

Item 1. Cover Page

**DISCLOSURE BROCHURE**

(FORM ADV, PART 2A)

**Cowen Investment Management LLC**

And, its relying advisers:

**Cowen Sustainable Advisors LLC**

**Cowen Trading Strategies LLC**

**TriArtisan Capital Advisors LLC**

**File No. 801-70868  
599 LEXINGTON AVENUE  
NEW YORK, NY 10022  
[www.cowen.com](http://www.cowen.com)**

**March 30, 2021**

**This brochure provides information about the qualifications and business practices of Cowen Investment Management LLC and its relying advisers, Cowen Sustainable Advisors LLC, Cowen Trading Strategies LLC and TriArtisan Capital Advisors LLC . If you have any questions about the contents of this brochure, please contact Cowen Investor Relations at [investor.relations@cowen.com](mailto:investor.relations@cowen.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. Cowen Investment Management LLC and its relying advisers are registered as investment advisers with the SEC. Registration does not imply a certain level of skill or training.**

**Additional information about Cowen Investment Management LLC and its relying advisers is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Please retain a copy of this brochure for your records.**

**Item 2.            Material Changes**

Cowen Trading Strategies LLC (“CTS”) resigned as the collateral manager of its sole client, a offshore securities asset fund, on October 22, 2020. CTS remains eligible to be registered as a related adviser pursuant to Rule 203A-2(b) and anticipates having additional assets under management in 2021.

The existing risk factors regarding COVID-19 and U.S. Data Privacy and Security Laws were updated and a new risk factor regarding the Future Use of LIBOR was added in Item 8 of this brochure.

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#### **Item 4. Advisory Business**

Cowen Investment Management LLC (the “**Registrant**”) is a Delaware limited liability company formed in 1997 and direct wholly-owned subsidiary of Cowen Inc., a publicly traded company (“**Cowen**”).

The Registrant provides discretionary investment management services directly and also through advisory affiliates Cowen Sustainable Advisors LLC (“**CSI**”), Cowen Trading Strategies LLC (“**CTS**”)<sup>1</sup> and TriArtisan Capital Advisors LLC (“**TriArtisan**”), all of which are under common control with the Registrant (each is referred to herein as a “**Relying Adviser**” and collectively, the “**Relying Advisers**”). The Relying Advisers have also been identified in Item 10 hereof, as well as Schedule R of the Adviser’s Form ADV Part 1.

CSI acts as the agent for CSI GP I LLC, a Delaware limited liability company that serves as the general partner to Cowen Sustainable Investments I LP and also serves as the general partner to feeder fund Cowen Sustainable Investments Offshore I LP and its master funds CSI I Master Fund LP, CSI I Master Fund B LP and CSI I Master Fund C LP. Certain investment-related determinations, decisions, consents or other duties or actions that may be described in the relevant PE Fund’s limited partnership agreement as being the determinations, decisions, consents, duties or actions of its general partner may be performed by CSI in such capacity.

TriArtisan acts as the agent for TriArtisan Orlando MM LLC (a Delaware limited liability company that serves as the managing member of TriArtisan Orlando Partners LLC), TriArtisan ES MM LLC (a Delaware limited liability company that serves as the managing member of TriArtisan ES Partners LLC), TriArtisan PFC MM LLC (a Delaware limited liability company that serves as the managing member of TriArtisan PFC Partners LLC) and TriArtisan TGIF MM LLC (a Delaware limited liability company that serves as the managing member of MJTA Associates III TGIF LLC and TriArtisan TGIF Partners LLC). Certain investment-related determinations, decisions, consents or other duties or actions described in an SPV Fund’s respective limited partnership agreement as being the determinations, decisions, consents, duties or actions of such general partner may be performed by TriArtisan in such capacity.

The Registrant, its Relying Advisers and its affiliated general partners are collectively referred to herein as the “**Adviser**” and unless otherwise noted as only applicable to the Registrant, the Relying Advisers, its affiliated general partners or a specific advisory client, this brochure generally includes information about the Adviser and its relationships with all of its advisory clients and affiliates. This brochure does not constitute an offer to sell or solicitation of an offer to buy any securities.

The Adviser provides discretionary investment management services to a variety of advisory clients and is not limited to only advising the types of advisory clients currently described herein. The Registrant provides discretionary investment management services to a separately managed account (the “**SMA**”) and may in the future provide discretionary investment management services to hedge funds, private equity funds and registered investment companies. CSI, a Relying Adviser, provides discretionary investment management services to private limited partnerships and other pooled investment vehicles (each, a “**PE Fund**” and together, the “**PE Funds**”) and may in the future provide discretionary investment management services to SMAs and hedge funds. TriArtisan, a Relying Adviser, provides investment management services to special purpose limited liability companies formed to invest in, or participate in, the acquisition of a single private or public company (each, an “**SPV Fund**” and together, the “**SPV Funds**”) and may in the future provide discretionary investment management services to private equity funds. The term “Client” or “Clients” collectively refers to (where relevant) the PE Funds, SPV Funds, and the SMA for which the Adviser provides discretionary investment management services. While not considered an

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<sup>1</sup> CTS resigned as the collateral manager of its sole client, a offshore securities asset fund, on October 22, 2020. CTS remains eligible to be registered as a related adviser pursuant to Rule 203A-2(b) and anticipates having additional assets under management in 2021.

advisory client, the Registrant also manages a proprietary securities portfolio that is beneficially owned by its parent company, Cowen.

The Adviser is responsible for managing the capital of its Clients in accordance with their respective investment objectives. The Adviser's management of its Clients and their respective investments are qualified in their entirety by reference to each Clients' agreements with the Adviser as well as in formal offering documents (*e.g.*, the Client's prospectus, offering memorandum, memorandum and articles of association, limited partnership agreement, or investment management agreement, as the case may be, side letters, and subscription documents). These documents are collectively referred to herein as the Clients' "**Offering Documents**".

The descriptions set forth in this brochure of specific advisory services that the Adviser offers to its Clients, and investment strategies pursued and investments made by the Adviser on behalf of its Clients, should not be understood to limit in any way the Adviser's investment activities. The Adviser may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this brochure, that the Adviser considers appropriate, subject to each Client's investment objectives and guidelines. The investment strategies the Adviser pursues are speculative and entail substantial risks. Clients (or their respective investors therein) 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.

The Registrant and its Relying Advisers together managed approximately U.S.\$ 815,755,148 of client assets under management as of December 31, 2020.<sup>2</sup> This number is net of fees and expenses and based on estimated and unaudited information as of such date and is therefore subject to change. It also does not include the proprietary securities portfolios managed on behalf of parent company Cowen. The Adviser does not currently manage any non-discretionary Client assets. The Adviser does not participate in wrap fee programs.

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

The fees applicable to each Client are set forth in detail in their respective Offering Documents. Generally, Clients pay the Adviser a fee for investment management services (the "**Management Fee**") and certain Clients may also charge performance-based fees or profit allocation ("**Performance Compensation**").

The Registrant does not earn a Management Fee or Performance Compensation from the SMA it advises, nor does it earn a Management Fee or Performance Compensation for advising the proprietary securities portfolios beneficially owned by Cowen.

The fees applicable to the PE Funds CSI advises are described in detail in their respective Offering Documents. CSI earns a Management Fee (quarterly in advance and subject to a customary Management Fee offset provision) ranging from approximately 1.0% to 2.0% for investment advisory services, calculated during such PE Fund's investment period as a percentage of committed capital and following the expiration of such investment period, as a percentage of such PE Fund's invested capital. In the event a PE Fund's investment period does not commence on the first date of a quarter, the Management Fee for that quarter will be adjusted on a *pro rata* basis based on the number of days and/or months remaining in the partial quarter. In the unlikely event a PE Fund investor is required to withdraw (and the withdrawal date is other than as of the last day of a quarter), a *pro rata* portion of the pre-paid management fee will be returned to the investor. In addition, depending on its performance, a PE Fund managed by CSI may pay Performance Compensation that is a percentage of the amount of profits otherwise disburseable to each investor in such PE Fund in excess of a pre-determined "preferred return."

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<sup>2</sup> The client assets under management reported in this brochure differ from the regulatory assets under management ("**RAUM**") reported in Form ADV Part 1A Item 5 because the assets under management reported in this brochure are calculated on a net basis and do not include the value of the proprietary securities portfolios beneficially owned by parent company, Cowen.

The fees applicable to the SPV Funds managed by TriArtisan are set forth in their respective Offering Documents. Generally, the SPV Funds' investors (who are billed directly) pay TriArtisan a Management Fee (quarterly in advance) for investment advisory services. Management Fees for the SPV Funds are generally equal to 1% of invested capital in the SPV Fund. In addition, depending on its performance, an SPV Fund may pay Performance Compensation to TriArtisan that is based on the realized profits distributed to each investor of the SPV Fund. With the exception of PE Funds managed by CSI and the SPV Funds managed by TriArtisan, which require payment of Management Fees quarterly in advance, the Adviser does not require prepayment of Management Fees by its other Clients.

For the avoidance of doubt, the Adviser, in its sole discretion, may modify, waive, reduce or rebate any Management Fee or Performance Compensation or calculate such fees differently with respect to any Client and, if applicable in the future, to any class, sub-class or series of shares or limited partnership or limited liability company interests of a Client held by or on behalf of any investor, including, without limitation, employees and their family members, as well as friends and affiliates of the Adviser. Such modifications, waivers, reductions, or rebates may be made by the Adviser both voluntarily and on a negotiated basis with selected investors in a Client via side letter and other arrangements, which may not be disclosed to other investors in the same Client. In addition, Management Fees and/or Performance Compensation may also be calculated differently with respect to, or may not be charged to, certain SMAs including related person-owned SMAs, if any. As noted above, full details regarding the services, fees, investor suitability standards, and other terms applicable to Clients are included in their respective Offering Documents.

From time to time, the Adviser may permit certain Client investors to acquire interests on different terms than other Client investors (including, without limitation, with respect to minimum investment amounts, fees, expanded reporting and withdrawal terms). The Adviser is not required to notify any or all of the other Client investors of any such terms, nor is a Client investor or the Adviser required to offer such additional and/or different rights and/or terms to any or all of the other Client investors (unless notification or offering rights have been separately granted thereto).

#### Direct Expenses

Each Client is responsible for expenses related to its respective operations and activities, including expenses associated with its investment portfolio and, if applicable, its proportionate share of the direct expenses of the third-party investment products in which it invests. The direct expenses incurred by each Client, which are outlined in detail in their respective Offering Documents, may vary depending on the nature of the operations and activities of a Client.

Below is a summary of the direct expenses typically borne by each type of Client. The summary is not meant to be a complete list of all direct expenses; nor should it be inferred that each expense appearing in the summary will be incurred by every Client. Clients are advised to read the relevant Offering Documents, as applicable, for a complete description of applicable direct expenses.

Generally, expenses related to operations and activities include, but are not limited to, the following: expenses associated with the organization of the PE Funds, the SPV Funds or their respective general partners or the syndication of interests therein, including reasonable attorneys' fees incurred in connection with an investment in a PE Fund or SPV Fund; organizational and offering expenses with respect to any SMAs formed as a "fund-of-one"; fees payable to an administrator and other investment expenses (e.g., expenses that the Adviser reasonably determines to be related to the investment of a Client's assets, such as brokerage commissions, expenses relating to short sales, clearing and settlement charges, custodial fees, premiums paid or options, swaptions and other derivative instruments, bank service fees, and interest expenses); legal and compliance expenses relating to a Client, including fees and expenses of external attorneys and compliance professionals retained by the Adviser on behalf of a Client as well as the cost of salary and other compensation payable to one or more attorneys or compliance professionals

who are employees of the Adviser or one or more of its affiliates, but only to the extent that such cost is attributable to work performed for the benefit of a Client; professional fees relating to investments made or considered by a Client, including consultants, experts and members of any co-investment group with which a Client invests; investment-related travel and entertainment expenses reasonably determined to be allocable to a Client based on the Adviser's good faith determination of the primary purpose of such travel; accounting expenses, including the cost of accounting software packages; auditing, tax compliance, and tax preparation expenses; taxes and other governmental charges imposed upon a Client as an entity (rather than solely as a withholding agent); costs of printing and mailing reports and notices; costs and expenses associated with the annual meetings of investors; corporate licensing expenses; regulatory expenses (including, whether reported directly by a Client or the Adviser, the costs and expenses related to a Client's U.S. and/or non-U.S. registration, regulatory and self-regulatory filings, reporting, registrations and memberships, and compliance including without limitation the costs of compliance reporting programs, third-party compliance consultants including the costs and expenses associated with complying with the requirements of any new or additional regulatory regime); insurance expenses including Directors and Officers, Errors and Omissions or similar professional liability insurance purchased on behalf of a Client's general partner (if any) and the Adviser; regulatory expenses of a Client (including governmental reports and filing fees); costs of litigation and other extraordinary expenses; costs and expenses associated with the organization and maintenance of holding vehicles or other investment conduits; costs and expenses associated with the monitoring and disposition of investments; any fees, costs or expenses relating to investments that were not consummated (including expenses that would have been allocable to co-investment vehicles or other co-investors), including broken-deal fees and other similar expenses; extraordinary expenses incurred by or relating to a Client or its activities and assets; and any other fees or expenses incurred by the Adviser or such Client in connection with such Client's operations that are not specifically set forth in the Offering Documents as being paid by the Adviser. For more information on brokerage costs please see Item 12. Certain PE Funds may be subject to expense limitation provisions. Details regarding any applicable expense limitation provisions will be outlined in the relevant PE Fund's offering documents.

With respect to the SMAs managed by the Registrant, all reasonable expenses incurred in the ordinary course of business relating to the account including, but not limited to, trading commissions, brokerage and custody fees, and other reasonable costs of safekeeping, transport and acquisition and disposition shall be paid by the SMA. In the sole discretion of the Registrant, the Management Fee may be calculated differently with respect to, or may not be charged to, certain SMAs.

