

**FIRM BROCHURE**  
**FORM ADV, PART 2A**

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**This brochure provides information about the qualifications and business practices of Weiss Asset Management LP. If you have any questions about the contents of this brochure, please contact us at (617) 778-7780 or [info@weissasset.com](mailto:info@weissasset.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about Weiss Asset Management LP also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Weiss Asset Management LP is an investment adviser registered with the United States Securities and Exchange Commission. Registration with the United States Securities and Exchange Commission does not imply a certain level of skill or training.**

**Item 2.       Material Changes**

There have been no material changes since the last brochure was filed on September 21, 2020.

**Item 3. Table of Contents**

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

Weiss Asset Management LP (“Weiss”), a Delaware limited partnership, was originally formed in June 2003 as Weiss Capital LLC, a Delaware limited liability company. In January 2010, Weiss changed its name and converted to a limited partnership. Weiss serves as the investment manager to three privately offered pooled investment vehicles (each a “Private Fund,” and together, the “Private Funds”), one closed-end investment vehicle that is listed on the AIM Market of the London Stock Exchange plc (the “AIM-Listed Fund”), and one institutional client in a separate-account structure (the “Institutional Account”). Two of the Private Funds are operated with substantially similar investment strategies (the “Brookdale Funds”), and the fund launched in 2017 (the “Opportunity Fund”) has a more focused mandate. Each of the Private Funds and the AIM-Listed Fund (which are collectively referred to herein as the “Funds” and each a “Fund”) is exempt from registration as an investment company under the Investment Company Act of 1940, as amended (the “Investment Company Act”). Weiss may also serve as investment manager for additional funds or separate accounts in the future. The Funds and the Institutional Account are together referred to in this brochure as “Clients.”

The investment strategy for each of the Brookdale Funds is substantially similar, but each Brookdale Fund was designed for different types of potential investors. The overall objective of each Brookdale Fund is to seek high risk-adjusted returns while attempting to control risk. Within that broad objective, the Brookdale Funds are not limited by product, strategy or geographical region, and the Brookdale Funds’ strategies employed, trades pursued and portfolios held from time to time are likely to vary along all of these dimensions as opportunities arise. Historically, one of the primary strategies that Weiss has employed is purchasing securities, instruments or other assets at a discount to observable and measurable reference values. This strategy may be most easily understood in the rudimentary examples of purchasing shares of an investment fund at a discount to its net asset value, a convertible security at a discount to its as-converted value, or a special purpose acquisition company at a discount to the cash in its trust account, but is equally applicable to other economic arbitrage type trades where a security of any type of issuer may be trading at a price that is a discount to the underlying (and realizable) estimated value of its assets, or where two related securities are trading at a price differential that does not reflect differences in their economic entitlements. However, these types of economic arbitrage trades are just some examples of a wide range of trading strategies that Weiss may employ on behalf of the Brookdale Funds. The Brookdale Funds have an intentionally broad investment mandate and Weiss expects to use a variety of strategies, financial instruments, assets and securities. Weiss will often seek to identify mispriced securities—securities that are undervalued for purchase and overvalued securities for sale. The Investment Manager believes that opportunities to invest in mispriced securities arise from market inefficiencies, or because of faulty analysis by market participants of the potential impact (positive or negative) that specific events or trends may have on the value of a security. These securities might have the characteristics of derivatives; directly trading real estate interests; trading equity stakes of entities in liquidation; trading debt instruments that are expected to be highly covered by the value of underlying assets; or trading in securities that have assets or liabilities that the Investment Manager believes are mispriced by the market; or trades in any other assets where the Investment Manager believes the market price does not correctly reflect expected value. These opportunities may be coupled with short positions.

The Opportunity Fund’s investment objective is to generate high risk-adjusted returns. The Opportunity Fund has sought to achieve its investment objective by constructing a portfolio of investments in companies involved in publicly announced mergers, acquisitions or other corporate transactions where statutory “appraisal” or “dissent” rights are expected to be triggered and where Weiss determines that the proposed transaction consideration undervalues the target security. The strategy of the Opportunity Fund seeks to

realize a value greater than the proposed transaction consideration by exercising statutory appraisal rights through the appraisal process in the relevant jurisdiction. Weiss may also negotiate with the acquirers, where appropriate. Catalysts for monetization may include negotiated settlements and court-awarded judgments. While target companies are often domiciled in Delaware and hence the Delaware appraisal statute governs, the Opportunity Fund may invest globally without limitation, in both U.S. and non-U.S. jurisdictions. The Opportunity Fund was formed on December 19, 2016 and commenced operations on June 14, 2017. The Opportunity Fund's organizational documents provide for a thirty-month period during which it is eligible to make new investments. Such investment period has now concluded and the Opportunity Fund is no longer making any new investments. Upon the realization of the last investment held by the Opportunity Fund, it is expected that the Opportunity Fund will be dissolved.

