

**ITEM 1
COVER PAGE**

PART 2A OF FORM ADV: FIRM BROCHURE

JET CAPITAL INVESTORS, L.P.

March 30, 2021

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This brochure (this "Brochure") provides information about the qualifications and business practices of Jet Capital Investors, L.P. ("Jet Capital"). If you have any questions about the contents of this Brochure or to receive a copy, please contact our Chief Compliance Officer, Gabriel Oliveri at (212) 372-2510 or via email at GOliveri@jetcap.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Jet Capital is registered as an investment adviser with the SEC. Registration with the SEC does not imply a certain level of skill or training.

Additional information about Jet Capital Investors, L.P. also is available on the SEC's website at www.advisorinfo.sec.gov.

ITEM 2

MATERIAL CHANGES

Jet Capital Investors, L.P. ("Jet Capital") is required to identify and discuss any material changes made to its Brochure since the last annual update.

This Brochure has been updated since the last Brochure dated March 30, 2020. There have been a few minor changes to the form:

1. Updated AUM under Item 4

There were no material changes to report.

Pursuant to SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other on-going disclosure information about material changes as necessary. We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Additional information about Jet Capital is also available via the SEC's web site www.adviserinfo.sec.gov.

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ITEM 4

ADVISORY BUSINESS

Jet Capital Investors, L.P. ("Jet Capital"), a Delaware limited partnership, has been providing investment management services to private investment funds that are offered to investors on a private placement basis since 2002. Matthew Mark and Alan S. Cooper are the principal owners of Jet Capital. Currently, Jet Capital provides investment management services to Jet Capital Concentrated Fund, L.P. (the "Concentrated Domestic Fund") and Jet Capital Concentrated Offshore Fund, Ltd., a Cayman Islands exempted company (the "Concentrated Offshore Fund") which invests all or substantially all of its assets in the Jet Capital Intermediate Fund, LP (the "Intermediate Fund"), a Cayman Islands exempted limited partnership. The Concentrated Domestic Fund and the Concentrated Offshore Fund directly or indirectly invest in Jet Capital Master Fund, LP (the "Concentrated Master Fund" and, together with the Concentrated Domestic Fund, Concentrated Offshore Fund and the Intermediate Fund, the "Concentrated Funds"), a Cayman Islands exempted limited partnership. Jet Capital Management, L.L.C. (the "General Partner") serves as the general partner to the Concentrated Domestic Fund, Intermediate Fund and Concentrated Master Fund.

Jet Capital also provides investment management services to Jet Capital Select Opportunities Fund, L.P. (the "Select Domestic Fund") and Jet Capital Select Opportunities Offshore Fund, Ltd., a Cayman Islands exempted company (the "Select Offshore Fund") which invests all or substantially all of its assets in the Jet Capital Select Opportunities Intermediate Fund, LP (the "Select Intermediate Fund"), a Cayman Islands exempted limited partnership. The Select Domestic Fund and the Select Offshore Fund directly or indirectly invest in Jet Capital Select Opportunities Master Fund, LP (the "Select Master Fund" and, together with the Select Domestic Fund, Select Intermediate Fund and Select Offshore Fund, the "Select Funds"), a Cayman Islands exempted limited partnership. The General Partner serves as the general partner to the Select Domestic Fund, Select Intermediate Fund and Select Master Funds.

The Concentrated Funds together with the Select Funds are collectively known as the "Funds".

In addition, Jet Capital has been appointed as the investment adviser with discretionary trading authorization and also provides discretionary advisory services for separately managed accounts (the "Managed Accounts" and, together with the Funds, the "Clients").

Jet Capital has full discretionary authority with respect to investment decisions, and its advice is made in accordance with the investment objectives and guidelines as set forth in each Fund's offering memorandum. Similarly, Jet Capital's investment decisions and advice with respect to Managed Accounts shall be in accordance with each Client's investment objectives and guidelines in each Client's investment management agreement.

This Brochure does not constitute an offer to sell or solicitation of an offer to buy any securities. Persons reviewing this Brochure should not construe this as an offer to sell or solicitation of an offer to buy the securities of any of the Funds described herein. Any such offer or solicitation will be made only by means of a confidential private placement memorandum.

Jet Capital, on behalf of its Clients, pursues merger arbitrage, capital structure arbitrage and event oriented trading strategies. Please see Item 8 for a more detailed description of Jet Capital's investment strategies. The descriptions set forth in this Brochure of specific advisory services that Jet Capital offers to Clients, should not be understood to limit in any way Jet Capital's investment activities. Jet Capital may, in the future, offer any advisory services, engage in any investment strategy and make any investment that Jet Capital considers appropriate, subject to each Client's investment objectives and guidelines. The investment strategies Jet Capital pursues are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any Client will be achieved.

Business Continuity Plan Activate in response to COVID-19. As of the date of this Brochure, the Firm continues to operate its business continuity plan in response to COVID-19. We are taking these steps to protect our employees while ensuring business continuity:

- Restricting non-essential business travel
- Recommending employees avoid large, in-person gatherings
- Closing our office and requiring our employees to work from home when applicable , as requested by state and local authorities
- Conducting all client and firm meetings via teleconference or videoconference

Our Business Continuity Plan

Our Firm's business continuity plan is designed to meet the needs of our clients and minimize potential disruption in services during an emergency or disaster. The protocols and capabilities within the plan include:

- Sufficient technical infrastructure and network capacity to support employees working from home in specific areas, or companywide
- Secure, remote access for all employees
- Tele & Videoconference capability in place for employees
- Redundancy capabilities within each of our business units

Jet Capital manages approximately \$295 million in assets as of December 31, 2020 on a discretionary basis, which is determined based on the net asset value of the Funds and Managed Accounts under management. Jet Capital does not manage any assets on a non-discretionary basis as of December 31, 2020.

ITEM 5 FEES AND COMPENSATION

Funds:

The Funds bear a management fee paid quarterly in advance by the Master Fund to Jet Capital equal to 1.0% or 1.5% per annum of the beginning net asset value of each capital account of an investor for such fiscal quarter.

If an investor withdraws or redeems from a Fund effective other than as of the first day of a fiscal quarter, any unearned prepaid portion of the management fees will be refunded to the investor *pro rata*.