#### Other Fees

Certain affiliates of the Adviser, including broker-dealer affiliate Cowen and Company, LLC, may receive cash, equity, and non-cash fees in connection with the portfolio company investments made by the Adviser on behalf of its Clients, including, but not limited to, transaction fees, monitoring fees, director fees, financial advisory fees, organization and financing fees, operational fees, commitment fees, break-up and topping fees, divestment fees, termination fees, project fees, fees relating to the arrangement of acquisitions or other financial restructuring, investment banking fees, fees relating to credit origination, loan syndication, loan serving and/or other types of management consulting and other similar operational and financial matters and/or other fees and annual retainers from, or with respect to, the portfolio companies and prospective portfolio companies. It is also possible that an affiliate of the Adviser may receive fees in connection with, arising from or otherwise related to, arm's-length transactions between a Client, on the one hand, and an affiliate of the Adviser, on the other hand. The compensation in connection with providing these services or otherwise in connection with such portfolio company transactions may be material and Client investors may not have any right to income from such services and transactions and may not receive any portion of the foregoing fees (whether as a reduction or offset to the Management Fee or otherwise).

Moreover, such investment banking or other financial services may create conflicts of interest between the advice given by the Adviser's affiliate to portfolio companies beneficially owned by a Client and the interests of a Client

in that same portfolio company. Furthermore, to the extent that the Adviser's affiliate is not providing such other services at the time of an investment by a Client, the Adviser may have an incentive to recommend its affiliates to such portfolio company to provide the applicable services, even if another service provider may be more qualified or can provide such services at a lesser cost. The Adviser's affiliates may have ongoing relationships with issuers whose securities, assets or other investments are held by or are being considered for a Client.

In addition, a Client may engage Cowen and Company, LLC, Cowen Prime Services LLC or another affiliated broker-dealer to execute transactions as an agent or riskless principal or to act as an introducing broker, if the Adviser has determined that the commissions, fees or other remuneration to be received by such affiliated broker are reasonable and fair compared to the commissions, fees or other remuneration received by other executing brokers or introducing brokers in connection with comparable transactions involving similar services or securities.

The Adviser may provide its Clients with services including, but not limited to, administration, organizing and managing the business affairs, executing and reconciling trades, preparing financial statements and providing audit support, preparing tax related schedules or documents, legal and compliance support and sales and investor relations support, diligence and valuation services. Under certain circumstances and as set forth in the Client's Offering Documents, the Adviser may provide these services in return for a fee separate and apart from Management Fees.

The Adviser has and may again in the future, in its discretion, recruit consultants or retain the services (for a fee) of one or more third-party business executives who, in the good faith determination of the Adviser, possess relevant experience or expertise to serve as an advisor or consultant to the Adviser or a Client. These consultants may also receive compensation and expense reimbursement for providing services to the portfolio companies in which a Client invests, which includes compensation for services on boards of directors, compensation for service as interim executives and consulting-related compensation, which involves both fixed and incentive compensation. Compensation may include (i) an annual fee, (ii) a discretionary performance-related bonus, (iii) a portion of the carried interest received by a general partner of managing member of a Client, or (iv) the opportunity to invest in one or more Clients or specific transactions on a no-fee basis. The Adviser will ensure any expenses incurred by the Adviser and reimbursed by a Client for such consultants are eligible to be reimbursed pursuant to each applicable Client's Offering Documents.

TriArtisan charges monitoring fees to portfolio companies of the SPV Funds, which may not be negotiated on an arm's-length basis. The SPV Funds (and the investors therein) indirectly bear the cost of these fees. TriArtisan receives monitoring fees in exchange for providing portfolio companies with management, consulting, financial and other services. Monitoring fees are generally a specific dollar amount, which is determined with reference to a portfolio company's EBITDA (earnings before income, taxes, depreciation and amortization) or other factors. While monitoring fees paid by a portfolio company to TriArtisan generally do not reduce or offset the Management Fees or Performance Compensation paid or distributed to TriArtisan, certain SPV Fund investors may be granted an offset or reduction at the discretion of TriArtisan. In addition, in certain instances, co-investors may receive monitoring fees from a portfolio company of an SPV Fund, and the SPV Funds (and the investors therein) will not benefit from any Management Fee or Performance Compensation reduction or offset in respect of monitoring fees paid to any such co-investors. The amount of any monitoring fees paid to TriArtisan or its co-investors in any particular portfolio company is disclosed to investors in the relevant SPV Fund prior to investment.

Additionally, a portfolio company will typically reimburse the Adviser for expenses, including without limitation, travel and travel-related expenses (which include, without limitation, commercial and non-commercial transportation costs (including first class or business class travel and private car travel), lodging and accommodations), meals and entertainment expenses, expenses relating to training programs, meetings or other events (to the extent such programs, meetings or events are attended by portfolio company personnel), expenses relating to hiring portfolio company personnel (including background checks, recruiting and relocation expenses), indemnification expenses, certain legal expenses and similar out-of-pocket expenses, as well as consulting fees and other cash and non-cash compensation and expenses, incurred by the Adviser in connection with its performance of services for such portfolio company. Such reimbursed expenses generally do not reduce or offset the Management



Fee or Performance Fee. Because certain expenses are paid for by a Client and/or its portfolio companies or, if incurred by the Adviser, are reimbursed by a Client and/or its portfolio companies, the Adviser may not necessarily seek out the lowest cost options when incurring (or causing a Client or its portfolio companies to incur) such expenses.

Finally, the Adviser and its personnel can be expected to receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of Clients that will not be subject to a Management Fee reduction or offset or otherwise shared with Clients, their investors, and/or the investments. For example, airline travel or hotel stays incurred as Client expenses typically may result in “miles” or “points” or credit in loyalty/status programs, and such benefits and/or amounts will, whether or not *de minimis* or difficult to value, inure exclusively to the Adviser and/or such personnel (and not Clients, their investors, and/or the investments), even though the cost of the underlying service is borne by the Clients and/or portfolio companies. In addition, airline travel incurred as a Client expense for an Adviser personnel travelling for appropriate Client-related purposes (including, without limitation, travel related to a portfolio company, a prospective portfolio company or other Client-related matters) may benefit such Adviser personnel to the extent the trip also serves a personal purpose.

To the extent not addressed above, the Adviser will allocate such fees and expenses in its sole discretion, in each case using good faith and its best judgment.

#### **Item 6. Performance-Based Fees and Side-By-Side Management**

The Adviser may accept Performance Compensation from certain Clients. Depending on its performance, certain Clients may pay a percentage of the amount of profits otherwise disbursable to each Client investor as Performance Compensation. The Adviser may not receive Performance Compensation from every Client, and the terms of any Performance Compensation may vary between Clients. When applicable, Performance Compensation will only be charged in compliance with all applicable requirements of Rule 205-3 under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”) and the Adviser (or general partner or managing member, as applicable) only accepts performance-based compensation from qualified clients, as defined under the Advisers Act. Full details regarding Performance Compensation payable by a Client (if any) including investor suitability standards can be found in a Client’s Offering Documents.

Just as the Adviser may not receive Performance Compensation from every Client, the method of calculating Performance Compensation may vary substantially from Client to Client. Performance Compensation payable to CSI by certain PE Funds will be a percentage of a PE Fund investor’s realized net profits after the investor has received a return of all capital contributions and a pre-determined “preferred return” per annum thereon (compounded annually).

The variation of performance-based compensation structures among the Adviser’s Clients may create an incentive for the Adviser to direct the best investment opportunities to, or to allocate or sequence trades in favor of Clients that have performance-based compensation obligations rather than other Clients with lower or no performance-based compensation structure. The risk associated with this incentive may be mitigated to some extent by the provisions of a Client’s Offering Documents requiring the Adviser (or the general partner or managing member, as applicable) to return excess performance-based compensation (*i.e.*, GP clawback provisions). The Adviser is committed to allocating investment opportunities on a fair and equitable basis and has established policies and procedures designed to address and mitigate the conflict of interest described above.

The Adviser may permit institutional investors in certain Clients to negotiate an investment in the underlying portfolio company in parallel with the Client or at a different point in the capital structure under terms and/or compensation arrangements that may be different than those of the other Client investors.

## Item 7. Types of Clients

As described above in Item 4, the Adviser's Clients include U.S. and non-U.S. domiciled PE Funds, SPV Funds, and SMAs and may in the future include hedge funds and/or registered investment companies. PE Funds, SPV Funds, and SMAs formed as a "fund-of-one" may be organized as domestic or offshore (non-U.S.) companies, limited partnerships, limited liability companies, corporate trusts or other legal entities, as determined appropriate by the Adviser. While not considered an advisory client, the Registrant also manages a proprietary securities portfolio beneficially owned by Cowen. The types of investors that have invested in and may in the future invest in the Adviser's Clients include, but are not limited to: high net worth individuals, family offices, private funds, insurance companies, corporations, trusts, non-profit organizations, sovereign wealth funds, private pension plans, public pension plans, and banking and thrift institutions.

As a general matter, each Client is managed in accordance with its investment objectives, strategies and guidelines and unless a Client is an SMA, investment advisory services are not tailored to the individualized needs of any particular investor. In addition, an investment in a Client does not, in and of itself, create an advisory relationship between the investor and an Adviser. Therefore, investors must consider whether such an investment meets their investment objectives and risk tolerance prior to investing. Information about a Client, including its investment risk, can be found in its Offering Documents.

The Adviser may provide discretionary investment management services to SMAs, PE Funds and SPV Funds beneficially owned by employees of the Adviser and its affiliates (including their family members) and/or serve as general partner or managing member, or on the board of directors or advisory board, of a Client.

To seek to accommodate or mitigate the legal, tax, regulatory or other investment requirements of certain potential investors, the Adviser may create one or more additional entities to invest alongside a Client. Certain Clients may operate using a "master-feeder" private investment fund structure, pursuant to which trading operations reside in a "master fund" and investors may access the master fund directly or may invest through a "feeder fund" that, in turn, invests in the master fund. Certain Clients may participate in structures comprised of parallel funds and accounts, which generally invest in assets side-by-side on a *pro rata* basis (based upon capital commitments). The Adviser may also provide investors with the opportunity to participate in a co-investment with a particular Client. The minimum capital commitment required to invest in a co-investment may vary with each investment opportunity.

There is no established minimum requirement for the SMAs advised by the Registrant. The minimum investment in the PE Funds advised by CSI is generally \$5 million, provided that in each case CSI may accept lesser amounts in its discretion. The minimum investment for the SPV Funds advised by TriArtisan can range from \$100,000 to \$5,000,000, although the amount may vary depending on the requirements of the relevant SPV Fund and TriArtisan may accept lesser amounts in its discretion.

Generally, Client investors must be an "accredited investor" within the meaning of Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended (the "**Securities Act**"). PE Funds, SPV Funds and SMAs formed as a "fund-of-one" will not be registered as investment companies under the Investment Company Act of 1940, as amended (the "**Company Act**"), in reliance upon the exclusion from the definition of "investment company" under Section 3(c)(7) of the Company Act. Accordingly, Clients generally limit their respective offerings to investors that are "qualified purchasers" for purposes of Section 3(c)(7) of the Company Act (or "knowledgeable employees" or companies owned exclusively by "knowledgeable employees," as such term is defined in the rules promulgated thereunder); however, certain Clients advised by the Adviser may rely on the exemption from registration under Section 3(c)(1) of the Company Act and therefore only require investors to qualify as an "accredited investor" within the meaning of Rule 501 of Regulation D under the Securities Act. As noted above in Item 6, if the Adviser receives Performance Compensation from a Client, its investors will be required to meet the

requirements of Rule 205-3 under the Advisers Act and certify that they are at least a “qualified client” as defined under the Advisers Act. Please see a Client’s Offering Documents for specific investor qualifications.

Pursuant to an exemption, the Adviser (and/or relevant general partner, if any) does not expect to be required to register, and will not be registered, with the U.S. Commodities Futures Trading Commission (“**CFTC**”) as a commodity pool operator or as a commodity trading advisor.

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

The descriptions provided herein regarding the investment strategies pursued and investments made by the Adviser (or affiliated general partner, as applicable) on behalf of its Clients should not be understood to limit in any way the Adviser's investment activities. The Adviser may offer any advisory services, engage in any investment strategy and make any investment, including any not described herein, that the Adviser considers appropriate, subject to each Client's investment objectives and guidelines. The investment strategies the Adviser 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.

### Methods of Analysis and Investment Strategies

The Registrant may engage in one or more of a number of strategies on behalf of the SMAs it advises, including but not limited to: fixed income securities, equity securities and privately placed investments. The Registrant’s authority is subject to any investment restrictions or guidelines that may from time to time be communicated in writing by the SMA account holder and accepted in writing by the Adviser.

CSI’s investment focus is on the energy, transportation, agrifood, and manufacturing sectors, each of which is capital intensive with a significant environmental footprint. Within these industry sectors, CSI has refined its focus and identified four specific investment themes for the PE Funds it advises: (i) Renewables and Battery Storage; (ii) Clean Transportation (iii) Sustainable Agriculture and Food Production and (iv) Resource and Industrial Efficiency. CSI’s strategy is to identify investment opportunities with complex capital needs, unique disruptive and scalable business models, and hybrid risk situations in which CSI can offer packaged and tailored solutions for companies. Investments may include equity and equity-linked securities and secured and unsecured debt instruments throughout the capital structure of a portfolio company, and may also gain exposure to any investment through derivatives, securitization vehicles or other instruments.

TriArtisan seeks to provide investment management services to SPVs formed to invest in, or participate in, the acquisition of a single private or public company and may in the future provide discretionary investment management services to private equity funds focused on investments in consumer hospitality, media and information, business services and niche industrials. TriArtisan’s investment process incorporates various methods of securities analysis, often including one or more of the following: cyclical, fundamental, technical, macro-economic and quantitative/investment modeling. TriArtisan’s sources of information include financial newspapers, magazines, websites, trade journals, inspections of corporate activities, annual reports, prospectuses, filings with the SEC, company press releases, corporate rating services, internal and third-party research reports and meetings, company presentations and/or interviews, internal or external assessments, including assessments of general or specific world events, and other sources of material deemed appropriate, as well as non-public information provided by the company pursuant to a non-disclosure agreement (if the company is publicly traded, the Adviser may be restricted in its ability to transact in this security for so long as such information remains non-public.)