The AIM-Listed Fund is geographically focused on South Korean companies, and specifically invests primarily in listed preferred shares issued by companies incorporated in South Korea, which in many cases trade at a discount to the corresponding common shares of the same companies. Weiss invests on behalf of the AIM-Listed Fund to assemble a portfolio of South Korean preferred shares that it believes are undervalued and could appreciate based on criteria it selects. Some of the considerations that affect Weiss' choice of securities to buy and sell may include the discount at which a preferred share is trading relative to its respective common shares, its dividend yield, its liquidity and its common shares weighting (if any) in the benchmark index for the AIM-Listed Fund, as described in the admission document for the AIM-Listed Fund. The AIM-Listed Fund may engage in market hedging from time to time, but it does not generally enter into hedging transactions with respect to individual securities holdings.

Weiss may tailor its advisory services for any client invested in a separate account. Weiss may agree to manage the client's investments against a particular benchmark or pursuant to investment guidelines discussed and agreed upon with the particular client. The Institutional Account is invested in a strategy somewhat similar to that of the AIM-Listed Fund, but with certain modifications agreed upon with the client from time to time.

For further details on the Clients' investment strategies, please see Items 7 ("Types of Clients") and 8 ("Methods of Analysis, Investment Strategies and Risk of Loss") below.

The principal owner of Weiss, as set forth on Schedule A of Part 1A of Form ADV, is Andrew M. Weiss.

Weiss is responsible for the management of each Client's portfolio pursuant to investment management agreements between Weiss and each Client. Weiss manages each Client consistent with the investment strategies and objectives of that Client, as set forth in the applicable offering documents of a Fund or the investment management agreement of the Institutional Account, as applicable.

Weiss manages the assets of its Clients on a discretionary basis. As of December 31, 2020, Weiss' net assets under management were approximately \$2,424,984,771.

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

In consideration for the investment management services that Weiss provides to its Clients, Weiss and its affiliates receive fees and other compensation from each Client. This compensation generally takes the form of an asset-based management fee (the “Management Fee”) and performance-based compensation that is dependent on the investment performance of the portfolio under management for the relevant Client (the “Performance-Based Compensation”).

The Management Fee from each Client is paid to Weiss pursuant to investment management agreements between Weiss and each Client (each, an “Investment Management Agreement”). For the AIM-Listed Fund, such Management Fee is calculated weekly and payable monthly in arrears; it is generally equal to 1.5% per annum of the net asset value of the AIM-Listed Fund. Each month, after the calculation of net assets has been finalized, Weiss invoices the AIM-Listed Fund for the amount of earned Management Fee. The administrator of the AIM-Listed Fund procures the payment of the Management Fee to Weiss on the authority of the directors of the AIM-Listed Fund.

The Brookdale Funds generally offer investors the opportunity to subscribe for two different types of shares (in the context of the Brookdale Fund that is a Cayman Islands company (the “Cayman Fund”)) or interests (in the context of the Brookdale Fund that is a New York limited partnership (the “U.S. Fund”)). These two different types of investments that investors may make in the Brookdale Funds are referred to as (1) “Funded Shares” or “Funded Interests,” and (2) “Commitment Shares” or “Commitment Interests.” Funded Shares and Funded Interests are paid for by the investor up-front and participate in the gains and losses of the relevant Brookdale Fund as of their subscription date. Commitment Shares and Commitment Interests, by contrast, are unfunded upon issuance and represent a commitment by the Investor to fund a certain amount (the “Conversion Amount,” as such term is defined in the applicable offering memorandum) at a later date, upon the receipt of notice from the applicable Brookdale Fund. With respect to Funded Shares and Funded Interests, the Management Fee in respect of such interests is payable quarterly in arrears, in an amount generally equal to 0.25% (approximately 1.0% annualized) of the net asset value of (i) each series of shares in the context of the Cayman Fund, and (ii) each limited partner’s capital account in the context of the U.S. Fund, in each case as computed at the end of each quarter (before deducting the Performance-Based Compensation, as defined below), and subject to modification for any particular investor as may be negotiated between the Fund and the particular investor. No Management Fee is charged in respect of any Commitment Shares or Commitment Interests. Additionally, an investor in a Brookdale Fund who subscribes for new Funded Interests or Funded Shares or converts Commitment Shares or Commitment Interests into Funded Shares or Funded Interests (by contributing the applicable Conversion Amounts) other than on the first day of a calendar quarter, or who withdraws from or redeems (as applicable) other than on the last day of a calendar quarter, will be subject to a *pro rata* portion of the Management Fee paid for such quarter based upon the portion of the calendar quarter for which such Funded Shares or Funded Interests were outstanding in such Brookdale Fund. The Management Fee is paid by the Brookdale Funds to Weiss after the conclusion of each calendar quarter in accordance with the Investment Management Agreement with each Brookdale Fund.