The General Partner is entitled to receive an incentive allocation with respect to investors' capital accounts in the Funds, based on net capital appreciation ultimately attributable to investors' capital accounts on an annual basis. The incentive allocation rate (the "Incentive Allocation") is equal to either 15% or 25% (depending upon the achievement of certain performance benchmarks) of the net capital appreciation (which includes both realized gains and losses and unrealized appreciation and depreciation of securities held in the Funds' portfolios) allocated to an investor's capital account for such fiscal year after deducting the Management Fee debited to such investor's capital account for such fiscal year. Incentive Allocations are subject to a "high water mark" provision such that no allocation is made until prior losses are recouped.

Managed Accounts:

Jet Capital charges Managed Accounts a fixed management fee of not more than 1.5% payable at the beginning of each quarter, and/or an incentive fee or allocation of 15%, payable in arrears and subject to a loss carry forward limitation. Fees for Managed Accounts are subject to negotiation and are established pursuant to each Managed Account's investment management agreement. Investment management agreements are terminable upon receipt by either party from the other of prior written notice of termination and after the expiration of a certain notice period and Managed Account clients will be entitled to any unearned prepaid portion of the management fee to the extent applicable.

Jet Capital's Managed Accounts are sub-advisory arrangements, where Jet Capital manages a portion of a pooled investment vehicle for another, unrelated investment adviser. These sub-advisory arrangements are disclosed in Schedule D, Section 7. B.(2) of Form ADV Part 1A, and in Item 10 hereof.

Payment of Fees:

Fees and compensation paid to Jet Capital or its affiliates by the Funds or Managed Accounts are deducted from the assets of such Clients. As discussed above, management fees are deducted on a quarterly basis and incentive compensation is deducted on an annual basis unless Jet Capital and the Client agree otherwise in the investment management agreement.

Expenses:

Funds and Managed Accounts bear their own operating and other expenses including, but not limited to, investment-related expenses (*e.g.*, brokerage commissions, expenses related to short sales, clearing and settlement charges, custodial fees, interest expense, bank service fees and investment-related travel expenses), legal expenses and costs, professional fees (including, without limitation, fees and expenses of consultants and experts), accounting, audit and tax preparation expenses, interest and fees associated with any borrowing; insurance premiums, entity-level taxes and other governmental charges (including from governmental authorities, regulators or exchanges), fees and expenses of third party administrators and directors, organizational expenses, expenses incurred in connection with the offering and sale of interests or shares and other similar expenses; and non-recurring or extraordinary expenses. See Item 12 for a description of Jet Capital's brokerage practices.

ITEM 6

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

All of Jet Capital's Clients are charged performance-based compensation and fees. As a result, Jet Capital does not face certain conflicts of interest that arise when an investment adviser accepts performance-based compensation from some Clients, but not from other Clients.

In the allocation of investment opportunities, performance-based compensation arrangements create an incentive to favor accounts from which an adviser will receive greater performance-based compensation over accounts from which an adviser will receive lesser performance-based compensation. Jet Capital has adopted Investment Allocation Policy and Procedures (the "Allocation Procedures") designed to ensure that all Clients are treated fairly and equally and to prevent this form of conflict from influencing the allocation of investment opportunities among Clients. In accordance with the Allocation Procedures, Jet Capital endeavors to treat each Client in a fair and equitable manner.

ITEM 7

TYPES OF CLIENTS

Jet Capital primarily provides investment advice to Funds offered to investors on a private placement basis. Additionally, Jet Capital advises a small number of Managed Accounts. Jet Capital requires a minimum investment of \$50,000,000 for a prospective client to open a Managed Account.

The offering documents of each Fund sets minimum amounts for investment by prospective investors in such Funds. These minimum amounts may be waived by Jet Capital or an affiliate.

ITEM 8

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

The descriptions set forth in this Brochure of specific advisory services that Jet Capital offers to Clients, and investment strategies pursued and investments made by Jet Capital on behalf of its Clients, should not be understood to limit in any way Jet Capital's investment activities. Jet Capital may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that Jet Capital considers appropriate, subject to each Client's investment objectives and guidelines. The investment strategies Jet Capital pursues are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any client will be achieved.

Jet Capital pursues, on behalf of Clients, merger arbitrage, capital structure arbitrage and event oriented trading strategies.

Merger arbitrage takes advantage of the difference between the public market price of securities of a company targeted for merger and the private market price offered by the potential acquirer for such securities. The four major factors in the analysis of a merger arbitrage transaction are:

- (1) What is the likelihood that the transaction will close;
- (2) How long will the transaction take to close;
- (3) What is the prospect for a higher or lower private market price; and
- (4) If the transaction fails, what are the potential losses?

In transactions where a cash offer is made for a target company, merger arbitrage involves buying the target company's stock and earning, upon the consummation of the merger, the spread between the deal value and the target company stock's purchase price. In transactions where a stock offer is made for a target company, merger arbitrage involves both buying the target company's stock and selling short a ratio amount of the stock of the acquirer. The ratio driving the size of the short sale will be defined by the terms of the merger. By selling short the acquirer's stock, investors can "lock in" the spread between the target company stock's price and the amount of stock offered by the acquirer.

Capital structure arbitrage takes advantage of relative mis-pricings in related securities of the same issuer. The most typical strategy involves purchasing a senior class of securities of a company and selling short a more junior class of securities of the same company as a hedge. Capital structure arbitrage also might involve the buying and selling short of a pair of related securities of a company to synthetically create a security representing a unit or subsidiary of a company not represented by a security in issue. Unlike merger arbitrage, the catalysts that drive capital structure arbitrage investing vary by situation, and include balance sheet restructurings, fundamental business changes, creditworthiness, equity volatility, convertible volatility and fixed income values. The catalysts may also include restructuring or reorganizations under U.S. federal bankruptcy law

or restructurings outside of bankruptcy. In addition, each of the different classes of securities involved tends to be owned by a different constituency with different investment objectives.

Event oriented trading involves the purchase or short sale of a security in anticipation of a specific, near term event that an investor believes will lead to a change in its price. The types of catalysts that drive event oriented investing also vary by situation, and include regulatory proceedings and lawsuits, government policy, regulatory or other actions (potentially with respect to sovereign bond investments), asset liquidations, balance sheet restructurings, spin-offs, the acquisition of a sizable position by an activist investor and significant management appointments. The catalysts may also include restructuring or reorganizations under U.S. federal bankruptcy law or restructurings outside of bankruptcy. By relying on a specific catalyst to generate an investment gain, event oriented investing is analogous to merger arbitrage. However, in general, its return profile is higher, less steady and involves more market risk.