To the extent its use fits within a Client’s investment objectives and guidelines, the Adviser may utilize financial leverage and/or enter into various derivative instruments including, but not limited to, warrants, options, forwards, swaps and futures contracts on behalf of its Clients. The descriptions provided above are only an attempt to

summarize the strategies and securities/instruments that may be utilized on behalf of the Adviser's Clients. As the market environment continues to change, techniques and purchase instruments that are not disclosed in a Client's Offering Materials may be utilized on behalf of a Client if deemed to be appropriate by the Adviser. The Adviser may obtain advice from attorneys, accountants and other experts to assist in its analysis of various asset classes that it trades.

There can be no assurance that Client investment programs will prove successful, and certain investment practices can, in some circumstances, potentially increase any adverse impact on Clients' investment portfolios. The Adviser's risk management approach seeks to isolate and mitigate, not eliminate, risk and there may be certain risks that the Adviser determines should not or cannot be hedged against. Accordingly, the Adviser's activities could result in substantial losses under certain circumstances. Investing in securities involves risk of loss that investors should be prepared to bear.

### **CERTAIN RISK FACTORS**

*The following risk factors and conflicts of interest do not purport to be a complete list or explanation of all the risks and conflicts of interest associated with the strategy pursued by the Adviser, the Adviser's method of analysis or the types of investment instruments utilized. Nor should it be inferred that each risk factor and conflict of interest discussed below will be faced by every Client. Certain risks may only apply to a particular investment strategy, type of investment or specific type of security or instrument. Certain risks may impact certain Clients directly while others may impact Clients indirectly.*

*The Adviser's risk management approach seeks to isolate and mitigate, not eliminate risk and there may be certain risks that the Adviser determines should not or cannot be hedged against. Accordingly, the Adviser's activities could result in substantial losses under certain circumstances and Clients (including their respective investors/beneficial owners) should be prepared to bear those losses. Client investors are advised to read the relevant investment management agreement and/or offering document, as applicable, for a more complete description of applicable risks.*

PAST PERFORMANCE RESULTS ARE NOT INDICATIVE OF FUTURE PERFORMANCE. NO ASSURANCE CAN BE MADE THAT PROFITS WILL BE ACHIEVED OR THAT SUBSTANTIAL LOSSES WILL NOT BE INCURRED.

Dependence on the Adviser. There can be no assurance that a Client will achieve its investment objectives. Although certain of the Adviser's investment professionals have participated in the management of other investment funds and accounts, the past performance of such other investment funds and accounts cannot be relied upon as an indicator of a Client's own success. Investors must rely upon the ability of the Adviser and the Adviser's investment professionals in identifying and implementing investments consistent with each Client's investment objective and policies. A Client's investment performance depends largely on the skill of key personnel of the Adviser. If key personnel were to leave the Adviser, the Adviser might not be able to find equally desirable replacements, and the performance of a Client could, as a result, be adversely affected. Investors do not have the right or power to participate in the management of the certain Clients (*i.e.*, PE Funds, SPV Funds).

Investment Risks. An investment in any Client involves a high degree of investment risk, including the risk that the entire amount invested may be lost. A Client will invest in securities using strategies and financial techniques with significant risk characteristics. No guarantee is made that a Client's investment objectives will be realized. There is no guarantee that a Client will be able to control investment risks or that the risks will not aggregate in a manner adverse to a Client.

Suitability of Investment in a Client. The Clients managed by the Adviser may not be suitable for all investors. Client investors must be sophisticated and have the financial ability to understand and the willingness to accept the

extent of its exposure to the risks and lack of liquidity inherent in an investment in a Client. Prospective investors with any doubts as to the suitability of an investment in a Client should consult with their own advisors to assist them in performing their own legal, tax, accounting and financial evaluation of the merits and risks of an investment in a Client in light of their own circumstances and financial condition.

No Market; Illiquidity of Client Interests. An investment in a Client may be illiquid and typically involves a high degree of investment risk. Interests in certain Clients (*i.e.*, PE Funds, SPV Funds) have not been and will not be registered under the Securities Act, or any state securities laws or the laws of any other jurisdiction and it is unlikely that registration of those interests will ever occur. There will be no public market for interests in PE Funds and SPV Funds and it is not expected that a public market will develop.

The transferability of interests in a Client is generally restricted by the terms of its respective Offering Documents and by United States federal and state securities laws. Interests in a Client may not be sold, exchanged, assigned, mortgaged, hypothecated, pledged or otherwise transferred at any time, in whole or in part, except as provided in a Client's respective Offering Documents. Accordingly, it may be difficult to obtain reliable information about the value of those interests. When investing in a Client, the investor must be prepared to hold its interests in the Client for an indefinite period and bear the economic risks of the investment for the term of the relevant Client. Except in extremely limited circumstances, voluntary withdrawals from a Client will not be permitted.

Lack of Liquidity in Markets. The markets for some securities held in a Client portfolio may be thinly traded from time to time. This lack of liquidity and market depth could disadvantage a Client, both in the realization of the quoted prices and in the execution of orders at desired prices or in desired quantities. Also, securities exchanges and the SEC have authority to suspend trading in a particular security without notice.

Concentration of Investments. Subject to applicable limitations in the Offering Documents, a Client's portfolio may be concentrated. Any such lack of diversification would increase the risk of loss to a Client if there were a decline in the market value of any security or sector in which such Client had invested a large percentage of its assets. Investment in a "non-diversified" fund will generally entail greater risks than investments in a "diversified" fund.

Investment in Small Companies. There is generally no limitation on the size or operating experience of the portfolio companies in which a Client may invest. Some small companies in which a Client may invest may lack management depth or the ability to generate internally or obtain externally the funds necessary for growth. Portfolio companies with new products or services could sustain significant losses if projected markets do not materialize. Further, such portfolio companies may have, or may develop, only a regional market for products or services and may be adversely affected by purely local events. Such companies may be small actors in their industries and may face intense competition from larger companies and entail a greater risk than investment in larger companies.

Hedging Policies/Risks. Certain Clients may employ hedging techniques in connection with the acquisition, holding, financing, refinancing or disposition of investments. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks, such as counterparty default, bankruptcy or insolvency, convergence and other risks all related with derivative instruments. Thus, while a Client may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices, commodity prices, currency exchange rates and/or other events relating to such hedging transactions could result in a poorer overall performance for a Client than if it had not entered into such hedging transactions.

Highly Competitive Market for Investment Opportunities. The activity of identifying, completing and realizing attractive investments that fall within a Client's investment objective is highly competitive and involves a high degree of uncertainty. The availability of investment opportunities generally will be subject to market conditions. The Adviser may be unable to find a sufficient number of attractive opportunities to meet a Client's investment objectives. The Adviser expects to encounter competition from other investment products having similar investment objectives. Potential competitors may include other investment funds and corporations, business development

companies, strategic industry acquirers and other financial investors investing directly or through affiliates. It is possible that competition for appropriate investment opportunities will increase, which may reduce the number of investment opportunities available to Clients and adversely affect the terms upon which investments can be made. Moreover, a Client may incur due diligence or other costs on investments which may not be successful. As a result, a Client may not recover all of its costs, which would adversely affect returns. There can be no assurance that the Adviser will be able to locate, complete and exit investments on behalf of a Client that satisfy its investment objective, or realize upon the securities' values, or that the Adviser will be able to fully invest a Client's committed capital. A Client's success will depend on the ability of the Adviser to identify suitable investments, to negotiate and arrange the closing of appropriate transactions and to arrange the timely disposition of such investments.

Limitations on Ability to Exit IPO Investments. While certain Clients may invest in portfolio companies that the Adviser expects to undergo an initial public offering ("**IPO**") within 18 months of a Client's investment, there can be no assurance that an IPO will occur within such time. If no IPO occurs, securities will remain illiquid with limited opportunities for sale and the Adviser may determine that there is no suitable divestment opportunity within 18 months. Even if an issuer experiences an IPO, securities held by a Client may be subject to lockup or other contractual or legal restrictions preventing their sale or disposition for an extended period of time following the IPO, including as a result of the Adviser or its affiliate having material non-public information about an issuer. As a result, a Client could hold the securities of an issuer for significantly longer than originally intended.

Investment in Illiquid Securities. A Client may invest in illiquid investments, which are securities that are not readily marketable, only thinly traded or which the Adviser otherwise determines to be illiquid or lacking a readily ascertainable market value. Illiquid investments may include privately placed securities that are not registered under the Securities Act and may have little or no trading market. In many cases the fair market value of such investments may be difficult to ascertain, and there is a risk of mistaken valuations. In addition, a Client may not be able to readily dispose of such investments, and, in some cases, may be contractually prohibited or otherwise restricted from disposing of such securities for a specified period of time. These limitations on liquidity of such investments could prevent a successful sale thereof, result in delay of any sale or reduce the amount of proceeds that might otherwise be realized.

Minority Interests. In certain cases, where a Client has invested in a portfolio company in conjunction with other investors or investment funds, the Client may not own a controlling interest in the portfolio company in which it is invested or have control over the portfolio company's board of directors. This may result in a Client either being forced to exit the investment at a time or in a manner not of its own choosing or not being able to liquidate its investment at a time or manner of its choosing or may be overruled with respect to certain portfolio company business decisions.

Operating and Financial Risks of Portfolio Companies. Portfolio companies in which a Client invests could deteriorate as a result of, among other factors, an adverse development in their business, a change in their competitive environment, or an economic downturn. As a result, portfolio companies that a Client expected to be stable could operate at a loss or have significant variations in operating results, could require substantial additional capital to support their operations or to maintain their competitive positions, or could otherwise have a weak financial condition or be experiencing financial distress. In some cases, the success of a Client's investment strategy and approach will depend, in part, on the ability of the Adviser to effect improvements in the operations of an investment and/or recapitalize its balance sheet. The activity of identifying and implementing operating improvements and/or recapitalization programs at portfolio companies entails a high degree of uncertainty. There can be no assurance that the Adviser will be able to successfully identify and implement such operating improvements and/or recapitalization programs on behalf of its Clients.

Additional Capital; Follow-On Investments. Certain portfolio companies in which a Client invests, especially those in a development phase, may require additional financing to satisfy their working capital requirements. The amount of the additional financing needed will depend upon the maturity and objectives of the particular investment. Each

such round of financing (whether from a Client or other investors) is typically intended to provide a portfolio company with enough capital to reach its next major corporate milestone. If the funds provided are not sufficient, a portfolio company may have to raise additional capital at a price unfavorable to its existing investors, including a Client. In addition, a Client may make additional debt and equity investments or exercise preemptive rights under warrants or options or for the purpose of converting convertible securities that were acquired in the initial investment in such portfolio company in order to, among other things, preserve its proportionate ownership when a subsequent equity or debt financing is planned, to protect a Client's investment when, for example, the performance of that investment does not meet expectations, to enhance the value of an existing investment or in anticipation of disposition, refinancing, recapitalization or other transaction. Certain Clients may extend capital commitments to investments in portfolio companies that become due and payable when certain milestones are reached, like those related to product development, capital deployment or otherwise. If one or more companies owned by a Client fails to meet such milestones, and the Client has reserved significant capital for such purpose, it may have incurred opportunity costs associated with the milestone financing commitment. There can be no assurance that the Adviser will be able to redeploy such committed funding quickly on behalf of its Clients.

The availability of capital is generally a function of capital market conditions that are beyond the control of the Client or any portfolio company. There can be no assurance that the Adviser will be able to predict accurately future capital requirements necessary for success or that additional funds will be available from any source. A Client may be called upon to provide follow-on funding for its investments or have the opportunity to increase its investment in a portfolio company. There can be no assurance that a Client will make follow-on investments or that it will have sufficient funds or the ability to do so. Any decision by the Adviser to make a follow-on investment or a Client's inability to make such an investment may have a substantial negative impact on the value of a Client's investment and/or may diminish a Client's ability to influence a portfolio company's future development.

Investment Expenses / Broken Deal Expenses. Client investments may require extensive due diligence, legal, and other costs prior to their consummation and may result in a Client bearing "Broken Deal Expenses" if they are not consummated. A Client may pay any fees, costs, and expenses incurred in discovering, developing, negotiating, evaluating, acquiring and structuring any investment opportunities it pursues, whether or not such investments are ultimately consummated, including investments pursued by the Adviser prior to the initial closing of a Client that are intended to become investments in a Client's portfolio. Additionally, a Client may enter into agreements that involve payments, such as reverse break-up fees, by a Client if it does not consummate the transaction. These expenses can be significant and may be material to a Client. A Client may incur, either directly or pursuant to its obligation to reimburse the Adviser for any such expenses advanced by it, significant expenses in connection with proposed investments that are not consummated without the opportunity for gain or recoupment of such expenses.

Model Risks. The Adviser may employ financial/analytical models to aid in the selection of the investments, to allocate investments across various strategies and risks and to determine the risk profile of a Client. If any such models are employed on behalf of a Client, the success of a Client's investment activities will depend, in large part, upon the viability of these models. There can be no assurance that the models are currently viable or will remain viable, due to various factors, including the quality of the data input into the models and the assumptions underlying such models, which to varying degrees involve the exercise of judgment, as well as the possibility of errors in constructing or using the model. Even if the models function as anticipated, they cannot account for all factors that may influence the performance of a Client's investments. Also, there can be no assurance that the investment professionals utilizing the models will be able to (i) determine that any model is or will become not viable or not completely viable or (ii) notice, predict or adequately react to any change in the viability of a model. The use of a model that is not viable or not materially viable could, at any time, have a material adverse effect on the performance of a Client.