The Management Fee for the Opportunity Fund is calculated in a different manner than the Management Fee for the Brookdale Funds. The Management Fee for the Opportunity Fund is generally calculated at a rate of 1.0% per annum, but determined separately for each investment, and Weiss is entitled to a Management Fee on such investment solely to the extent that there are profits earned on the particular investment. The applicable management fee percentage also may differ for any particular investor as may be negotiated between the Opportunity Fund and the particular investor.

Management Fees for an institutional separate account are generally negotiated between the relevant institutional client and Weiss, and may vary depending on the particular investment strategy pursued on behalf of the separate account.

In addition, Weiss receives Performance-Based Compensation from the Cayman Fund and the Institutional Account, and the general partner of the U.S. Fund (the “U.S. Fund General Partner”) and the general partner of the Opportunity Fund (the “Opportunity Fund General Partner”), each of which is an affiliate of Weiss, receives Performance-Based Compensation from the U.S. Fund and the Opportunity Fund, respectively.

Generally, at the end of each fiscal year (or other period when a calculation of performance compensation is required), each Brookdale Fund will pay (or allocate) to Weiss or the U.S. Fund General Partner, as applicable, Performance-Based Compensation in an amount generally equal to 25% of the aggregate net profits during such fiscal year that (i) for the Cayman Fund are attributable to each series of Funded Shares and (ii) for the U.S. Fund are attributable to each capital account maintained for a limited partner in respect of any Funded Interests, subject in each case to a high watermark described below and as may otherwise be negotiated between the Fund and any particular investor. No Performance-Based Compensation is paid or allocated, as applicable, in respect of any Commitment Shares or Commitment Interests. Net profits and net losses are calculated for a period by combining the aggregate net realized and unrealized changes in the value of each Brookdale Fund’s assets with all other items of income and expenses of any kind for such period. In the event that any series of shares or any capital account of a limited partner has unrecovered net losses from any prior relevant accounting period, Weiss or the U.S. Fund General Partner, as the case may be, will not be paid or allocated Performance-Based Compensation with respect to such series of shares or capital account until such net losses have been recovered (which net losses are proportionately reduced by any redemptions or withdrawals from such series of shares or capital account, respectively). In the event of a redemption or withdrawal by an investor in a Brookdale Fund on any date other than the last day of a fiscal year, the Performance-Based Compensation in respect of the amount redeemed or withdrawn will be computed as of the date of such redemption or withdrawal. Unrealized appreciation and depreciation relating to investments segregated by a Brookdale Fund as “Designated Investments” because they may be illiquid or difficult to value would generally not be allocated to a shareholder’s series of shares or a limited partner’s capital account, as applicable, for purposes of determining the Performance-Based Compensation until such Designated Investment is sold or the relevant Brookdale Fund otherwise determines that it should no longer be treated as a Designated Investment.

The Performance-Based Compensation allocated to the Opportunity Fund General Partner by the Opportunity Fund is generally a 15% carried interest (subject to modification for any particular investor as may be negotiated between the Fund and the particular investor), and is measured separately for each particular investment, subject to the carryforward discussed below. At the time an investment is liquidated and the proceeds are distributed to limited partners of the Opportunity Fund, the Opportunity Fund General Partner is allocated its carried interest percentage of the profits from that particular investment. The Performance-Based Compensation, however, is subject to a loss carryforward amount as a result of any losses on prior Opportunity Fund investments. In addition, investors are generally entitled to a preferred return of 5%, which means that each investor must earn at least 5% profit on a given investment before the Opportunity Fund General Partner earns any Performance-Based Compensation with respect to such investment.

The AIM-Listed Fund does not pay Weiss any Performance-Based Compensation.