Jet Capital, on behalf of its Clients, makes long and short investments in equity securities, convertible securities, put and call options, swaps and cash and cash equivalents. Jet Capital will also invest in fixed income instruments, including, without limitation, corporate bonds, sovereign bonds and bank debt. Jet Capital may use derivatives and other instruments to hedge currency and market risks. Jet Capital may use leverage in pursuing investment strategies on behalf of Clients. Jet Capital has the sole discretion in determining when and whether to engage in hedging strategies.

Certain Risk Factors

The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in the Clients advised by Jet Capital. These risk factors include only those risks Jet Capital believes to be material, significant or unusual and relate to particular significant investment strategies, methods of analysis or types of securities used by Jet Capital. For a more detailed list of risk factors applicable to a particular Fund, please refer to the relevant Fund's offering memorandum.

Investment and Trading Risks. Jet Capital, on behalf of its Clients, invests in securities and other financial instruments using strategies and investment techniques with significant risk characteristics. No guarantee or representation is made that a Client's program will be successful, that the various investment strategies utilized will have low correlation with each other or that Jet Capital's returns will exhibit low correlation with a Client's traditional securities portfolio. Jet Capital's investment program utilizes such investment techniques as option transactions, short sales, leverage and derivatives trading, which practices can, in certain circumstances, maximize the adverse impact to which a Client is subject.

Merger Arbitrage. A Client, with respect to its merger arbitrage investments, generally could incur significant losses when proposed transactions are not consummated. The consummation of mergers, tender offers and exchange offers can be prevented or delayed by a variety of factors, including: (i) opposition of the management or shareholders of the target company, which often results in litigation to enjoin the proposed transaction; (ii) intervention of government agencies; (iii) efforts by the target company to pursue a

defensive strategy, including a merger with, or a friendly tender offer by, a company other than the offeror; (iv) an attempt by a third party to acquire the offeror; (v) in the case of a merger, failure to obtain the necessary shareholder approvals; (vi) market conditions resulting in material changes in securities prices; (vii) compliance with any applicable legal requirements; and (viii) inability to obtain adequate financing. Jet Capital takes tax considerations into account in determining when a Client's securities positions should be sold or otherwise disposed of, and may assume certain market risk and incur certain expenses in this regard in order to achieve favourable tax treatment of a transaction.

Capital Structure Arbitrage. The success of this strategy will depend on the ability of Jet Capital to identify and exploit the relationships between movements in different financial instruments within an issuer's capital structure (including, bank debt, convertible and non-convertible senior and subordinated debt and preferred and common stock). Identification and exploitation of these opportunities involve uncertainty. There can be no assurance that the Jet Capital will be able to locate investment opportunities or to correctly exploit price discrepancies. A reduction in the pricing inefficiency of the markets in which Jet Capital will seek to invest will reduce the scope for a Client's investment strategies. In the event that the perceived mis-pricings underlying a Client's positions fail to materialize, these investment strategies could be unsuccessful or result in losses.

Event Investing. Event driven investing requires the investor to make predictions about (i) the likelihood that an event will occur and (ii) the impact such event will have on the value of a company's financial instruments. If the event fails to occur or it does not have the effect foreseen, losses can result. For example, the adoption of new business strategies or completion of asset dispositions or debt reduction programs by a company may not be valued as highly by the market as Jet Capital had anticipated, resulting in losses. In addition, a company may announce a plan of restructuring which promises to enhance value, but fail to implement it, which can result in losses to investors. In liquidations and other forms of corporate reorganization, the risk exists that the reorganization either will be unsuccessful, will be delayed or will result in a distribution of cash or a new security, the value of which will be less than the purchase price to a Client of the security in respect of which such distribution was made. The consummation of mergers and tender and exchange offers can be prevented or delayed by a variety of factors, including: (i) opposition of the management or stockholders of the target company, which will often result in litigation to enjoin the proposed transaction; (ii) intervention of a federal or state regulatory agency; (iii) efforts by the target company to pursue a "defensive" strategy, including a merger with, or a friendly tender offer by, a company other than the offeror; (iv) in the case of a merger, failure to obtain the necessary stockholder approvals; (v) market conditions resulting in material changes in securities prices; (vi) compliance with any applicable federal or state securities laws; and (vii) inability to obtain adequate financing. Because of the inherently speculative nature of event driven investing, the results of Jet Capital's operations is expected to fluctuate from period to period. Accordingly, Clients should understand that the results of a particular period will not necessarily be indicative of results that may be expected in future periods.

Equity Securities. Jet Capital, on behalf of a Client, invests in equity securities and equity derivatives. The value of these financial instruments will vary with the performance of the issuer and movements in the equity markets. As a result, a Client may suffer losses if it invests in equity instruments of issuers whose performance diverges from the Jet Capital's expectations or if equity markets move in a single direction and Jet Capital has not hedged against such a general move. A Client also may be exposed to risks that

issuers will not fulfil contractual obligations such as, in the case of convertible securities or private placements, delivering marketable common stock upon conversions of convertible securities and registering restricted securities for public resale.

Convertible Securities. Convertible securities are stocks or other securities that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula.

The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value" (the security's worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the convertible security's investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity.

A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by Client is called for redemption, Jet Capital will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on a Client's ability to achieve its investment objective.

Debt Securities Jet Capital, on behalf of its Clients, may invest in debt instruments that are unrated, and whether or not rated, the debt instruments have speculative characteristics. The issuers of such instruments (including sovereign issuers) may face significant on-going uncertainties and exposure to adverse conditions that can undermine the issuer's ability to make timely payment of interest and principal. Such instruments are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse conditions.

Bank Debt. Jet Capital, on behalf of its Clients, may invest in bank loans and participations. Risks associated with these obligations include, but are not limited to: inadequate perfection of the security interest granted under the loan documents, the possible invalidation or compromise of a loan transaction as a fraudulent conveyance or preference under relevant creditors' rights laws; the validity and seniority of bank claims and guarantees; environmental liability that may arise with respect to collateral securing the obligations; adverse consequences resulting from participating in such instruments with other institutions with lower credit quality; long and less certain settlement periods; limitations on the ability of

Jet Capital to directly enforce its rights with respect to participations and illiquidity in the market for the resale of such loans.