Intellectual Property Rights. The success of certain Client's investments may depend, in part, on the portfolio company's ability to protect proprietary methods and technologies that they develop or license so that they can prevent others from using their inventions and proprietary information. If intellectual property rights are not

adequately protected (and competitors gain access to its technology), the value of a Client's investment might be adversely affected. Protecting and enforcing intellectual property rights may be very expensive and intellectual property rights may be challenged, weakened or invalidated through administrative process or litigation. Certain investments made by Clients may rely on a combination of patent, copyright, trademark, trade dress, unfair competition and trade secret laws, as well as confidentiality procedures and contractual restrictions, to establish and protect proprietary rights. These laws, procedures and restrictions provide only limited protection. A portfolio company held in a Client's portfolio might be required to spend significant resources to monitor and protect its intellectual property rights and may initiate claims or litigation against third parties for infringement of its proprietary rights and could result in counterclaims against them. Any litigation, whether or not favorably resolved could result in significant expense for a portfolio company, divert the efforts of its technical and management personnel, which in turn may adversely affect its value.

Geographic Concentration. While the Adviser anticipates the primary geographic focus of its Clients' investments to be in the United States, the Adviser may pursue international investments (subject to any limitations in the applicable Offering Documents and relevant jurisdictions). There will generally be no limitation on the level of concentration of U.S. investments. Targeting a specific geographical area could hurt a Client's performance or cause such performance to be more volatile than a more geographically diversified Client.

Investment in Non-U.S. Securities. The Adviser may cause a Client to invest from time to time in non-U.S. securities. Such investments may be subject to a greater risk than U.S. investments due to non-U.S. economic, political and legal developments, including favorable or unfavorable changes in currency exchange rates, exchange control regulations (including currency blockage), expropriation of assets or nationalization, imposition of taxes on dividends, interest payments, or capital gains, the need for approval by government or other authorities to make investments, and possible difficulty in obtaining and enforcing judgments against non-U.S. entities and other factors beyond the control of the Adviser. Furthermore, issuers of non-U.S. securities are subject to different, often less comprehensive accounting, reporting or disclosure requirements than U.S. issuers. The securities markets of some countries in which a Client may invest have substantially less volume than those in the United States, and securities of certain companies in these countries are less liquid and more volatile than securities of comparable U.S. companies. Accordingly, these markets may be subject to greater influence by adverse events generally affecting the market, and by large investors trading significant blocks of securities, than is usual in the United States. Brokerage commissions and other transaction costs on securities exchanges in non-U.S. countries are generally higher than in the United States. Non-U.S. securities settlements may in some instances be subject to delays and related administrative uncertainties. In some countries, there are restrictions on investments or investors such that the only practicable way for a Client to invest in such markets is by entering into swaps or other derivative transactions with a prime broker or other intermediaries or counterparties. Such transactions involve counterparty risks that are not present in the case of direct investments and that the Adviser may not be able to control. Investments in companies with significant operations in emerging markets will be subject to all of the risks detailed above, as well as to various other risks that cannot currently be predicted with precision. Additionally, owing to the less developed political systems and markets often in place in emerging markets, the risks described above may be more pronounced with respect to a Client's investment in emerging markets than with respect to investments in other international markets. For example, any such investments may be subject to a greater risk of expropriation, confiscatory taxation, nationalization, or political, economic or social instability than present in more developed markets. In comparison to securities markets in more developed countries, securities markets in developing countries may be substantially less liquid, and may have greater volatility, greater fluctuations in the rate of exchange between currencies, and greater costs associated with currency conversions. Any of these factors could cause the Adviser not to pursue certain investments or to alter certain activities or liquidate certain investments prior to or after the time when the Adviser would otherwise prefer to liquidate such investments, and such factors may cause losses or have other negative impacts on a Client or its investments.

Currency Exchange Risk. Non-U.S. investments may be denominated in, or linked to, currencies other than the U.S. dollar. Currency exchange rates can be volatile and affected by, among other factors, the general economics of a



country, the actions of governments or central banks and the imposition of currency controls and speculation. A Client may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rate between such currencies and the U.S. dollar. A change in the value of a non- U.S. currency relative to the U.S. dollar will result in a corresponding change in the U.S. dollar value of a Client's assets denominated in that non-U.S. currency. The Adviser may enter into transactions (including currency swaps, forward currency exchange contracts, currency futures, and options on currencies and futures) to hedge against currency exchange risk, but the Adviser is not obligated to do so. Additionally, suitable hedging transactions may not be available in all circumstances, or such transactions may not be successful and may eliminate any chance for a Client to benefit from favorable fluctuations in relevant currencies.

Cash and Other Investments. The Adviser may cause a Client to invest all or a portion of its assets in cash or cash items, in whole or in part, for investment purposes, pending other investments or as provision of margin for futures or forward contracts. These cash items are generally of high quality at the time of investment and may include a number of money market instruments such as negotiable or non-negotiable securities issued by or short-term deposits with the U.S. and non-U.S. governments and agencies or instrumentalities thereof, bankers' acceptances, high quality commercial paper, repurchase agreements, bank certificates of deposit and short-term debt securities of U.S. or non-U.S. issuers deemed to be creditworthy by the Adviser. While these investments generally involve relatively low risk levels, they may produce lower than expected returns and could result in losses.

Market Disruption and Geopolitical Risk. A Client is subject to the risk that war, terrorism, and related geopolitical events may lead to increased short-term market volatility and have adverse long-term effects on the U.S. and world economies and markets generally, as well as adverse effects on issuers of securities and the value of a Client's investments. Those events, as well as other changes in U.S. and non-U.S. economic and political conditions, also could adversely affect individual issuers or related groups of issuers, securities markets, interest rates, credit ratings, inflation, investor sentiment and other factors affecting the value of a Client's investments. At such times, a Client's exposure to a number of other risks described elsewhere in this section can increase.

Portfolio Turnover. The Adviser expects there will be no limit on the rate of portfolio turnover for any Client, and portfolio investments held by a Client may be sold without regard to the length of time they have been held when, in the opinion of the Adviser, investment considerations warrant such action. This could result in frequent trading. A high rate of portfolio turnover involves correspondingly greater expenses, leads to greater brokerage and other transaction costs, may reduce a Client's investment gains, may create a loss for investors and may result in taxable costs for investors, depending on the tax provisions applicable to such investors.

Outbreaks of Infectious or Contagious Diseases. Pandemics and other widespread public health emergencies have and are resulting in market volatility and disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to a Client.

An ongoing outbreak of a novel coronavirus ("**COVID-19**") has caused a worldwide public health emergency, straining healthcare resources and resulting in extensive and growing numbers of infections, hospitalizations and deaths. In an effort to contain COVID-19, national, regional and local governments, as well as private businesses and other organizations, have taken severely restrictive measures, including instituting local and regional quarantines, restricting travel (including closing certain international borders), prohibiting public activity (including "stay-at-home" and similar orders), and ordering the closure of large numbers of offices, businesses, schools, and other public venues. As a result, COVID-19 has significantly diminished global economic production and activity of all kinds and has contributed to both volatility and a severe decline in all financial markets. Among other things, these unprecedented developments have resulted in material reductions in demand across most categories of consumers and businesses, dislocation (or in some cases a complete halt) in the credit and capital markets, labor force and operational disruptions, slowing or complete idling of certain supply chains and manufacturing activity, steep increases in unemployment levels in the United States and several other countries, and strain and uncertainty

for businesses and households, with a particularly acute impact on industries dependent on travel and public accessibility, such as transportation, hospitality, tourism, retail, sports and entertainment.

The ultimate impact of COVID-19 — and the resulting precipitous decline in economic and commercial activity across nearly all of the world’s largest economies — on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, although ongoing and potential additional materially adverse effects are possible, including a further global or regional economic downturn (including a recession) of indeterminate duration and severity. The extent of COVID-19’s impact will depend on many factors, including the ultimate duration and scope of the public health emergency and the restrictive countermeasures being undertaken, as well as the effectiveness of other governmental, legislative and financial and monetary policy interventions designed to mitigate the crisis and address its negative externalities, all of which are evolving rapidly and may have unpredictable results. Even if and as the spread of the COVID-19 virus itself is substantially contained and economies are able to “re-open,” it will be difficult to assess what the longer-term impacts of an extended period of unprecedented economic dislocation and disruption will be on future macro- and micro-economic developments, the health of certain industries and businesses, and commercial and consumer behavior.

The ongoing COVID-19 crisis and any other public health emergency could have a significant adverse impact and result in significant losses for a Client. The extent of the impact on a Client and its investments’ operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of a Client to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy a Client intends to pursue, all of which could adversely affect a Client’s ability to fulfill its investment objectives. They may also impair the ability of portfolio companies or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences. In addition, the operations of a Client, its portfolio companies, the Adviser, and Cowen may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, restrictions on travel and movement, remote-working requirements and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity’s personnel. These measures may also hinder such entities’ ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

**Financial Market Fluctuations.** 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. These financial market fluctuations have the tendency to reduce the availability of attractive investment opportunities for the Clients and may affect the Clients’ ability to make investments and the value of the investments held by the Clients. Instability in the securities markets and economic conditions generally may also increase the risks inherent in the Clients’ investments. The public securities markets have seen increased volatility and the ability of companies to obtain financing for ongoing operations or expansions may be severely hampered by the tightening of the credit markets and the ongoing financial turmoil. It is unclear what the repercussions of this market turmoil may be. Moreover, it remains unknown whether governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) will have a positive or negative effect on market conditions. There can be no assurance that the market will, in the future, become more liquid than it is at present and it may well continue to be volatile for the foreseeable future. The ability to realize investments depends not only on portfolio companies and their historical results and prospects, but also on political, market and economic conditions at the time of such realizations. In the past, many private equity funds have looked to the public securities markets as a potential exit

strategy and there can be no assurance, particularly given the recent volatility in the financial markets and a potential lack of investor appetite for new issues in the public securities markets, that Clients will be able to exit from their investments in portfolio companies by listing their shares on securities exchanges. The trading market, if any, for the securities of any portfolio company may not be sufficiently liquid to enable a Client to sell these securities when the Adviser believes it is most advantageous to do so, or without adversely affecting the stock price. Volatility in the financial sector may have an adverse material effect on the ability of the Clients to buy, sell and partially dispose of their portfolio company investments. The Clients may be adversely affected to the extent that they seek to dispose of any of their portfolio investments into an illiquid or volatile market, and a Client may find itself unable to dispose of investments at prices that the Adviser believes reflect the fair value of such investments.

Equity Risk. The market price of securities owned by a Client may go up or down, sometimes rapidly or unpredictably. Clients are subject to the risk that the equity securities in each of their portfolios will decline in value due to factors affecting equity securities markets generally or particular industries represented in those markets. The values of equity securities may decline due to general market conditions, which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. Such values may also decline due to factors that affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. Other risks of investing globally in equity securities may include changes in currency exchange rates, exchange control regulations, expropriation of assets or nationalization, imposition of withholding taxes on dividend or interest payments and difficulty in obtaining and enforcing judgments against non-U.S. entities. In addition, securities which the Adviser believes are fundamentally undervalued or incorrectly valued may not ultimately be valued in the capital markets at prices and/or within the time frame the Adviser anticipates. As a result, a Client may lose all or substantially all of its investment in any particular instance.

Short Sales. The Adviser may strategically make short sales of investment securities on behalf of a Client to hedge certain risks or capitalize on market misunderstandings of fundamentals, such as flawed business models or poor company management. In a short sale, the seller sells a security that it does not own, typically a security borrowed from a broker or dealer. Because the seller remains liable to return the underlying security that it borrowed from the broker or dealer, the seller must purchase the security prior to the date on which delivery to the broker or dealer is required. As a result, the Adviser typically engages in short sales only where it believes the value of the security will decline, or will underperform relative to another security or group of securities in its portfolio, between the date of the sale and the date a Client is required to return the borrowed security, or for hedging purposes. Short selling exposes a Client to the risk of liability for the market value of the security that is sold, which in certain circumstances is an unlimited risk due to the lack of an upper limit on the price to which a security may rise. 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. If a request for return of borrowed securities occurs at a time when other short sellers of the security are receiving similar requests, a “short squeeze” can occur, and the Adviser may be compelled to replace borrowed securities previously sold short with purchases on the open market at the most disadvantageous time, possibly at prices significantly in excess of the proceeds received in originally selling the securities short. Any of these factors could make the Adviser unable to execute a particular investment strategy.

In the past, the SEC has adopted interim rules requiring reporting of all short positions above a certain *de minimis* threshold and may adopt rules requiring public disclosure in the future. In addition, other jurisdictions in which the Adviser may trade have adopted reporting rules for short sales and short positions. If a Client’s short positions or its strategy become generally known, it could have a significant effect on the Adviser’s ability to implement its investment strategies for such Client. In particular, it would make it more likely that other investors could cause a “short squeeze” in the securities held short by a Client forcing a Client to cover its positions at a loss. In addition, if other investors engaged in copycat behavior by taking positions in the same issuers as a Client, the cost of borrowing securities to sell short could increase drastically, and the availability of such securities to such Client

could decrease drastically. Such events could make the Adviser unable to execute its investment strategy. The SEC has adopted restrictions on the short sales of securities that fall more than ten percent in a given day (referred to as the “circuit breaker” or “modified uptick” rule). Such events and these and other restrictions on the Adviser’s ability to engage in short sales could make the Adviser unable to execute its investment strategy and cause losses to a Client.

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 recent market events. Bans on short selling may make it impossible for the Adviser to execute certain investment strategies on behalf of a Client and may have a material adverse effect on its ability to achieve its investment objective and generate returns.

Leverage. The Adviser has the power to cause certain Clients to borrow and may do so when it deems it necessary or advisable to provide efficient portfolio management or, in unusual circumstances, to take advantage of investment opportunities. The Adviser also may cause certain Clients to borrow when the Adviser deems it appropriate to meet withdrawal requests, which would otherwise result in the premature liquidation of investments. Leverage increases returns if a Client earns a greater return on investments purchased with borrowed funds than such Client’s cost of borrowing. However, the use of leverage exposes a Client to additional risks, including (i) greater losses from investments than would otherwise have been the case had such Client not borrowed to make the investments; (ii) margin calls or interim margin requirements that may force premature liquidations of investment positions; and (iii) losses on investments where the investment fails to earn a return that equals or exceeds such Client’s cost of borrowing. In the event of a sudden, precipitous drop in value of a Client’s assets, such Client may not be able to liquidate assets quickly enough to repay its borrowings, further magnifying the losses incurred by such Client.

