation of Investment Opportunities Among Funds.”*

WCP and its personnel have in the past and may, from time to time in the future, receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of a Fund, including benefits and other discounts provided from service providers. For example, airline travel or hotel stays incurred as Fund expenses may result in “miles” or “points” or credit in loyalty/status programs to WCP and/or its personnel, and such benefits, rewards and/or amounts (whether or not *de minimis* or difficult to value), will exclusively benefit WCP and/or such personnel and even though the cost of the underlying service is being borne by the Funds, its investors and/or the portfolio companies. Any such benefits, rewards and/or amounts will not be subject to the offset arrangements described above or otherwise shared with such Fund, its investors and/or the portfolio companies. In addition, airline travel incurred as a Fund expense for WCP personnel travelling for appropriate Fund-related purposes may benefit such WCP personnel to the extent the trip also serves a personal purpose.

ITEM 12 - BROKERAGE PRACTICES

In selecting a broker-dealer to execute any given transaction, WCP will seek “best execution” of the transaction except to the extent it may be permitted to pay higher brokerage commissions in exchange for brokerage and research services (as discussed below).

Best execution is not limited solely to the consideration of the best available commission rate. In determining whether a particular broker or dealer is likely to provide best execution in a particular transaction, WCP may take the following factors, among other things, into consideration: the best net price available; the reliability, integrity and financial condition of the broker or dealer; the size of and difficulty in executing the order; and the value of the expected contribution of the broker or dealer to the investment performance of each Fund on a continuing basis.

WCP and WCM may receive research or brokerage services other than execution from a broker-dealer or third party in connection with client securities transactions. These are known as “soft dollar” benefits. WCP may cause the Funds to pay commissions higher than those charged by other broker-dealers in return for soft dollar benefits if WCP determines in good faith that such commissions are reasonable in relation to the value of brokerage, research and other services provided, either in terms of the particular transaction or WCP’s overall responsibilities for accounts over which WCP exercises investment discretion.

When WCP uses client brokerage commissions to obtain research or other products or services, WCP receives a benefit because it does not have to produce or pay for the research, products or services. WCP may have an incentive to select or recommend a broker-dealer based on WCP’s interest in receiving the research or other products or services, rather than on WCP’s clients’ interest in receiving most favorable execution. WCP typically advises Funds that pursue merger

arbitrage and other event-driven investment strategies and often aggregate their trading activities. Accordingly, soft dollar benefits often are useful in managing all or a number of WCP's Funds or other accounts. It is, therefore, typically not practicable for WCP to allocate soft dollar benefits proportionately to the soft dollar credits each account generates. Some of the services received as a result of Fund transactions may benefit accounts other than the Fund that generated the credits.

Some research or other products or services received from a broker-dealer or third party may be only partially eligible for soft dollar payments (a "mixed-use" product or service). In these cases, WCP makes a reasonable allocation of the cost between that portion which is eligible and that portion which is ineligible. The eligible portion may be paid for with soft dollars and the ineligible portion will be paid for with WCP's own funds (hard dollars). This allocation decision may present a conflict of interest to WCP because it is deciding how much it will pay out of its own pocket.

Additionally, in allocating portfolio brokerage, WCP may select broker-dealers who also provide brokerage, research and other services that may be useful to other accounts over which WCP or WCM exercises investment discretion. WCP may have an incentive to select or recommend a broker-dealer based on WCP's interest in receiving client referrals, rather than on WCP's clients' interest in receiving most favorable execution.

WCP's Chief Compliance Officer, or his designee, meets periodically with Fund management personnel to review the performance of each selected broker-dealer, the services being provided by the broker-dealer and the fees being paid for those services to evaluate whether WCP is satisfying its best execution obligations.

When a Fund and the other accounts over which WCP or WCM exercises investment discretion are engaged in the simultaneous purchase or sale of the same securities, WCP and WCM may aggregate the orders. WCP believes that such bunching generally facilitates the timely and efficient execution of trades. Moreover, WCP may be able to execute bunched orders at more favorable prices than would be realized when effecting a number of individual, sequential purchase or sale transactions. As a result of the practice of bunching orders, however, WCP and WCM often must allocate purchases and sales of securities among different client accounts following the execution of a bunched purchase or sale order. WCP maintains a policy of allocating the executions in a manner which seeks to treat all the accounts involved fairly and equitably over time. *See Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading—Allocations of Investment Opportunities Among Funds* above.