Sovereign Debt. Securities issued by governments, their agencies, instrumentalities or their central banks ("Sovereign Debt") can involve significant risk. Sovereign Debt, for example, issued by many emerging markets is considered to be below investment grade, and should be viewed as speculative with respect to the issuing government's ability to make payments of interest and principal. Some Sovereign Debt may be the equivalent of debt accorded the lowest credit rating available by United States rating agencies. Although the secondary market for Sovereign Debt has been relatively liquid in recent years, there have been periods of illiquidity, and Jet Capital may have difficulty disposing of certain Sovereign Debt on behalf of a Client from time to time. Some countries have encountered difficulties in servicing their external debt obligations. These difficulties have led to agreements to restructure these debts, typically by rescheduling principal payments, reducing interest rates and principal amounts and extending new credit to finance interest payments on existing debt. Certain countries have not been able to make payments of interest on or principal of Sovereign Debt as such payments have come due. At times, certain emerging markets have declared moratoriums on the payment of principal or interest on outstanding debt. The following risks are inherent in an investment in Sovereign Debt.

The governmental entity that controls the repayment of Sovereign Debt may not be able or willing to repay the principal or interest when due in accordance with the terms of such debt. A governmental entity's willingness or ability to repay principal and interest due in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the governmental entity's policy towards the International Monetary Fund and the political constraints to which a governmental entity may be subject. Governmental entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and others abroad to reduce principal and interest arrearages on their debt. The commitment on the part of such foreign governments, agencies and others to make such disbursements may be conditioned on a governmental entity's implementation of economic reforms and/or economic performance and the timely service of such debtor's obligations. Failure to implement such reforms, achieve such levels of economic performance or repay principal or interest when due may result in the cancellation of such third parties' commitments to lend funds to the governmental entity, which may further impair such debtor's ability or willingness to timely service its debts. Consequently, governmental entities may default on their Sovereign Debt.

Hedging Transactions. Although Jet Capital seeks to hedge portfolio positions in , it may, for various reasons, not do so. Jet Capital may not hedge a portfolio position because it fails to anticipate a particular risk or choose not to hedge a particular risk because of cost. Jet Capital utilizes financial instruments for risk management purposes in order to: (i) protect against possible changes in the market value of Jet Capital's investment portfolio resulting from fluctuations in the securities markets and changes in interest rates, (ii) facilitate the sale of any such investments, (iii) enhance or preserve returns, spreads or gains on any investment in Jet Capital's portfolio, (iv) hedge the interest rate or currency exchange rate on any of Jet Capital's liabilities or assets, (v) protect against any increase in the price of any securities that Jet Capital anticipates purchasing at a later date or (vi) for any other reason that the Jet Capital deems appropriate.

The success of the hedging strategy of Jet Capital will be subject to the Jet Capital's ability to correctly assess 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 Jet Capital's hedging strategy will also be subject to the Jet Capital's ability to continually recalculate, readjust, and execute hedges in an efficient and timely manner. While Jet Capital, on behalf of a Client, may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for Jet Capital than if it had not engaged in any such hedging transactions. For a variety of reasons, the Jet Capital may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent Jet Capital from achieving the intended hedge or expose Jet Capital to risk of loss. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of Jet Capital's portfolio holdings.

Loans of Portfolio Securities. Jet Capital, on behalf of a client, may lend securities on a collateralized and an uncollateralized basis, from its portfolio to creditworthy securities firms and financial institutions. While a securities loan is outstanding, such Client will continue to receive the equivalent of the interest or dividends paid by the issuer on the securities, as well as interest on the investment of the collateral or a fee from the borrower. The risks in lending securities, as with other extensions of secured credit, if any, consist of possible delay in receiving additional collateral, if any, or in recovery of the securities or possible loss of rights in the collateral, if any, should the borrower fail financially. Additionally, Jet Capital, on behalf of a Client, may enter into repurchase and reverse repurchase agreements, which involve certain risks including that the seller under a reverse repurchase agreement defaults on its obligation to repurchase the underlying securities. Disposing of the security in such case may involve costs to a Client.

Short Selling. Short selling involves selling securities which are not owned and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. The extent to which a Client engages in short sales will depend upon the Jet Capital's investment strategy and opportunities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to a Client of buying those securities to cover the short position. There can be no assurance that a Client will be able to maintain the ability to borrow securities sold short. In such cases, a Client can be "bought in" (*i.e.*, forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

Certain Derivative Investments. Jet Capital, on behalf of a Client, may enter into swaps and other derivative instruments, such as credit derivatives. Certain swaps, options and other derivative instruments may be subject to various types of risks, including market risk, liquidity risk, credit risk, legal risk and operations risk. The regulatory and tax environment for derivative instruments in which a Client may participate is evolving, and changes in the regulation or taxation of such securities may have a material adverse effect on a Client.

Derivatives Regulation. Since the introduction of the Dodd-Frank Act in 2010, the CFTC has promulgated many final rules related to derivatives and such regulations may negatively affect a Client. Parties that act as dealers in swaps, for example, are subject to extensive business conduct standards, additional "know your counterparty" obligations, recordkeeping, reporting, portfolio reconciliation, documentation standards and capital requirements and, when regulations are finalized, will become subject to margin requirements. Similar rules related to security-based swaps will soon be implemented. Requirements such as these will raise the costs of entering into derivative transactions, and these increased costs will likely be passed on to a Client. The new rules also add additional operational and technological burdens on a Client. Currently, with respect to swaps, a Client must engage in portfolio reconciliation, recordkeeping, reporting and other transaction level obligations, which increase the compliance burdens and costs to a Client. These compliance obligations require certain training of employees and technology, and there are operational risks as a Client implements procedures to comply with many of these additional obligations. Certain swap transactions have become (or will become) subject to anonymous "real time reporting", meaning that transactions entered into by a Client will become visible to the market in ways that may harm such Client's ability to enter into additional transactions at comparable prices or could enable competitors to "front run" or replicate such Client's strategies. In addition, certain swap transactions have become (or will become) subject to mandatory trading on regulated trading venues such as swap execution facilities ("SEFs"), which will require a Client to subject itself to regulation by these venues and subject a Client to the jurisdiction of the CFTC. It is not clear whether these trading venues will benefit or impede liquidity, or how they will fare in times of market stress. Trading on these trading venues may increase the pricing discrepancy between assets and their hedges as products may not be able to be executed simultaneously, therefore increasing basis risk. It may also become relatively expensive for a Client to obtain tailored swap products to hedge particular risks in its portfolio due to higher collateral requirements on bilateral transactions as a result of the new regulations. The SEC still is at a nascent stage for implementing rules related to security-based swaps. It is possible that security-based swaps will be subject to different rules and regulations than swaps. Since the division of "swaps" (regulated by the CFTC) and "security-based swaps" (regulated by the SEC) is a regulatory distinction rather than a product distinction, substantively similar products may have significantly different regulatory treatment. This may mean that the operational complexities of trading various derivative instruments is increased. Overall, new regulations may also render certain strategies in which a Client might otherwise engage impossible or so costly that they will no longer be economical to implement. The impact of the Dodd-Frank Act or comparable regulations in other jurisdictions on a Client is uncertain, and it is unclear how the over-the-counter derivatives markets will adapt to this new regulatory regime or any additional regulation in the future.