Derivatives and Counterparty Risks. The Adviser may utilize swaps and other derivative transactions to some degree where it believes it will further the objectives of a Client. Notional amounts of swap transactions are not subject to any limitations, and swap contracts may expose a Client to unlimited risk of loss. Swaps may be used as an alternative to futures contracts. To the extent a Client invests in repos, swaps, forwards, futures, options and other “synthetic” or derivative instruments, counterparty exposures can develop, and such Client bears the risk of nonperformance by the other party to the contract. This risk may differ materially from those entailed in exchange-traded transactions which generally are supported by guarantees of clearing organizations, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default. In the international securities markets, the existence of less mature settlement structures and systems can result in settlement default and exposure to counterparty credits. In addition, the U.S. government has enacted legislation that includes provisions for new regulation of the derivatives market, including new clearing, margin, reporting and registration requirements. Because the legislation leaves much to rule making (and many of the rules are not yet final), its ultimate impact remains unclear. In addition, the regulatory changes could, among other things, restrict the Adviser’s ability to engage in derivatives transactions and/or increase the costs of such derivatives transactions (including through increased margin requirements), and a Client may be unable to execute its investment strategy as a result. Additionally, the new requirements may result in increased uncertainty about counterparty credit risk. The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial action. A Client may only close out a swap or contract for differences with the consent of the particular counterparty, may only transfer a position with the consent of the particular counterparty, and following transfer of a position, may only close out the transaction with the new counterparty. Also, if the counterparty defaults, a Client will have contractual remedies pursuant to the agreement related to the transaction, but there is no assurance that contract counterparties will be able to meet their obligations pursuant to such contracts or that, in the event of default, a Client will succeed in enforcing its contractual remedies. There also may be documentation risk, including the risk that the parties may disagree as to the proper interpretation of the terms of a contract. If such a dispute occurs, the cost and unpredictability of the legal proceedings required to enforce its contractual rights may lead a Client to decide not to pursue its claims against the counterparty. Such Client thus assumes the risk that it may be unable to obtain payments

owed to it under swap contracts, over-the-counter options and other two-party contracts, or that those payments may be delayed or made only after a Client has incurred the costs of litigation.

Counterparty risk may be further complicated by recently enacted U.S. financial reform legislation which includes provisions for new clearing, margin and reporting requirements for derivatives transactions and new restrictions on the types of derivatives transactions that can be entered into by certain financial companies. The ultimate impact of these regulatory changes remains unclear because much is left to rule making by the CFTC and the SEC; however, these new requirements could mean that a Client will face less creditworthy counterparties on certain derivatives transactions. Also, the new legislation may limit the flexibility of a Client to protect its interests in the event of insolvency of a derivatives counterparty, because of powers granted to clearinghouses and to the Federal Deposit Insurance Corporation to limit or delay close-out of derivatives positions of insolvent clearing members or financial companies and to transfer such positions to other entities.

Certain derivatives transactions that may be used by a Client, including certain interest rate swaps and credit default index swaps, are required to be cleared. In a cleared derivatives transaction, a Client's counterparty to the transaction is a central derivatives clearing organization, or clearing house, rather than a bank or broker. Because Clients are not members of a clearing house, and only members of a clearing house can participate directly in the clearing house, Clients will hold cleared derivatives transactions through accounts at clearing members, who are futures commission merchants who are members of the clearing houses. A Client will make and receive payments owed under cleared derivatives transactions (including margin payments) through its accounts at clearing members. A Client's clearing members guarantee a Client's performance of its obligations to the clearing house. In contrast to bilateral derivatives transactions, following a period of advance notice to a Client, clearing members can generally require termination of existing cleared derivatives transactions at any time and increase the amount of margin required to be provided by a Client to the clearing member for any cleared derivatives transaction above the amount of margin that was required at the beginning of the transaction. Any such termination or increase could interfere with the ability of a Client to pursue its investment strategy. Also, a Client is subject to execution risk if it enters into a derivatives transaction that is required to be cleared (or which the Adviser expects to be cleared), and no clearing member is willing to clear the transaction on a Client's behalf. In that case, the transaction might have to be terminated, and a Client could lose some or all of the benefit of any increase in the value of the transaction after the time of the trade.

Future Use of LIBOR Risk. A Client's payment obligations, financing terms and investments in certain instruments (including debt securities and derivatives) may be tied to floating rates, such as the London Interbank Offered Rate ("LIBOR"). LIBOR is the offered rate for short-term Eurodollar deposits between major international banks. In 2017, the UK Financial Conduct Authority ("FCA") announced the FCA's intention to cease compelling banks to provide the quotations needed to sustain LIBOR from the end of 2021. On March 5, 2021, the FCA and LIBOR's administrator, ICE Benchmark Administration ("IBA"), announced that most LIBOR settings will no longer be published after the end of 2021 and a majority of U.S. dollar LIBOR settings will no longer be published after June 30, 2023. It is possible that the FCA may compel the IBA to publish a subset of LIBOR settings after these dates on a "synthetic" basis, but any such publications would be considered non-representative of the underlying market. Actions by regulators have resulted in the establishment of alternative reference rates to LIBOR in most major currencies. Various financial industry groups have been planning for transition away from LIBOR, but there are obstacles to converting certain securities and transactions to new reference rates. Markets are developing slowly and questions around liquidity in these rates and how to appropriately adjust these rates to mitigate any economic value transfer at the time of transition remain a significant concern. It is difficult to predict the full impact of the transition away from LIBOR on Clients. The transition process may involve, among other things, increased volatility or illiquidity in markets for instruments that currently rely on LIBOR. The transition may also result in a reduction in the value of certain LIBOR-based investments held by a Client or reduce the effectiveness of related transactions such as hedges. Any such effects of the transition away from LIBOR, as well as other unforeseen effects, could result in losses for a Client. Since the usefulness of LIBOR as a benchmark could also deteriorate during the transition period, effects could occur prior to the end of 2021.

Fixed-Income Securities. The Adviser may cause a Client to invest in bonds or other fixed-income securities, including, without limitation, commercial paper and “higher yielding” (and, therefore, higher risk) debt securities. Such securities may be below “investment grade” and may face ongoing uncertainties and exposure to adverse business, financial or economic conditions that could lead to the issuer’s inability to meet timely interest and principal payments. The market values of certain of these lower-rated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities, which react primarily to fluctuations in the general level of interest rates; lower-rated debt securities also tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue lower-rated debt securities often are highly leveraged and may not have access to more traditional methods of financing. Trading in such securities may be limited or disrupted by an economic recession, resulting in an adverse impact on the value of such securities. In addition, it is likely that any such economic downturn could affect adversely the ability of the issuers of such securities to repay principal and pay interest thereon and, therefore, increase the incidence of default for such securities.

Options. The Adviser may cause a Client to invest in options. Purchasing put and call options, as well as writing such options, are highly specialized activities and entail greater than ordinary investment risks. Although an option buyer’s risk is limited to the amount of the original investment for the purchase of the option, an investment in an option may be subject to greater fluctuation than an investment in the underlying securities. In theory, an uncovered call writer’s loss is potentially unlimited, but in practice the loss is limited by the term of existence of the call. The risk for a writer of a put option is that the price of the underlying securities may fall below the exercise price. The ability to trade in or exercise options may be restricted in the event that trading in the underlying securities interest becomes restricted. Unlike exchange-traded options, which are standardized with respect to the underlying instrument, expiration date, contract size and strike price, the terms of over-the-counter options (options not traded on exchanges) are generally established through negotiation with the other party to the option contract. While this type of arrangement allows the Adviser greater flexibility to tailor an option to a Client’s needs, over-the-counter options generally involve greater credit risk than exchange-traded options, which are guaranteed by the clearing organization of the exchanges where they are traded.

Futures and Related Options. The Adviser has the ability, to the extent permitted by applicable law and any relevant investment restrictions, to buy and sell futures contracts and related options on behalf of a Client at any time. A futures contract is an agreement between two parties to buy and sell a specific quantity of a commodity (including a securities index or an interest-bearing security) for a set price at a future date. A Client may also buy and sell call and put options on futures or on securities indexes in addition to or as an alternative to purchasing or selling futures contracts, or, to the extent permitted by applicable law, to earn additional income. The use of futures and options involves certain special risks. Futures and options transactions involve costs and may result in losses. Certain risks arise because of the possibility of imperfect correlations between movements in the prices of futures and options and movements in the prices of the underlying securities, securities index, currencies or other commodities or of the securities or currencies in a Client’s portfolio that are the subject of the hedge (to the extent a Client uses futures and options for hedging purposes). The successful use of futures and options further depends on a Client’s ability to forecast market or interest rate movements correctly. Other risks arise from a Client’s potential inability to close out its futures or options positions, and there can be no assurance that a liquid secondary market will exist for any futures contract or option at a particular time. The use of futures and options for purposes other than hedging is regarded as speculative. Certain regulatory requirements may also limit a Client’s ability to engage in futures and options transactions.

Other Instruments and Future Developments. The Adviser may take advantage of opportunities in the area of swaps, options on various underlying instruments and swaptions and certain other customized synthetic or derivative investments in the future. In addition, the Adviser may take advantage of opportunities with respect to certain other synthetic or derivative instruments that are not presently contemplated for use by a Client or that are currently not available, but which may be developed to the extent such opportunities are both consistent with such Client’s

investment objective and legally permissible. As a result of such practices, special risks may apply to a Client's investments in the future.

Valuations; Use of Estimates. Certain securities in which a Client invests may not have a readily ascertainable market price. Such securities will nevertheless generally be valued by the Adviser, which valuation will be conclusive with respect to a Client, even though the Adviser may face a conflict of interest in valuing such securities because the value thereof will affect their compensation. The Adviser may also have no ability to assess the accuracy of valuations received from an underlying private investment fund in which it invests. Valuation information received from the investment advisor of a private investment fund typically will be estimates only, subject to revision of its annual audit. In addition, the Adviser will have the ability to adjust estimated values provided to it by underlying investment advisers subject to the valuation guidelines set forth in a Client's Offering Documents.

Changes in Allocations. The Adviser will, from time to time, change the percentage of assets allocated to a specific position(s), an investment strategy (if a multi-strategy portfolio) and/or an underlying private investment. These changes will be made in the Adviser's discretion. A Client's success will depend on the ability of the Adviser to allocate its assets among new and existing investments. Asset allocation does not assure profit or diversification and does not protect against loss.

Significant Positions in Securities; Regulatory Requirements. In the event a Client acquires a significant stake in certain issuers of securities and such stake exceeds certain percentage or value limits, a Client may be subject to regulation and regulatory oversight that may impose notification and filing requirements or other administrative burdens on it and the Adviser. Any such requirements may impose additional costs on a Client and may delay the acquisition or disposition of the securities or a Client's ability to respond in a timely manner to changes in the markets with respect to such securities. In addition, "position limits" may be imposed by various regulators that may limit a Client's ability to effect desired trades. Position limits are the maximum amounts of gross, net long or net short positions that any one person or entity may own or control in a particular issuer's securities. 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. To the extent that a Client's position limits are aggregated with another Client's position limits, the impact of the resulting restriction on a Client's investment activities may be significant. If at any time positions managed by the Adviser were to exceed applicable position limits, the Adviser would be required to liquidate positions, which might include positions of a Client, to the extent necessary to come within those limits. Further, to avoid exceeding any position limits, a Client might have to forego or modify certain of its contemplated trades. In addition, if a Client, acting alone or as part of a group, acquires beneficial ownership of more than 10% of a certain class of securities of a public company or places a director on the board of directors of such a company, under Section 16 of the Exchange Act, a Client may be subject to certain additional reporting requirements and may be required to disgorge certain short-swing profits arising from purchases and sales of such securities. Furthermore, in such circumstances the Client will be prohibited from entering into a short position in such issuer's securities, and therefore limited in its ability to hedge such investments. Similar restrictions and requirements may apply in non-U.S. jurisdictions

Custodial Risk. A Client's prime brokers have custody of such Client's securities, cash, distributions and rights accruing to the Client's securities accounts. SEC rules require prime brokers to maintain physical possession and control of fully paid securities held in a Client's account and to establish certain reserves for the benefit of customers. However, subject to these limitations, the prime brokers generally have the ability to loan, pledge, and rehypothecate the securities in a Client's account, as is typical market practice, and may have insufficient assets to meet all of its obligations to customers in the event of an insolvency of the prime brokers. In such an event, a Client would typically not have a right to recover its securities held by the prime brokers, but would rather have only an unsecured claim against the prime brokers and participate *pro rata* with other customers of the prime brokers in the proceeds of the sale of customer securities. Also, even if the prime brokers do have sufficient assets to meet all customer claims, there could be a delay before a Client receives assets to satisfy its claims. In order to manage the risks associated with prime broker insolvency, a Client may establish relationships with multiple prime brokers.

However, there can be no assurance that a Client will be able to establish or maintain such relationships. In addition, a Client may not be able to identify potential solvency concerns with respect to a Client's prime brokers or to transfer assets from one prime broker to another prime broker in a timely manner.

The prime brokers may hold a Client's securities through third parties such as clearing corporations, other brokers or banks. In addition, a Client may hold securities, cash and other assets directly with banks or other third parties not associated with the prime brokers. As a result, a Client may be subject to credit risk with respect to such third parties, as well as with respect to the prime brokers. In addition, certain of a Client's assets may be held by non-U.S. affiliates of a Client's prime brokers and entities other than the prime brokers. Assets held by such non-U.S. affiliates may be subject to legal regimes that provide fewer or different investment protections than the U.S. If a Client has over-collateralized derivative contracts, it is likely to be an unsecured creditor of any such counterparty in the event of its insolvency. Also, even if a Client's prime broker or such other third parties do have sufficient assets to meet all claims, there could be a delay before a Client receives assets to satisfy its claims.