WCP and WCM may be offered the opportunity to purchase securities offered in initial public offerings (also referred to as "new issue" securities) on behalf of TMF, VL, EDF, JNL, CEF, JARB or the Funds and based on, among other things, the trading activities or business relationships of TMF, VL, EDF, JNL, CEF, JARB or the Funds. Due to regulatory issues relating to the allocation of such offerings to pooled vehicles with certain investors, WCP does not expect to allocate any of those investment opportunities to the Funds.

ITEM 13 - REVIEW OF ACCOUNTS

Merger arbitrage is a highly focused, dynamic type of investing which requires analysis of events surrounding a pending corporate reorganization. Arbitrage positions generally are reviewed on a daily basis and the holdings of WCP's clients are adjusted accordingly. These accounts are managed by Roy Behren, Co-President and Treasurer of WCP, and Michael T. Shannon, Co-President of WCP.

Pursuant to the applicable investment management agreement which WCP has entered into, which may be amended from time to time, WCP may provide written monthly fact sheets, quarterly letters and annual reports to Fund investors, which may include a report of current positions, valuations, prices and transactions; commentary; a statement of total assets; and performance.

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

While not a client solicitation arrangement, WCP may from time to time enter into arrangements whereby it compensates consultants for recommending prospective investors to the Funds. These arrangements may provide that the consultants receive a fee based on a certain percentage of the investment advisory fee received by WCP from these referred Fund investors.

ITEM 15 – CUSTODY

Fund investors should expect to receive quarterly, or more frequent, account statements from the broker-dealer or bank or other qualified custodian. To the extent WCP provides periodic unaudited reports, clients should compare the account statements received from their qualified custodians with the reports, if any, received from WCP.

ITEM 16 - INVESTMENT DISCRETION

WCP has discretionary authority to manage securities accounts on behalf of the Funds. Each Fund's Fund Documents include a description of certain investment limitations applicable to the Fund. Prior to assuming discretion in managing clients' assets, WCP enters into an investment management agreement, limited partnership agreement or other agreement that explains the scope of WCP's discretionary authority.

ITEM 17 - VOTING CLIENT SECURITIES

WCP has authority to vote client securities. WCP has adopted Proxy and Corporate-Action Voting Policies and Procedures that govern the voting of proxies for securities held by the Funds. Clients cannot direct WCP how to vote in a particular solicitation. WCP has full authority to vote proxies or act with respect to other shareholder actions on behalf of the Funds. WCP's primary consideration in voting proxies is the best interest of the Funds. The proxy-voting procedures address the resolution of potential conflicts of interest and circumstances under which WCP will limit its role in voting proxies. Where a proxy proposal raises a material conflict between WCP's interests and HVP's or LTD's interests, WCP will resolve the conflict by following the policy guidelines.

The proxy-voting guidelines describe WCP's general position on proposals. WCP manages Funds that pursue event-driven and/or merger arbitrage strategies, which are generally designed to profit upon the completion of a merger, reorganization or other corporate event. When WCP determines that a proposal affects its investment thesis or the Funds' investment objectives or strategies, WCP will vote proxies in a manner consistent with its investment thesis and to seek to maximize the economic value of the investment for the Funds. WCP may retain third-party services to provide research, summary information and/or recommendations with respect to proposals on which WCP must vote on behalf of its Fund clients. WCP may also retain third-party service providers to assist with the ministerial act of voting proxies and reporting WCP's or the Funds' proxy voting record.

When securities are out on loan, they are transferred into the borrower's name and are voted by the borrower, in its discretion. However, if WCP has knowledge that an event will occur having a material effect on HVP's or LTD's investment in a loaned security, WCP will seek to call the loan in time to vote the securities or WCP will seek to enter into an arrangement which ensures that the proxies for such material events may be voted as WCP believes is in HVP's or LTD's best interests, as applicable. There can be no assurance that WCP will be able to call a loan in a manner that will allow WCP to vote on the related proposal in a timely manner.

Information regarding how WCP voted proxies with respect to securities held by each of HVP and LTD and a copy of WCP's Proxy and Corporate-Action Voting Policies and Procedures are available upon request by calling (914) 741-5600 or sending an e-mail to compliance@mergerfund.com.

ITEM 18 - FINANCIAL INFORMATION

WCP does not require or solicit prepayment of fees six months or more in advance and no present financial condition is reasonably likely to impair WCP's ability to meet contractual commitments to clients.