Call Options. Jet Capital, on behalf of a Client incurs risks associated with the sale and purchase of call options. The seller (writer) of a call option which is covered (*i.e.*, the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The securities necessary to satisfy the exercise of an uncovered call option may be unavailable for purchase, except at much higher prices, thereby reducing or eliminating the value of the premium. Purchasing securities to cover the exercise of an uncovered call

option can cause the price of the securities to increase, thereby exacerbating the loss. The buyer of a call option assumes the risk of losing its entire premium investment in the call option.

Put Options. Jet Capital, on behalf of a Client incurs risks associated with the sale and purchase of put options. The seller (writer) of a put option which is covered (*i.e.*, the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security if the market price falls below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

Counterparty Risk. Jet Capital expects to establish relationships to obtain financing, derivative intermediation and prime brokerage services that permit Clients to trade in any variety of markets or asset classes over time. However, there can be no assurance that a Client will be able to establish or maintain such relationships. An inability to establish or maintain such relationships could limit a Clients' trading activities, create losses, preclude the Client from engaging in certain transactions or prevent the Client from trading at optimal rates and terms. Moreover, a disruption in the financing, derivative intermediation and prime brokerage services provided by any such relationships could have a significant impact on the Client's business due to the Client's reliance on such counterparties.

A Client may effect transactions in the "over-the-counter" or "OTC" derivatives markets. The stability and liquidity of OTC derivatives transactions depends in large part on the creditworthiness of the parties to the transactions. In the OTC markets, a Client enters into a contract directly with dealer counterparties which may expose such Client to the risk that a counterparty will not settle a transaction in accordance with its terms because of a solvency or liquidity problem with the counterparty. Delays in settlement may also result from disputes over the terms of the contract (whether or not bona fide). In addition, a Client may have a concentrated risk in a particular counterparty, which may mean that if such counterparty were to become insolvent or have a liquidity problem, losses would be greater than if such Client had entered into contracts with multiple counterparties. Certain OTC derivative contracts require that a Client post collateral.

If there is a default by a counterparty, a Client under most normal circumstances will have contractual remedies pursuant to the agreements related to the transaction. However, exercising such contractual rights may involve delays or costs which could result in the net asset value of a Client being less than if such Client had not entered into the transaction. Furthermore, there is a risk that any of such counterparties could become insolvent and/or the subject of insolvency proceedings. In such case, the recovery of a Client's securities from such counterparty or the payment of claims therefor may be significantly delayed and such Client may recover substantially less than the full value of the securities entrusted to such counterparty. In addition, there are a number of proposed rules that, if they were to go into effect, may impact the laws that apply to insolvency proceeding and may impact whether a Client may terminate its agreement with an insolvent counterparty.

Collateral that a Client posts to its counterparties that is not segregated with a third party custodian may not have the benefit of customer-protected "segregation" of such

funds. In the event that a counterparty were to become insolvent, a Client may become subject to the risk that it may not receive the return of its collateral or that the collateral may take some time to return.

In addition, if a Client uses counterparties located in jurisdictions outside the United States, such local counterparties usually are subject to laws and regulations in non-U.S. jurisdictions that are designed to protect customers in the event of their insolvency. However, the practical effect of these laws and their application to a Client's assets are subject to substantial limitations and uncertainties. Because of the range of possible factual scenarios involving the insolvency of a counterparty and the potentially large number of entities and jurisdictions that may be involved, it is impossible to generalize about the effect of such an insolvency on a Client and its assets. Investors should assume that the insolvency of any such counterparty would result in significant delays in recovering a Client's securities from or the payment of claims therefor by such counterparty and a loss to such Client, which could be material.

Central Clearing. In order to mitigate counterparty risk and systemic risk in general, various U.S. and international regulatory initiatives are underway to require certain derivatives to be cleared through a clearinghouse. In the United States, clearing requirements were part of the Dodd-Frank Act. The CFTC imposed its first clearing mandate on December 13, 2012 affecting certain interest rate and credit default swaps. It is expected that the CFTC and the SEC will introduce clearing requirements for other derivatives in the future. Trades submitted for clearing will be subject to minimum initial and variation margin requirements set by the relevant clearinghouse, the FCM, as well as possible SEC or CFTC mandated margin requirements. A Client is not in direct privity with the clearinghouse, but instead acts through a member of the clearinghouse, an FCM, which acts as a quasi-agent, guaranteeing the obligations of such Client to the clearinghouse. This regime is modeled in large part after the U.S. futures clearing regime. Clearing through FCMs has in certain cases led to losses caused by operational failure or fraud.