A Client may change the brokerage arrangements at any time without notice to the investors. There are likely to be operational and other delays associated with changes in prime brokerage arrangements.

Legal and Regulatory Changes. Legal, tax and regulatory changes could occur that may adversely affect a Client. New (or revised) laws or regulations or interpretations of existing laws may be issued by the IRS, the CFTC, the SEC, the Federal Reserve or other banking regulators, or other governmental regulatory authorities or self-regulatory organizations that supervise the financial markets that could adversely affect a Client. A Client also may be adversely affected by changes in the enforcement or interpretation of existing statutes and rules by these governmental regulatory authorities or self-regulatory organizations. For example, there has been an increase in governmental, as well as self-regulatory, scrutiny of the alternative investment industry. It is impossible to predict what, if any, changes in regulations may occur, but any regulation that restricts the ability of a Client to trade in securities could have a material adverse impact on a Client's 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 to take extraordinary actions in the event of market emergencies. The regulation of securitization and derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial action.

In addition, the U.S. government has enacted legislation that provides for new regulation of the derivatives market, including clearing, margin, reporting, and registration requirements. The CFTC, SEC and other federal regulators have been tasked with developing the rules and regulations enacting the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The European Union (and some other countries) are implementing similar requirements that will affect a Client when it enters into derivatives transactions with a counterparty organized in that country or otherwise subject to that country's derivatives regulation. The U.S. government and the European Union have adopted mandatory minimum margin requirements for bilateral derivatives. Such requirements could increase the amount of margin required to be provided by a Client in connection with its derivatives transactions and, therefore, make derivatives transactions more expensive. While certain of the rules are effective, other rules are not yet final and/or effective, so their ultimate impact remains unclear.

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 or entity may hold or control in particular options and futures contracts. The CFTC has proposed position limits for certain swaps. 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 Client does not intend to exceed applicable position limits, it is possible that different clients managed by the Adviser and its affiliates may be aggregated for this purpose. Although it is possible that the trading decisions of the Adviser may have to be modified and that positions held by a Client



may have to be liquidated in order to avoid exceeding such limits, the Adviser believes that this is unlikely. The modification of investment decisions or the elimination of open positions, if it occurs, may adversely affect the profitability of a Client.

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 Client may trade have adopted reporting requirements. If a Client's short positions or its strategy become generally known, it could have a significant effect on the Adviser'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 Client forcing a Client to cover its positions at a loss. Such reporting requirements may limit the Adviser's ability to access management and other personnel at certain companies where the Adviser seeks to take a short position. In addition, if other investors engage in copycat behavior by taking positions in the same issuers as a Client, the cost of borrowing securities to sell short could increase drastically and the availability of such securities to a Client could decrease drastically. Such events could make a Client unable to execute its investment strategy. Short sales are also subject to certain SEC regulations. If the SEC were to adopt additional restrictions regarding short sales, they could restrict a Client's ability to engage in short sales in certain circumstances, and a Client may be unable to execute its 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 a Client to execute certain investment strategies and may have a material adverse effect on a Client's ability to generate returns.

Regulatory Risk. There can be no assurance that the Adviser, their Clients or their general partner (if any), or any of their affiliates will avoid regulatory examination or enforcement actions. Even if an investigation or proceeding does not result in a sanction being imposed against the Adviser or any of its affiliates, or such sanction is small in monetary amount, the Adviser, its Clients or their general partner (if any) and/or their respective affiliates may be subject to adverse publicity relating to the investigation, proceeding or imposition of such sanctions. There is also a risk that regulatory agencies in the United States and abroad will continue to adopt, change or enhance new or existing laws or regulations, which may result in additional regulatory scrutiny.

United Kingdom Exit from the European Union. On March 29, 2017, the United Kingdom formally notified the European Council of its intention to leave the European Union ("**Brexit**"). Under the process for leaving the European Union contemplated in Article 50 of the Treaty on the Functioning of the European Union, the United Kingdom left the European Union on January 31, 2020 and entered an 11-month transitional period. During the transitional period, the United Kingdom and the European Union will negotiate the terms of their future relationship and during this period most European Union laws will continue to apply to the United Kingdom. There is no guarantee that an agreement between the United Kingdom and the European Union will be reached at the end of the transitional period.

Although one cannot predict the full effect of Brexit, it could have a significant adverse impact on United Kingdom, European and global macroeconomic conditions and could lead to prolonged political, legal, regulatory, tax and economic uncertainty. This uncertainty is likely to continue to impact the global economic climate and may impact opportunities, pricing, availability and cost of bank financing, regulation, values or exit opportunities of companies or assets based, doing business, or having service or other significant relationships in, the United Kingdom or the European Union, including companies or assets held or considered for prospective investment by a Client.

The future application of European Union-based legislation to the private fund industry in the United Kingdom and the European Union will ultimately depend on how the United Kingdom renegotiates its relationship with the European Union. There can be no assurance that any renegotiated terms or regulations will not have an adverse impact on a Client and its investments, including the ability of a Client to achieve its investment objectives. Brexit

may result in significant market dislocation, heightened counterparty risk, an adverse effect on the management of market risk and, in particular, asset and liability management due in part to redenomination of financial assets and liabilities, an adverse effect on the ability of the Adviser to manage, operate and invest a Client and increased legal, regulatory or compliance burden for the Clients, each of which may have a negative impact on the operations, financial condition, returns or prospects of the Clients.

Political parties in several other member states of the European Union indicated at the time of the United Kingdom's referendum to leave the European Union that a similar referendum be held on their country's membership in the European Union. It is unclear whether any other member states of the European Union will hold such referendums, but if they do, further disruption can be expected.

Brexit may also have an adverse effect on the tax treatment of a Client and its investments. In particular, the EU Directives preventing withholding taxes being imposed on intra-group dividends, interest and royalties may no longer apply to payments made into and out of the UK, meaning that instead the UK's double tax treaty network would need to be relied upon. Further, there may be changes to the operation of value added tax.

The EU Regulation on OTC Derivatives, Central Counterparties and Trade Repositories. The EU Regulation on OTC derivatives, central counterparties and trade repositories ("**EMIR**") introduced requirements in respect of central clearing of certain classes of OTC derivative contracts through a duly authorized or recognized central counterparty, reporting the details of all derivative contracts to a trade repository and certain risk mitigation techniques for non-centrally cleared OTC derivative contracts, including collateral exchange requirements. Regulatory changes arising from EMIR may increase the cost of entering into derivative transactions and adversely affect a Client's ability to adhere to its investment approach and achieve its investment objective.

The EU Directive on Markets in Financial Instruments. The recast EU Directive on Markets in Financial Instruments and the related EU Markets in Financial Instruments Regulation (together "**MiFID II**") came into effect in January 2018. MiFID II applies to investment firms, market operators and data reporting service providers in the EU. MiFID II introduces a new type of trading venue, the organized trading facility ("**OTF**"), and requires that certain of the classes of OTC derivative contracts that must be centrally cleared under EMIR be traded on regulated markets ("**RM**s"), multilateral trading facilities ("**MTF**s"), OTFs or an "equivalent" non-EU trading venue. All trading by investment firms in shares admitted to trading or traded on an EU trading venue will now have to be conducted on RMs, MTFs or proprietary trader investment firms known as "systematic internalisers", or on a non-EU trading venue assessed as equivalent for these purposes. EU regulators are now empowered to limit the size of a net position which a person may hold in commodity derivatives traded on EU trading venues, given their potential impact on food and energy prices. Under the new rules, positions in such commodity derivatives and economically equivalent OTC contracts are limited, to support orderly pricing and prevent market distorting positions and market abuse. MiFID II contains more prescriptive rules applicable to best execution in a wide range of instruments and mandates new transparency associated with the best execution obligation. MiFID II also extends the transaction reporting requirement to a broader range of financial instruments and introduces new details which must be reported to EU regulators. Finally, MiFID II imposes new rules regarding the receipt of research and other non-monetary benefits. It is difficult to predict the precise impact of MiFID II on Clients. Regulatory changes arising from MiFID II may adversely affect a Client's ability to adhere to its investment approach and achieve its investment objective.

Possibility of Fraud and Other Misconduct of Employees and Service Providers. Misconduct by employees of the Adviser, service providers to the Adviser or the Clients and/or their respective affiliates could cause significant losses to such Clients. 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 Clients, 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 Clients 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 Clients. The Adviser has controls and procedures through which they seek to minimize the risk of such misconduct occurring. However, no assurances can be given that the Adviser will be able to identify or prevent such misconduct.

Cybersecurity Risk. Cybersecurity risks have increased significantly in recent years because of, among other things: the proliferation of Internet and telecommunications technologies to conduct financial transactions; the ability and degree to which investment managers collect and maintain proprietary and other nonpublic data, as well as publicly available data that may be organized in a manner that is not publicly available; and the increased sophistication and activities of organized crime, hackers, terrorists, and other external parties, including foreign state actors. The Adviser, its Clients' service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect a Client and its investors, despite the efforts of the Adviser and a Client's service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to a Client and its investors. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of the Adviser, a Client's service providers, counterparties or data within these systems. Third-parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of the Adviser's systems to disclose sensitive information in order to gain access to the Adviser's data or that of its Clients' investors. A successful penetration or circumvention of the security of the Adviser's systems could result in the loss or theft of Client investor data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause a Client, the Adviser or their service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss.

Similar types of operational and technology risks are also present for the companies in which Clients invest, which could have material adverse consequences for such companies, and may cause a Client's investments to lose value. Data protection and regulations related to privacy, data protection and information security could increase costs, and a failure to comply could result in fines, sanctions or other penalties, which could materially and adversely affect the results of operations of a company beneficially owned by a Client.

Privacy and Data Protection. A Client's investments are subject to regulations related to privacy, data protection and information security in the jurisdictions in which they do business. As privacy, data protection and information security laws are implemented, interpreted and applied, compliance costs may increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place. The General Data Protection Regulation (EU 2016/679) (the "**GDPR**") came into effect on May 25, 2018, replacing the Data Protection Directive (Directive 95/46/EC). The GDPR seeks to harmonize national data protection laws across the EU, while at the same time, modernizing the law to address new technological developments. As a regulation, the GDPR is binding on data controllers and data processors in all EU member states, without the need for implementation in each member state. The GDPR notably has a greater extra-territorial reach than Directive 95/46/EC and has a significant impact on data controllers and data processors either with an establishment in the EU, or which offer goods or services to EU data subjects or monitor EU data subjects' behavior within the EU. The regime imposes stringent operational requirements on both data controllers and data processors, and has introduced significant penalties for non-compliance with fines of up to 4% of total annual worldwide turnover of the undertaking or €20 million (whichever is higher), depending on the type and severity of the breach.

The current ePrivacy Directive (Directive 2002/58/EC), will also be repealed by the EU Commission's Regulation on Privacy and Electronic Communications (the "**ePrivacy Regulation**") which aims to reinforce trust and security in the digital single market by updating the legal framework on ePrivacy. The ePrivacy Regulation is in the process of being finalized and is expected to come into force in 2019.

Compliance with current and future privacy, data protection and information security laws could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and some of the Adviser's current and planned business activities. A failure to comply with such laws could result in fines, sanctions or other penalties, which could materially and adversely affect results of operations and overall business, as well as have an impact on reputation.

General Data Protection Regulation - Fair Processing Information. Prospective investors should be aware that, in considering and/or making an investment in a Client, and interacting with a Client, its affiliates, agents, advisers and/or delegates by: (i) submitting the Subscription Agreement, (ii) communicating through telephone calls, written correspondence and emails (all of which may be recorded); or (iii) providing personal data concerning individuals connected with the investor (such as directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners, advisers and/or agents), they will be providing the Client and the Adviser, its affiliates, agents and/or delegates with personal data (as such term is defined in applicable EU data protection legislation). The Adviser has prepared a privacy notice, which provides further information regarding the personal data collected and used by it including in relation to a Client, and the purposes for which such personal data is processed. The privacy notice is appended to Client Offering Documents. Prospective investors should read the privacy notice carefully before sharing any personal data in accordance with the steps described above. If you have any questions or concerns regarding the processing of personal data by the Adviser or a Client, please contact Cowen Investor Relations at [investor.relations@cowen.com](mailto:investor.relations@cowen.com).

U.S. Data Privacy and Security Laws. The U.S. is in a period of active consideration of additional data privacy and cybersecurity laws. These include the California Consumer Privacy Act ("**CCPA**"), effective since January 1, 2020; the New York SHIELD Act, aspects of which took effect on October 23, 2019 and other aspects of which took effect on March 21, 2020; a range of proposed additional laws in California, New York, Texas, Utah, Washington and other states; and a range of proposed additional laws at the federal level. The cumulative effects of CCPA and other recently adopted laws include an increased ability of individuals, relative to companies, to control the use of their personal data; increased obligations of companies to maintain the security of data; and increased exposure to fines or damages for companies that do not accord individuals their specified privacy rights, that experience data breaches or that do not maintain cybersecurity at certain levels of quality. On behalf of its Clients, the Adviser will endeavor to maintain systems that promote compliance with CCPA and these other laws, both those adopted to date and those that may be adopted in the future, but there can be no assurance that these systems will be effective in mitigating the business impact of individuals' increased privacy rights or in ensuring compliance with the CCPA and such other laws. In the event of fines or damages due to noncompliance with such data privacy and cybersecurity laws, there may be a business impact on the Adviser and its Clients.

At the federal level, the United States Congress is also considering various proposals for data privacy and security legislation. We are subject to the rules and regulations promulgated under the authority of the Federal Trade Commission, which regulates unfair or deceptive acts or practices, including with respect to data privacy and security. Additionally, the Gramm-Leach-Bliley Act of 1999 (along with its implementing regulations) restricts certain collection, processing, storage, use and disclosure of personal information, requires notice to individuals of privacy practices and provides individuals with certain rights to prevent the use and disclosure of certain nonpublic or otherwise legally protected information. These rules also impose requirements for the safeguarding and proper destruction of personal information through the issuance of data security standards or guidelines.