Institutional separate accounts generally pay Weiss Performance-Based Compensation on an annual basis as may be negotiated between the institutional client and Weiss for the particular investment strategy

pursued on behalf of the separate account, and may involve the use of benchmarks and returns over a given benchmark.

All fees and compensation are deducted from the relevant Fund's assets and paid or allocated to Weiss or the relevant general partner, as applicable. With respect to the Private Funds only, Weiss may, in its sole discretion, waive or reduce, in whole or in part, or otherwise negotiate a different Management Fee and/or Performance-Based Compensation with respect to any particular investor or group of investors. Further details regarding the calculation of Management Fees and Performance-Based Compensation are provided in each Fund's respective offering documents. Fees and compensation in respect of the Institutional Account are paid by the Client or its designee based on invoices prepared by Weiss. Certain fees and expenses related to the Institutional Account are borne by the Client, and payable either from the investment portfolio or otherwise.

In addition to the Management Fees and Performance-Based Compensation described above, each Client bears all costs and expenses related to its trading strategy and operations. Such costs and expenses borne by each Client include, but are not limited to, brokerage and other transaction costs, clearing and settlement charges, costs of establishing subsidiary entities to help facilitate the making and settlement of certain trades, interest and commitment fees on debit balances or borrowings, borrowing charges on securities sold short, custody fees, the fees and expenses of professionals providing services to each Client (legal, audit, accounting, tax and administration), the costs of reporting and providing information to the investors of each Fund, filing fees, stamp duties, taxes, government and fiscal charges and foreign exchange costs. Each Client also pays for applicable costs and expenses related to any litigation (including appraisal proceedings) or investigation arising out of the activities of such Client and Weiss and/or its affiliates' role in connection therewith.

The Brookdale Funds also bear their portion of all operational expenses and overhead incurred by Weiss and/or its affiliates, except for expenses related to marketing the Brookdale Funds to prospective investors and rent and furnishings of Weiss' offices, as specifically excluded in each Brookdale Fund's offering memorandum. Operational expenses and overhead paid for by the Brookdale Funds include, without limitation, the cost of office supplies, data, communications infrastructure, computers, servers and other information technology expenses, legal advice, compliance expenses relating to the Brookdale Funds and Weiss complying with applicable regulations, consultants and outside advisers relating to Weiss' business and operations in addition to those of the Brookdale Funds. The Brookdale Funds do not pay any compensation to Andrew Weiss, Paul Sherman or Daniel Fu (collectively, the "Principals"), other than that received through their participation in the Management Fee and Performance-Based Compensation, but the Brookdale Funds may bear a portion of the compensation (including salaries, bonuses and employee benefits) of all employees and senior management of Weiss other than the Principals. Such compensation to employees and senior management may be significant, and the portion paid by the Brookdale Funds generally has included a portion of the compensation paid to senior management even if Dr. Weiss also determines, in his discretion, to share portions of the Management Fee and/or Performance-Based Compensation with employees and members of senior management. Other Funds and accounts managed by Weiss (such as the AIM-Listed Fund, the Opportunity Fund and the Institutional Account) do not have similar expense reimbursement provisions. For any such Fund or account (each, a "Non-Reimbursement Account"), Weiss bears its portion of the operational expenses and overhead attributable to such Non-Reimbursement Account. For purposes of determining the portion of operational expenses and overhead of Weiss that are properly attributable to a particular Fund or account, Weiss may use several methodologies, depending on the nature of the particular expense. As between the two Brookdale Funds, expenses are generally allocated based on the relative assets of the Brookdale Funds at the time the expense is incurred, unless a particular expense relates to only one of the two Funds or Weiss determines that a different allocation would be more appropriate under the circumstances. As between the Non-



Reimbursement Accounts on the one hand, and the Brookdale Funds on the other hand, Weiss generally uses several different methodologies, depending on the nature of the expense.

With respect to non-personnel operational expenses or overhead of Weiss, if a particular expense relates to services provided only to one or more particular Funds or accounts, then such expense will be allocated only to such Funds or accounts. For expenses that relate to the provision of investment management services to multiple Funds and accounts, such expenses and overhead are generally allocated between Weiss on behalf of the Non-Reimbursement Accounts, on the one hand, and the Brookdale Funds, on the other hand, as a function of the time allocation discussed in the paragraph below, and/or if applicable, a determination by Weiss, in its discretion, of the usage of the particular item that relates to the expense. For example, if a particular expense relates to an item that is used by only certain personnel or disproportionately by certain personnel or disproportionately for the benefit of a particular Fund or account, then the time allocation may be weighted accordingly for such expense.