As products become more standardized in order to be cleared, standardized derivatives may mean that a Client may not be able to hedge its risks or express an investment view as well as it would using customizable derivatives available in the over-the-counter markets. Compared to the OTC derivatives market, a Client may be subject to more onerous and more frequent (daily or even intraday) margin calls from both the clearinghouse and the FCM. Virtually all of the margin models that are utilized by the clearinghouses are dynamic, meaning that, unlike many of a Client's bilateral swap contracts where the amount of initial margin posted on the contract is typically static throughout of the life of the contract, the amount of the initial margin that is required to be posted in respect of a cleared contract will fluctuate, sometimes significantly, throughout the life of the contract. The dynamic nature of the margin models utilized by the clearinghouses and the fact that the margin models might be changed at any time may subject a Client to an unexpected increase in collateral obligations by clearinghouses during a volatile market environment which could have a detrimental effect on such Client. Clearinghouses also limit collateral that they will accept to cash, U.S. treasuries and, in some cases, other highly rated sovereign and private debt instruments, which may require a Client to borrow eligible securities from a dealer to meet margin calls and raise the costs of cleared trades to such Client. In addition, clearinghouses may not allow a Client to portfolio margin (or cross margin) its positions, which may increase the amount of overall margin that such Client needs to post. While clearinghouse margin models are dynamic and may change daily, they are also different from

the margin models applied by OTC derivative dealers. The OTC derivative dealers generally have a model that is supported by a team of individuals that analyze the credit risk of each fund and fund manager by reviewing, among other variables, strategy, performance, key portfolio managers, sophistication of technology and operations, traditional volatility, types of products, and lock-up periods. The model used by the dealers to apply margin is tailored for the risk of each fund and fund manager. In contrast, the clearinghouse margin model is applied across all types of counterparties and there is no analysis of individual counterparty risks. This may mean that the clearinghouse margin model may be less fluid. It may mean that it is also more expensive overall for a Client than if specific factors of such Client were considered.

Also, each clearinghouse only covers a limited range of products and a Client may have to spread its derivative portfolio across multiple clearinghouses, which in turn reduces the benefits of netting that derivatives users rely on to mitigate counterparty risk.

Although standardized clearing for derivatives is intended to reduce risk (for instance, they may reduce the counterparty risk to the dealers to which a Client would be exposed under OTC derivatives), it does not eliminate risk. Rather, standardized clearing transfers risk of default from the over-the-counter derivatives dealer to the central clearinghouse, which may increase systemic risk, potentially more so than a failure by an OTC derivatives counterparty. The failure of a clearinghouse could have a significant impact on the financial system. Even if a clearinghouse does not fail, large losses could force significant capital calls on member firms during a financial crisis, which could lead member firms to default, worsening the crisis. Because these clearinghouses are still developing and the related bankruptcy process is untested, it is difficult to speculate what the actual risks would be to a Client related to the default of a clearinghouse. While the futures model worked well during the Lehman crisis in 2008, there has been no testing whether the model is scalable so that it would apply to derivatives more generally. In addition, there is no one international standard for clearinghouses; existing clearinghouses have different waterfalls that apply upon the insolvency of a clearinghouse or a clearinghouse member and it is possible that a Client could be in a worse position if a clearinghouse were to fail than had such Client executed a trade with a traditional derivative counterparty. Also, a clearinghouse will likely require that a Client relinquish control of its transactions if the clearinghouse were to become insolvent, and, therefore, such Client would not be able to terminate and close out of a defaulting clearinghouse's positions, but would become subject to regulators' control over those positions. In such a circumstance, a Client may not be able to take actions that it deems appropriate to lessen the impact of such clearinghouse default. Clearinghouses tend to trade in particular products in order to achieve economy of scale. This heightens the concentration risk for a Client, which might not be easily hedged. In that case, a Client may only be able to protect itself from clearinghouse risk by exiting the market entirely, potentially foregoing an entire segment of beneficial transactions.

Applicable regulations may also require a Client to make public information regarding its swaps volume, position size and/or trades, which could detrimentally impact such Client's ability to achieve its investment objectives.

Non-U.S. Investments. Jet Capital, on behalf of a Client, may invest a portion of its portfolio in financial instruments of issuers located outside the United States. In addition to business uncertainties, such investments may be affected by political, social and economic uncertainty affecting a country or region. Many financial markets are not as

developed or as efficient as those in the United States, and as a result, liquidity may be reduced and price volatility may be higher. The legal and regulatory environment may also be different, particularly as to bankruptcy and reorganization. Financial accounting standards and practices may differ, and there may be less publicly available information in respect of such non-U.S. issuers.

A Client may be subject to additional risks, which include possible adverse political and economic developments, possible seizure or nationalization of non-U.S. deposits and possible adoption of governmental restrictions which might adversely affect the payment of principal and interest to investors located outside the country of the issuer, whether from currency blockage or otherwise. Furthermore, some of the financial instruments may be subject to brokerage taxes levied by governments, which has the effect of increasing the cost of such investment and reducing the realized gain or increasing the realized loss on such securities at the time of sale. Income earned, and gross sale or disposition proceeds received, by a Client from sources within some countries may be reduced by withholding and other taxes imposed by such countries. Any such taxes paid by a Client may reduce investors' net income or return from such investments.

Litigation. With regard to certain of Client's investments, it is a possibility that Jet Capital/or a Client may be plaintiffs or defendants in civil proceedings. The expense of prosecuting claims, for which there is no guarantee of success, and/or the expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would generally be borne by a Client and would reduce net assets or may, pursuant to applicable law, require investors to return to such Client distributed capital and earnings.

Fraud. Of paramount concern in investments is the possibility of material misrepresentation or omission on the part of a counterparty. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying an investment. Jet Capital will rely upon the accuracy and completeness of representations made by counterparties to the extent reasonable, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to a Client may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Public Health Risk. Certain countries have been susceptible to epidemics, such as severe acute respiratory syndrome, avian flu, H1N1/09 flu, and, most recently, the coronavirus. The outbreak of an infectious disease or any other serious public health concern, together with any resulting restrictions on travel or quarantines imposed, has a negative impact on the economy, and business activity in any of the countries in which the Adviser may invest and thereby adversely affect the performance of the client accounts.

ITEM 9
DISCIPLINARY INFORMATION

There are no legal or disciplinary events that are material to a Client's or Prospective Client's evaluation of Jet Capital's advisory business or the integrity of Jet Capital's management.

ITEM 10

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Jet Capital and its management persons are not registered as broker-dealers and do not have any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer.

Jet Capital and its management persons are not registered as, and do not have any application to register as, a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

The General Partner is an affiliate of Jet Capital. As described in Item 5, Incentive Allocations are made to the General Partner, while management fees and incentive fees are paid to Jet Capital.

Jet Capital claims an exemption from registration with the CFTC as a CPO pursuant to CFTC Rule 4.13(a)(3) and, accordingly, is not subject to certain regulatory requirements with respect to the Funds it manages that would otherwise be applicable absent such an exemption. In accordance with such exemption, at all times, the Funds (of the feeder funds, through the Master Fund) establishes a commodity interest or security futures position, either (a) the aggregate initial margin and premiums required to establish such positions will not exceed 5% of the liquidation value of the feeder fund's or the Fund's portfolio respectively; or (b) the aggregate net notional value of such positions will not exceed 100% of the liquidation value of the feeder fund's or the Fund's portfolio, respectively. Jet Capital also serves as the commodity trading advisor ("CTA") with respect to each of the Funds. Jet Capital is not, and is not required to be, registered with the CFTC as a CTA with respect to any of the Fund's pursuant to one or more exemptions from such registration

Jet Capital does not recommend or select other investment advisers for its Clients.