The cumulative effects of the CCPA, the CPRA, the GDPR and other recently adopted data privacy and security laws include an increased ability of individuals, relative to companies, to control the use of their personal information; increased obligations of companies to maintain the privacy and security of data; and increased exposure to fines, damages or reputational harm for companies that do not afford individuals their specified privacy rights, that experience data breaches or that do not maintain cybersecurity practices at certain required levels. The global data protection landscape is currently unstable, resulting in possible significant operational costs for internal

compliance and risk to our business. The General Partner, the Investment Adviser and their respective Affiliates will endeavor to implement and maintain systems designed to promote compliance with the CCPA, the CPRA, the GDPR and these other laws, both those adopted to date and those that may be adopted in the future, but there can be no assurance that these systems will be effective in mitigating the business impact of individuals' increased privacy rights or in ensuring compliance with the CCPA, the CPRA, the GDPR and such other laws. In the event of fines, damages or reputational harm due to noncompliance with such data privacy and security laws or a data breach, there may be a business impact on the Registrant, the Relying Advisers, the Clients, and any other related parties.

### Conflicts of Interest

Various actual and potential conflicts of interest may arise from the overall investment and other business activities of the Adviser and its affiliates, in each case, for their own account and for the account of others. The following briefly summarizes some of these conflicts, but is not intended to be an exhaustive list of all such conflicts.

The Adviser and its affiliates expect to advise multiple Clients whose accounts may purchase or sell the same securities. The Adviser and its affiliates are not under any obligation to share any investment opportunity, idea or strategy with any particular Client. As a result, Clients of the Adviser or its affiliates may compete with one another for investment opportunities. The Adviser may make recommendations to and take actions on behalf of certain Clients, which may be the same as or different from those made or taken on behalf of another Client. The Adviser may from time to time acquire positions in or transact in securities and other investments on behalf of a Client which may differ from or be inconsistent with the advice given, or the timing or nature of the Adviser's action or actions with respect to another Client. There is no assurance that Clients with similar strategies or investment objectives will hold the same investments or perform in a similar manner. This and other future activities of the Adviser and its affiliates may give rise to additional conflicts of interest.

The Adviser's investment allocations are designed to provide a fair allocation of purchases and sales of securities among the various Clients managed by the Adviser, while preserving incentives for the Adviser to find new investment opportunities, and to ensure compliance with appropriate regulatory requirements. Notwithstanding the Adviser commitment to a fair investment allocation process, the Adviser may make investments on behalf of Clients in securities, assets or other investments that it would have declined to invest in for its own account or the account of another Client.

From time to time, the Adviser may permit certain Client investors to acquire interests on different terms than other investors (including, without limitation, with respect to minimum investment amounts, fees, expanded reporting and withdrawal terms). The Adviser is not generally required to notify any or all of the other investors of any such terms, nor is a Client or the Adviser required to offer such additional and/or different rights and/or terms to any or all of the other investors.

By reason of the investment advisory responsibilities and other activities of its affiliates, the Adviser may acquire confidential information or otherwise be restricted from initiating transactions in certain securities. It is acknowledged and agreed that, except as required by the applicable law, the Adviser may not be free to divulge, or to act upon, any such confidential information and that, due to such a restriction, the Adviser may not initiate certain transactions the Adviser otherwise might have initiated. It is further acknowledged and agreed that the Adviser shall, for itself and on behalf of its Clients, disclose such information to governmental and regulatory authorities as may be required by law.

A broker-dealer affiliate of the Adviser engages in equity research and is required to be separated physically and in other ways intended to isolate its personnel from the personnel of the Adviser and the personnel of the Adviser's affiliates that provide investment banking services and advice. Such affiliates may develop fundamental analyses, proprietary technical models or other investment strategies, opportunities or ideas for use in connection with other

clients or activities, or as part of analysis provided by research personnel, which may not be available to the Adviser or the Adviser's personnel due to ethical walls or other firm or regulatory restrictions. As a result, the Adviser's broker-dealer affiliate engaged in equity research or similar services may analyze portfolio companies, the securities of which are held by a Client and, in some cases, may take differing views with respect to such portfolio companies as the view taken by the Adviser, including in some instances adopting a sell or neutral recommendation with respect to a security in which a Client maintains a long equity position.

The Adviser and its affiliates have the ability to trade in financial instruments for their own accounts and may act as an investment adviser to the SMA of a related person or an employee owned investment vehicle. Employees of the Adviser and its affiliates (including their friends and family members as well as the wealth-planning vehicles of such employees, friends and family members), may be permitted to invest in Clients of the Adviser at reduced (or bear no) Management Fees and Performance Compensation and may buy and sell securities or securities of issuers or obligors with debtor instruments that are held by a Client or may be suitable for a Client for their own account or the account of others. This may on occasion create conflicts of interest with regard to such matters as allocation of opportunities to participate in particular investments or to dispose of certain investments. In addition, if as a result of the aggregation requirements set forth under the law, applicable position limits were exceeded, the Adviser, or its respective affiliates could have a conflict of interest in determining which positions to liquidate.

Under certain circumstances, it is possible that a portfolio company owned by a Client may hire affiliate Cowen and Company LLC, a registered broker-dealer specializing in investment banking services, to assist it with an initial public offering, recapitalization concepts or other related banking activities. Cowen and Company LLC is an affiliate of the Adviser and is under the common control of Cowen. The principals of TriArtisan (identified in Schedule R of Part 1 of the Registrant's ADV) are also employees of Cowen and are registered representatives of Cowen and Company LLC. Due to the fee-paying arrangements described in Item 5 (some of which may be deemed to be significant), there is the potential for conflicting interests between the Adviser and its affiliate Cowen and Company LLC. The Adviser endeavors to resolve these conflicts in the best interests of its Clients. However, transaction or investment banking fees paid by a portfolio company to Cowen and Company LLC may not reduce or offset the Management Fees or Performance Compensation paid or distributed to the Adviser. Client investors are strongly encouraged to carefully read Offering Documents for additional details regarding this conflict (if relevant).

As noted above in Item 5, the Adviser may charge monitoring fees to portfolio companies beneficially owned by certain Clients, and those fees may not be negotiated on an arm's-length basis and Clients (and the investors therein) may indirectly bear the cost of these fees. The Adviser may receive monitoring fees in exchange for providing portfolio companies with management, consulting, financial and other services. Monitoring fees are generally a specific dollar amount, which is determined with reference to a portfolio company's EBITDA (earnings before income, taxes, depreciation and amortization). Monitoring fees paid by a portfolio company to the Adviser may not reduce or offset the Management Fees or Performance Compensation paid or distributed to the Adviser. The amount of any monitoring fees paid to the Adviser in any particular portfolio company is disclosed to investors in the relevant Client's Offering Documents prior to investment.

The Adviser may, in its discretion, recruit consultants or retain the services (for a fee) of one or more industry experts. All or a portion of the compensation and reimbursement of expenses paid to such consultants/experts may be borne directly or indirectly by a Client. Consultants/experts may also receive compensation and expense reimbursement for providing services to portfolio companies, which includes compensation for services on boards of directors, compensation for service as interim executives and consulting-related compensation, which involves both fixed and incentive compensation. Compensation of such consultants/experts may include (i) an annual fee, (ii) a discretionary performance-related bonus, (iii) a portion of the carried interest received by a general partner or managing member of a Client, or (iv) the opportunity to invest in one or more Clients or specific transactions on a no-fee basis. The Adviser will ensure any expenses incurred by the Adviser and reimbursed by a Client for such consultants/experts are eligible to be reimbursed pursuant to the applicable Client's Offering Documents.

If an employee of the Adviser sits on the board of directors of a portfolio company owned by a Client that employee/board member may have to deal with conflicts of interest between Clients managed by the Adviser, the investors of those Clients and the relevant portfolio company. The employee/board member is required to discuss the conflicting issue with the Adviser's Chief Compliance Officer and other members of senior management, as needed, in an effort to ensure the Adviser acts in a manner consistent with its fiduciary obligations to its Clients and the portfolio company.

Prospective investors should expect that certain Client investors may have enhanced relationships with the Adviser (or an affiliate), a Client or one or more portfolio companies beneficially owned by a Client and that such relationships may give rise to both known or unknown conflicts of interest for both the Adviser and such Client investors. It may not be possible to mitigate such conflicts of interest and a Client or one or more portfolio companies beneficially owned by a Client could be harmed as a result.

As mentioned above, the Adviser's parent company, Cowen, is a publicly traded company. As a public company, Cowen is subject to the risk of investigation or litigation by regulators or its public shareholders arising from an array of possible claims, including shareholder dissatisfaction with the performance of its businesses or its share price, allegations of misconduct by its officers and directors or claims that it has inappropriately dealt with conflicts of interest or investment allocations. As Cowen is the ultimate parent of the Registrant and its Relying Advisers, any such investigations into or claims brought against Cowen could divert time, attention and resources away from its investment advisory business. Additionally, as a public company, Cowen is subject to a number of reporting and regulatory regimes, including the U.S. Sarbanes-Oxley Act of 2002 and the reporting provisions of the Exchange Act. Compliance with any such laws similarly requires the time, attention and resources of Cowen and its executive officers that might otherwise be devoted to the Adviser's Clients, which diversion may result in an adverse effect on its Clients. In addition, Cowen may have certain obligations to its public equity holders, which may pose potential conflicts of interest regarding the activities conducted, and decisions made, on behalf of the Adviser's Clients, including the Adviser's ability to disclose certain Clients' performance information.

Please refer to the relevant Client Offering Documents for a more detailed discussion of risk factors and conflicts of interest.

#### **Item 9. Disciplinary Information**

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

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

The Adviser is affiliated with the following four (4) U.S. registered broker-dealers: Cowen and Company, LLC (CRD # 7616), ATM Execution LLC (CRD # 122529); and Westminster Research Associates LLC (CRD # 14508). The Adviser is also affiliated with Cowen Prime Services LLC (CRD # 153397), a dual-registered U.S. broker-dealer and investment adviser and CFTC registered commodities futures introducing broker; two (2) UK FCA registered broker-dealers: Cowen International Limited and Cowen Execution Services Limited; one (1) Hong Kong SFC registered broker-dealer: Cowen and Company (Asia) Limited; and, Cowen Financial Products LLC, an unregistered swap dealer. All of the above referenced affiliates are wholly owned subsidiaries (directly or indirectly) of Cowen.

With respect to the investment advisory activities of certain Relying Advisers, Cowen and Company LLC may be engaged for compensation to provide investment banking services by a company in which a Client is invested. Cowen and Company LLC may also be employed by a company's board of directors to perform advisory, capital raising, or other transactional services for the company at a negotiated rate of compensation. Such engagements

may or may not be awarded in competition with other investment banks. Cowen and Company LLC may also provide investment banking services for other companies, public or private, whose business activities may be deemed to conflict with or compete with the business of a company in which a Client is invested. The Adviser and Cowen and Company LLC have established policies and procedures reasonably designed to prevent the misuse by the Adviser, Cowen and Company LLC, and their personnel of material information regarding issuers of securities that have not been publicly disseminated.

The Adviser is affiliated with the following investment advisors registered with the U.S. Securities and Exchange Commission (or rely upon the registration of an affiliated investment advisor): Cowen Investment Advisors LLC (dba Ramius Advisors, LLC), CHI Advisors LLC, Healthcare Royalty Management, LLC and HCR Collateral Management, LLC.<sup>3</sup>

The Registrant has entered into a separate services agreement with TriArtisan Capital Management LLC (“**TACM**”) (for which it is paid a fee) to provide certain administrative and accounting services, compliance advice, IT infrastructure and services, BCP, tax support, and valuation assistance to TACM.<sup>4</sup> TACM is operated and controlled by Rohit Manocha and Gerald H. Cromack II, the co-founders and portfolio managers for TriArtisan. TACM is not affiliated with the Adviser and is an outside business activity of Messrs. Manocha and Cromack. TACM was formed in 2002 and is wholly owned by Rohit Manocha and Gerald H. Cromack II. TACM is a subsidiary of TriArtisan Holdings Inc., which is a wholly owned subsidiary of Morgan Joseph TriArtisan Group Inc. (“**MJT Group**”). Messrs. Manocha and Cromack together control approximately 30% of the voting interests in MJT Group and are both members of its Board of Directors. Decisions concerning the acquisition or disposition of investments for TACM are made by Messrs. Manocha and Cromack. As a result of the Registrant’s services agreement with TACM, certain employees of TriArtisan may also be called upon to provide the enumerated services to TACM. TACM is no longer seeking new investment opportunities on behalf of their existing clients (although such clients may make follow-on investments intended to enhance or protect such client’s existing investments).

The Adviser has no financial planner relationships. At this time, the Adviser does not believe there are any material conflicts related to these affiliations. For a complete description of these advisors and the clients they advise and manage, please refer to their Form ADV Parts 1 and 2 which can be obtained on this SEC website noted above.

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

The Adviser has adopted a Code of Ethics that is applicable to all of its access persons, supervised persons and virtually all of its employees (for purposes of this section of the brochure, references to “employees” include access persons and supervised persons). The Code of Ethics reflects the Adviser’s belief in the absolute necessity to conduct all business, make all decisions and carry on all personal activities at the highest ethical and professional levels. The Adviser will provide a copy of the Code of Ethics to any Client or prospective Client (or Client investor) upon request.

All persons that are covered by the Code of Ethics must avoid activities, interests and relationships that may interfere or appear to interfere with making decisions in the best interests of Clients. More specifically, the Code of Ethics seeks to place the interests of Clients over the interests of any employee; imposes standards of business conduct for all of the Adviser’s employees; requires employees to comply with the federal securities laws; regulates employee personal securities transactions, including requiring all covered persons to obtain pre-approval before investing in hedge fund or private placement investments; and requires reporting and review of personal securities transactions.

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<sup>3</sup> Although the Registrant maintains a controlling ownership interest in RCG Longview Equity Management LLC and RCG Longview Partners II, LLC, the Registrant is not involved in the day to day activities of either RCG Longview affiliate (although its equity ownership interest entitles the Registrant to a share of their net revenue).