Jet Capital has entered into sub-advisory agreements, whereby Jet Capital acts as sub-adviser to private funds managed by other investment advisers. Specifically, Jet Capital is sub-adviser to:

- Redwood Offshore Fund, Ltd, advised by Redwood Capital Management, LLC
- Walleye Investments Fund LLC, advised by Walleye Trading Advisors LLC
- Walleye Opportunities Master Fund, Ltd, advised by Walleye Trading Advisors LLC

ITEM 11

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

Jet Capital strives to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, honesty and trust. In seeking to meet these standards, Jet Capital has adopted a code of ethics. The code of ethics incorporates the following general principles that all employees are expected to uphold: employees must at all times place the interests of Clients first; all personal securities transactions must be conducted in a manner consistent with the code of ethics and any actual or potential conflicts of interest or any abuse of an employee's position of trust and responsibility must be avoided; employees must not take any inappropriate advantage of their positions; information concerning the identity of securities and financial circumstances of the Clients, including any investors in the Clients, must be kept confidential; and independence in the investment decision making process must be maintained at all times.

The code of ethics also places restrictions on personal trades by employees, including that they disclose certain personal securities holdings and transactions to Jet Capital on a periodic basis, and requires that every employee pre-clear all personal securities transactions with the portfolio managers before effecting such transaction (except for a limited number of exempt transactions, such as shares issued by money market funds, U.S. Treasury bonds, commercial paper, ETF's, etc.).

Clients, and prospective clients, can request a copy of the code of ethics by contacting Jet Capital at the address or telephone number listed on the first page of this document.

Jet Capital, its employees and affiliates may give advice or take action for their own accounts that differ from, conflict with or be adverse to advice given or action taken for Clients. These activities may adversely affect the prices and availability of other securities or instruments held by or potentially considered for one or more Clients.

Jet Capital's partners, officers and employees may from time to time make personal investments in securities or instruments in which Jet Capital invests its Clients' assets. In addition, Jet Capital's personnel may invest in eligible Funds of their choosing and are not required to invest in all Funds. Neither Jet Capital nor its personnel are required to keep any minimum investment in any of the Funds. Potential conflicts also may arise due to the fact that Jet Capital and its personnel may have investments in some Funds, but not in others or have different levels of investments in the various Funds.

Subject to applicable restrictions under Jet Capital's policies and procedures, Jet Capital may effect rebalancing or internal cross transactions among its Clients. In such cases, one Client will purchase securities held by another Client. Jet Capital endeavors to effect these transactions based on a fair, current independent market price and consistent with Jet Capital's valuation procedures. Neither Jet Capital nor any related party receives any compensation in connection with these rebalancing transactions. When effecting cross transactions between Clients, Jet Capital and its personnel may have an ownership interest in one or more Clients (*e.g.*, the Funds) and will have potentially conflicting division of loyalties and responsibilities with respect to each participating Client. To the extent that such

transactions are viewed as principal transactions due to the ownership interest in a Client by Jet Capital or its personnel, Jet Capital will comply with the requirements of Section 206(3) of the Advisers Act, including that Jet Capital will notify the Client (or an independent representative of the Client) in writing of the transaction and obtain the consent of the Client (or an independent representative of the Client). Further, pursuant to section 206(3) of the Investment Advisers act of 1940, Jet Capital will not engage in transactions with its Clients without prior written disclosure describing the material terms of the transaction and obtaining Client consent.

Jet Capital, its affiliates and its personnel serve as investment advisers and investment managers to multiple Clients. It is Jet Capital's policy to allocate investment opportunities among all Clients fairly, to the extent practical and in accordance with each Client's applicable investment strategy, over a period of time. Jet Capital, its affiliates and its personnel may take action or give advice with respect to certain Clients that differs from the advice given to other Clients and will have no obligation to purchase or sell a security for, enter into a transaction on behalf of, or provide an investment opportunity to any Client solely because Jet Capital purchases or sells the same security for, enters into a transaction on behalf of, or provides an opportunity to any Client if, in its reasonable opinion, such security, transaction or investment opportunity does not appear to be suitable, practical or desirable for the Client. Jet Capital, its affiliates and its personnel will devote as much time to the activities of each Client as they deem necessary and appropriate and the amount of time devoted to different Clients varies. .

ITEM 12

BROKERAGE PRACTICES

In selecting an appropriate broker-dealer to effect a Client trade, Jet Capital seeks to obtain best execution, taking into consideration the price of a security, the ability of the brokers to effect the transactions, the brokers' facilities, reliability and financial responsibility and the provision or payment (or the rebate to the Clients for payment) of the costs of brokerage or research products or services. Jet Capital need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. Accordingly, if Jet Capital determines in good faith that the commissions charged by a broker are reasonable in relation to the value of the brokerage and research products or services provided by such broker, the Clients may pay commissions to such broker in an amount greater than the amount another broker might charge. In order to ensure best execution, Jet Capital has established a Brokerage Committee. The Brokerage Committee is comprised of Matthew Mark (Portfolio Manager), Alan S. Cooper (Portfolio Manager), Michael Strazzeri (Head Trader) and Gabe Oliveri (Chief Compliance Officer). The Brokerage Committee meets quarterly and is responsible for developing, evaluating and changing when necessary Jet Capital's order execution practices. The Brokerage Committee will monitor broker-dealers to assess the quality of execution of brokerage transactions effected on behalf of Jet Capital and its Clients.

1. Research and Other Soft Dollar Benefits.

It is Jet Capital's policy to use Client commissions ("soft dollars") to pay only for products or services that qualify as eligible "brokerage and research services" and that fall within the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934. This practice is consistent with Jet Capital's role as a fiduciary because the products and services Jet Capital receives from a broker-dealer, such as proprietary research, aid in making investment decisions for Jet Capital's Clients. However, when Jet Capital receives research or other products or services other than execution from a broker-dealer, Jet Capital is receiving a benefit from Client brokerage commissions because Jet Capital is receiving products and services, such as proprietary research, that it does not have to produce or pay for. Further, Jet Capital may have an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services, rather than on its Clients' interest in receiving most favorable execution. Jet Capital uses soft dollar benefits to service all of its Client accounts and does not seek to allocate soft dollar benefits based on the Client that paid for them. Some examples of soft dollar research benefits Jet Capital received within the last fiscal year include:

- Research reports and brokerage analyst's earnings estimates.
- Charts or statistical analysis of individual portfolio securities versus other securities in the same industry, including stock history, volatility, and performance.
- Newswire services.

2. Brokerage for Client Referrals.

The ability of a broker-dealer to refer investors or Managed Account clients is one of the factors Jet Capital considers in directing Client transactions to a particular broker-dealer. Jet Capital's Funds currently receive investor

referrals from broker-dealers. This presents a potential conflict of interest in that it could incentivize Jet Capital to select brokers who offer these consulting services over those who do not. However, Jet Capital does not believe that these services are a material consideration in its selection process and further always remains mindful of its fiduciary duties to the Funds.

3. Directed Brokerage:

From time to time, a Managed Account may designate a particular broker-dealer to effect transactions. When this occurs, Jet Capital's ability to obtain best execution may be impaired and the Managed Account may not obtain best execution. In addition, Managed Accounts that designate a particular broker-dealer may not receive efficiencies that are available to other Clients (including Funds) that participate in an aggregated trade. Orders directed to a particular broker-dealer shall be entered after Jet Capital places its orders for Clients who have not designated a particular broker-dealer, and Jet Capital assumes no responsibility for any adverse consequences that may occur as a result from the use of a designated broker-dealer.

4. Order Aggregation:

In managing Client portfolios, Jet Capital will generally aggregate trades, subject to best execution. Aggregation, or "bunching," describes a procedure whereby an investment adviser combines the orders of two or more Clients into a single order for the purpose of obtaining better prices and lower execution costs. Aggregation opportunities for Jet Capital generally arise when more than one Client is capable of purchasing or selling a particular security based on investment objectives, available cash and other factors. Jet Capital is not required to aggregate trades, but it must disclose its policies and procedures, including, if applicable, the consequences of not aggregating trades. Jet Capital may aggregate Client orders when doing so will result in a better overall price for Client trades.

ITEM 13 REVIEW OF ACCOUNTS

Jet Capital performs various daily, weekly, monthly, quarterly and periodic reviews of its Clients' portfolios. Such reviews are conducted by the members of Jet Capital's Investment Committee which includes Alan Cooper (Portfolio Manager), Matthew Mark (Portfolio Manager) and back office operations. A review of a Client account may be triggered by any unusual activity or special circumstances. Jet Capital generally provides annual audited financial statements to its Clients within 120 days of the applicable Client's fiscal year end.

Investors in Jet Capital's Funds receive a monthly update from Jet Capital documenting the performance of their Fund. Jet Capital generally issues a quarterly letter with commentary from the portfolio managers. In addition, Jet Capital issues investors tax reports and audited financial statements concerning their respective Funds within 120 days of the end of such Fund's fiscal year. Managed Account clients receive the information required by the applicable advisory agreement.

ITEM 14
CLIENT REFERRALS AND OTHER COMPENSATION

Jet Capital does not receive economic benefits from non-Clients for providing investment advice and other advisory services. In addition, Jet Capital and its related persons do not directly or indirectly compensate any person who is not a supervised person, including placement agents, for Client referrals.

ITEM 15 CUSTODY

Jet Capital is deemed to have custody of the Funds' assets and securities because it has the authority to obtain Client funds or securities. Account statements related to the Funds are sent by qualified custodians to Jet Capital. Jet Capital does not have custody of Managed Account assets or securities. Managed Account Clients will receive account statements directly from the qualified custodian that maintains custody of their assets and securities and account statements from Jet Capital. Managed Account Clients are urged to compare the account statements from the qualified custodian with the account statements from Jet Capital.

Jet Capital is subject to Rule 206(4)-2 under the Advisers Act (the "Custody Rule"). However, it is deemed to have complied with certain requirements of the Custody Rule with respect to each Fund because it requires that each Fund be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that each Fund distribute its audited financial statements to all investors within 120 days of the end of its fiscal year.

ITEM 16

INVESTMENT DISCRETION

Jet Capital exercises discretionary authority in managing Client accounts. From time to time, a Managed Account client may effect a trade for their account with the approval of Jet Capital. Jet Capital assumes discretionary authority to manage its Client accounts through the execution of investment management agreements with its Clients.

Jet Capital's investment decisions and advice with respect to each Fund are subject to each Fund's investment objectives and guidelines, as set forth in its offering documents. Similarly, Jet Capital's investment decisions and advice with respect to each Managed Account are subject to each Managed Account's investment objectives and guidelines, as set forth in the Managed Account client's investment management agreement, as well as any instructions provided by the client to Jet Capital, as described above.

ITEM 17

VOTING CLIENT SECURITIES

The Securities and Exchange Commission adopted Rule 206(4)-6 under the Investment Advisers Act of 1940, which requires registered investment advisers that exercise voting authority over Client securities to implement proxy voting policies. In compliance with such rules, Jet Capital has adopted proxy voting policies and procedures. Jet Capital has retained the services of Institutional Shareholder Services, Inc. and ProxyEdge (“the Services”) to vote proxies for our Clients. Jet Capital may override any vote cast by the Services when it deems such an act to be in the best interest of its Clients. Jet Capital will periodically review the proxy votes cast by the Services on behalf of its Clients.

Jet Capital believes that it will not be faced with any direct or indirect conflicts of interest with respect to the voting of any proxy because it has engaged the Services to handle all proxy votes. If Jet Capital determines that the Services are not independent with respect to any proxy, Jet Capital will engage another independent proxy service to vote such proxy.

From time to time, Managed Accounts may decide to vote proxies on their own utilizing Jet Capital's or a Service's guidance. These Clients may decide to vote according to the guidance provided to them however, they are not required to and may vote against our recommendations.

Clients may request a copy of our proxy voting policies and procedures, as well as the proxy voting record by contacting Jet Capital at the address or telephone number listed on the first page of this document.

ITEM 18
FINANCIAL INFORMATION

Jet Capital is not required to disclose a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to Clients, and has not been the subject of a bankruptcy petition at any time during the past ten years.