<sup>4</sup> TACM was previously registered as an investment adviser with the SEC but now qualifies and is registered as an exempt reporting adviser.



While employees of the Adviser are generally permitted to invest in securities for their own personal accounts and may invest in securities that are also held by Clients of the Adviser, they may be subject to the Adviser's reimbursement policy in the event their personal trading activity competes with Client trades. In the event an employee trades a security on the same day and in the same direction as a Client account and the average price paid or received by the employee for the relevant security was better than the average price paid or received by a Client for the same security, then the Adviser may require the employee to reimburse the impacted Client for the difference between the average price paid by the employee and the average price paid or received by the relevant Client.

The Adviser has and may continue to purchase securities and other instruments for its own account (or the account of an affiliate) that are also being purchased by the Adviser on behalf of a Client and has and may continue to also purchase securities and other instruments that are not appropriate for Client investment (pursuant to its investment guidelines and procedures). In the event the Adviser does purchase securities and other instruments for its own account (or the account of an affiliate) that are also being purchased by the Adviser on behalf of a Client, the Adviser will endeavor to purchase those securities and other instruments for its Clients on terms at least as favorable as the terms on which the same securities or instruments are purchased for the accounts of the Adviser and/or its affiliates. Notwithstanding the foregoing, the Adviser is not obligated to allocate all potential transactions to a Client for which it might be eligible pursuant to its investment guidelines and procedures. Depending on the circumstances, the Adviser may allocate certain transactions on a disproportionate basis among its other Clients and/or may allocate all of a transactions to another Client, including Clients in which one or more of the principals or employees of the Adviser or its affiliates may have an interest. In addition, varying compensation arrangements among Clients could incentivize the Adviser to allocate investment opportunities to certain Clients over others, or to otherwise manage Clients differently.

When it is determined that it would be appropriate for one or more Clients to participate in an investment opportunity, the Adviser will seek to execute orders for all of the participating investment accounts on an equitable basis, taking into account such factors as the investment objectives of the participating investment accounts, the availability of leverage, the relative amounts of capital available for new investments, relative exposure to market trends, transaction costs, the portfolio positions of the participating investment accounts, the eligibility of a Client, respectively, and the other investment accounts under applicable law to make the investment in question and the manner in which the investment is likely to affect the amount of available capital after the investment is made.

The Adviser may enter into side letter arrangements with one or more investors in certain Clients, providing such investors with different or preferential rights or terms, including but not limited to (i) different or preferential fee structures; (ii) other preferential economic rights, (iii) information and reporting rights; (iv) excuse or exclusion rights; (v) waiver of certain confidentiality provisions; (vi) co-investment rights; (vii) liquidity or transfer rights; and (viii) certain rights or terms necessary in light of particular legal, regulatory or policy requirements of a particular investor. Side letter arrangements with investors in one class of a Client's securities (*e.g.*, the senior tranche of a structured credit vehicle) may incentivize the Adviser to take action or abstain from taking action that conflict with the interest of investors in another class of such Client's securities (*e.g.*, junior tranches of a structured credit vehicle). Except as otherwise agreed with an investor, the Adviser is not required to disclose the terms of side letter arrangements with other investors in the same Client.

## **Item 12. Brokerage Practices**

The Adviser is responsible for, among other things, the placement of any securities transactions entered into on behalf of a Client, and for the negotiation of any commissions paid on such transactions. Such securities may be purchased over the counter, through brokers on securities exchanges or directly from the issuer or from an underwriter or market maker for the securities. Purchases of portfolio securities through brokers involve a commission to the broker, and purchases from dealers serving as market makers include the spread between the bid and the ask price.

The Adviser has discretion with respect to investment decisions it makes for its Clients, and also with respect to the selection of brokers, dealers and other counterparties for such transactions, and the amount of commissions or other compensation to be paid by its Clients. The Adviser provides investment advisory services to its Clients based on the particular investment objectives and strategies described in the Offering Documents. The Adviser generally does not enter into directed brokerage arrangements but the Registrant may do so for certain SMAs for which it does not have custody with respect to its advisory activities. Any directed brokerage arrangements must be approved by the Adviser.

Brokers and dealers are selected by the Adviser on the basis of a variety of factors, including, without limitation, some or all of the following: net price; settlement capabilities and error resolution; electronic reconciliation capability; special execution capabilities; ability to execute large orders, to commit capital, and to minimize trading costs associated with implementing investment decisions; commission rates; reputation, including regulatory issues; financial strength and stability; efficiency of execution of small lots; offering on-line access to computerized data regarding open orders; the ability or inability of electronic trading networks to handle trades instead of other broker-dealers; value of research; and other matters involved in the receipt of brokerage services generally.

The Adviser may execute a portion of the securities trades entered into on behalf of a Client through one or more customer brokerage accounts maintained by a Client with certain clearing brokers (the **"Clearing Brokers"**) pursuant to the terms of one or more clearing agreements with the Adviser under which the Adviser allocates to the Clearing Brokers a portion of the brokerage commissions it charges a Client. Floor brokers selected by the Adviser that will execute transactions in listed securities will receive a portion of the brokerage commissions that the floor brokers charge a Client at rates negotiated by the Adviser and each floor broker.

Commissions charged by certain broker-dealers utilized by the Adviser may include additional products and services, such as research. The Adviser only uses additional products and services provided by broker-dealers (included in its commission rate) that meet the eligibility criteria of the safe harbor created by Section 28(e) of the Exchange Act. The Adviser does not currently have any "soft dollar" accounts with any of its brokerage relationships; however, in the event an account was opened, any use of "soft dollars" would fall within the Section 28(e) safe harbor. Under Section 28(e), research obtained with soft dollars generated by a Client may be used by the Adviser to service accounts other than the Client.

Research services furnished by brokers may include written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; statistics and pricing or appraisal services, as well as discussion with research personnel. The Adviser may, in the future, pay higher prices for the purchase of securities from, or accept lower prices for the sale of securities to, brokerage firms that provide it with such investment and research information or to pay higher commissions to such firms if the Adviser determines such prices or commissions are reasonable in relation to the overall services provided. Any research services provided by broker-dealers used by a Client may be utilized by the Adviser or its affiliates in servicing all of its Client accounts. The Adviser is not obligated to use all of the information it receives from broker-dealers on behalf of its Clients. Nonetheless, the Adviser believes that such investment information provides a Client with benefits by supplementing the research otherwise available to it.

A Client's securities transactions can be expected to generate a substantial amount of brokerage commissions and other compensation, all of which a Client, not the Adviser, will be obligated to pay. As noted above, the Adviser has complete discretion in deciding what brokers and dealers a Client will use and in negotiating the rates of compensation a Client will pay. In addition to using brokers as "agents" and paying commissions, the Adviser, on behalf of a Client may buy or sell securities directly from or to dealers acting as principals at prices that include markups or markdowns, and may buy securities from underwriters or dealers in public offerings at prices that include compensation to the underwriters and dealers.

Brokers sometimes suggest a level of business they would like to receive in return for the various services they provide. Actual brokerage business received by any broker may be less than the suggested allocations, but can (and often does) exceed the suggestions, because total brokerage is allocated on the basis of all of the considerations described above. A broker is not excluded from receiving business because it has not been identified as providing research services.

The Adviser may aggregate or “block” purchase and sale orders of securities to seek the efficiencies that may be available in larger transactions when it determines that aggregation is consistent with its duty to seek best execution for its Clients, although it has no obligation to do so.

From time to time the Adviser may be introduced to prospective Client investors through “capital introduction” events, some of which may be sponsored by the relevant Client’s prime brokers. The Adviser may take into account “capital introduction” events provided by a prime broker when selecting prime brokers and determining the extent to which a prime broker will be used.

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

The Adviser is responsible for making investment decisions in compliance with Client investment guidelines and restrictions as well as applicable law and regulation. The Adviser holds informal meetings as needed to discuss investment ideas, economic developments, current events, investment strategies, issues related to a Client’s portfolio holdings, *etc.* The Adviser evaluates its Client portfolios on a regular basis (no less than quarterly) including whether or not the investments made for a Client is consistent with its investment objectives and restrictions and if necessary, will monitor for any trading irregularities and/or unusual positions.

The Adviser (or the affiliated general partner, as applicable) typically sends Client investors a statement no less than quarterly documenting the performance of the Client’s portfolio and their capital account balance. The Adviser may provide certain Client investors with information on a more frequent and detailed basis if agreed to by the Adviser. In addition, when required by law or otherwise agreed to by contract, the Adviser will issue Client audited financial statements within the legally required time period following of the end of such Client’s fiscal year. The Adviser will also provide its Client’s investors tax reports (if applicable); however, no assurances can be made as to when investor tax information will be provided. As a result, Client’s investors may be required to obtain extensions of the filing date for their income tax returns at the U.S. federal, state, and local level.

With respect to the SMAs advised by the Registrant, the account holders receive monthly account statements directly from their qualified custodian.

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

The Adviser does not receive economic benefits from non-Clients for providing investment advice. However, the Adviser or its affiliates has entered into placement agreements with certain placement agents (“**Placement Agents**”), pursuant to which the Placement Agents have introduced potential investors to Clients. The Placement Agents generally receive compensation for such services from the Adviser or its affiliates.

In relation to the portfolio companies owned by certain Clients it advises, certain employees of the Adviser have been and may again in the future be reimbursed by a Client for travel, entertainment, direct, and/or other expenses incurred in the course of serving on a portfolio company’s board of directors or any committees or sub-committees of a board of directors in connection with attendance at meetings, recruitment of directors or management, interviews with attorneys, accountants, recruiters, consultants, investment bankers, vendors, customers, prospects, investors or lenders or their agents, and other actual or potential counterparties plus any other direct expenses incurred as a result of activities undertaken at the request of the relevant portfolio company’s board of directors or management.

The Adviser may provide its Clients with services including, but not limited to, administering, organizing and managing the business affairs, executing and reconciling trades, preparing financial statements and providing audit support, preparing tax related schedules or documents, legal and compliance support and sales and investor relations support, diligence and valuation services. Under certain circumstances the Adviser may provide these services in return for a fee separate and apart from Management Fees. As noted above in Item 10, the Adviser has entered into separate service agreements with TACM and in return for the provision of such services, is paid a fee that does not offset or reduce the Management Fees.

#### **Item 15.        Custody**

Pursuant to Rule 206(4)-2 under the Advisers Act (the “**Custody Rule**”), the Adviser is generally deemed to have custody of Client funds and securities and is therefore required to maintain the assets of its Clients in separate accounts with a qualified custodian.<sup>5</sup> The private securities in which the Adviser’s Clients have invested are maintained in book entry form with the relevant portfolio company and meet the requirements of the Custody Rule’s qualified custodian exception. Client funds and securities that do not meet the requirements of the qualified custodian exception are held at an independent broker-dealer, bank or trust company.

The Adviser’s Clients generally receive account statements on at least a quarterly basis directly from the broker-dealer, bank or other qualified custodians. Typically, the investors in the PE Funds and SPV Funds do not receive account statements from the qualified custodian(s) as these statements are directed to the Adviser as the investment manager or general partner of these Clients. In the event a Client receives account statements directly from the Client’s qualified custodian(s) and account statements prepared by the Advisor (or the Client’s third-party administrator, if any), the Client is urged to carefully review and compare both statements.

The Adviser has engaged independent public accounting firms registered with and subject to review by the Public Company Accounting Oversight Board (PCAOB) to perform an annual audit of its Clients in accordance with U.S. Generally Accepted Account Principles. The audited financial statements are distributed to the Client (and its investors if the Client is a PE Fund or SPV Fund) within 120 days of their fiscal year end.

#### **Item 16.        Investment Discretion**

The Adviser, in its capacity as an investment adviser, general partner or collateral manager, has discretionary trading authority with respect to its Clients. The Adviser’s investment decisions and advice with respect to each Client are subject to each Client’s investment objectives and guidelines, as set forth in its Offering Documents. The Adviser does not currently advise any non-discretionary Clients, although certain Clients of TriArtisan may be committed by their Offering Documents to invest in a particular security at a particular time (*e.g.*, a buyout or a restructuring with a defined closing date).

While it does not currently have any non-discretionary Clients (with the exception of certain SMAs advised by the Registrant that allow for directed transactions), the Adviser is not prohibited from entering into an investment management agreement that is purely advisory in nature and does not grant the Adviser with discretionary authority over a Client or a class of securities within a Client.

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

In compliance with Advisers Act Rule 206(4)-6, the Adviser has adopted proxy voting policies and procedures. All decisions about how to vote a proxy will be made in accordance with the Adviser’s proxy voting policies and procedures, which are designed to take into account the best interests of a Client, as determined by the Adviser in

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<sup>5</sup> The Registrant does not have custody over the SMA it advises.

its discretion. The Adviser may take into account all relevant factors when making such determination. Clients are generally not permitted to direct voting decisions. The Adviser has primary responsibility to monitor voting decisions for conflicts of interest, which include the consideration of whether the Adviser or any investment professional or other person recommending how to vote has an interest in the vote that may present a conflict of interest. This summary is qualified in its entirety by the Adviser's voting policies and procedures. The Adviser will make information regarding how proxies were voted available and/or provide a copy of its voting policies and procedures to Clients upon request.

The Adviser may advise certain Clients that only own an interest in a single company and be part of a group that controls the business of the target investment. The Adviser may be expected to vote the company's shares or other interests, either via proxy or by direct representation at a shareholder meeting, in agreement with the recommendations of the company's board of directors, on which the Client has direct or indirect representation. This action should be consistent with the best interests of the Client. In the event that the Adviser determines a different action to be in the best interests of a Client, the Adviser will act in such a manner that is in the best interests of its Client.

This summary of the Adviser's voting policies and procedures is qualified in its entirety by the Adviser's voting policies and procedures. Copies of relevant proxy logs, identifying how proxies were voted in connection with a Client and copies of proxy voting policies are available to any Client or prospective Client upon written request to Cowen Investor Relations at [investor.relations@cowen.com](mailto:investor.relations@cowen.com).

**Item 18.        Financial Information**

The Adviser is not required to include 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.