For the purpose of allocating compensation and certain other expenses, Weiss generally requires all employees to submit monthly estimates of the portion of their working time in a given month spent on particular categories of activities, with percentages attributable to services performed for the Non-Reimbursement Accounts and other categories of activities, such as marketing, that are not chargeable to the Brookdale Funds. Weiss then uses these time estimates in its allocation of compensation expenses between Weiss on behalf of the Non-Reimbursement Accounts, on the one hand, and the Brookdale Funds, on the other hand. Not all compensation is allocated strictly based on these time estimates, however, as Weiss may determine in its discretion to compensate an employee more or less for particular efforts or results. For example, an employee could receive a bonus for a particular project or result that may be fully chargeable to the Brookdale Funds or may not be chargeable at all to the Brookdale Funds. In addition, Clients should note that the time allocation used by Weiss is based solely on monthly estimates self-reported by employees, without independent verification, monitoring or reconciliation by Weiss; Weiss has determined, in its discretion, that the benefits of a more precise and rigorous time tracking system do not outweigh the substantial costs of such a system, including the potential unintended negative effects on employee morale, the operations of Weiss, its ability to attract and retain key employees, and the performance of investments.

Weiss acknowledges there is an inherent conflict of interest in determining any allocation of expenses between the Non-Reimbursement Accounts and the Brookdale Funds, and there is a conflict of interest even in the determination of the appropriate allocation methodology. In all cases, Weiss seeks to make the allocation in a manner that is fair under the circumstances, and other allocation methods and criteria from those described above may be used currently or in the future if Weiss determines that such alternative method is more appropriate under the circumstances or if using a given allocation methodology would not provide a fair result under the particular circumstances.

The amount of operating expenses of Weiss and/or its affiliates that are charged to each Brookdale Fund does not have a “cap.” The expenses charged to each Brookdale Fund by Weiss and/or its affiliates may include the cost of employees hired to perform certain services that could be performed by consultants, lawyers and other external service providers, the fees and expenses of which would otherwise generally be paid directly by each Brookdale Fund. Weiss, on behalf of each Brookdale Fund, may be engaged in aggressive corporate actions, precise hedging, and trading in securities, instruments and other assets that have especially high transaction costs and that require investment banking-type activities, which could be costly. The expenses of Weiss and/or its affiliates charged to each Brookdale Fund may be significant. The amount of operating expenses that are charged to each Brookdale Fund will be set forth in the annual audited financial statements of that Brookdale Fund. Each of the U.S. Fund General Partner and Weiss may, in its

sole discretion, elect to pay and not to seek reimbursement, from time to time, for expenses that would otherwise be borne by the Brookdale Funds.

If Weiss and/or its affiliates receive remuneration from any entity in which a Fund is trading, such Fund will be credited (as an offset against fees or expenses otherwise owed to Weiss and/or such affiliates) with that portion of the remuneration represented by such Fund's share of the equity in such entity. Any director fees paid to employees of Weiss and/or its affiliates from an entity in which a Fund is invested will be credited to the Fund and other accounts, if applicable, managed by Weiss and/or its affiliates, based on the size of their respective investments in the applicable issuer. As mentioned above, the Funds generally incur brokerage and other transaction costs. For further details regarding brokerage costs, see Item 12 ("Brokerage Practices") below.

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

As disclosed in further detail in Item 5 (“Fees and Compensation”) above, Weiss and/or its affiliates are eligible to receive Performance-Based Compensation from the Private Funds and the Institutional Account but not the AIM-Listed Fund. As a result, Weiss faces certain conflicts of interest and in some circumstances has a financial incentive to favor the Private Funds or the Institutional Account over the AIM-Listed Fund. The conflicts are reduced, however, by the structure of the Clients, their relative investment mandates and investor bases, and certain policies and procedures that Weiss has adopted.

The AIM-Listed Fund is a closed-ended investment scheme quoted on AIM. There is an independent Board of Directors that oversees the AIM-Listed Fund and a third-party administrator that conducts the day-to-day administrative functions of the AIM-Listed Fund, and Weiss serves only as investment manager to the AIM-Listed Fund. Weiss periodically reports to the Board of Directors of the AIM-Listed Fund. In accordance with its offering documents, the AIM-Listed Fund is geographically focused on South Korean companies, and specifically invests primarily in listed preferred shares issued by companies incorporated in South Korea, which in many cases trade at a discount to the corresponding common shares of the same companies. The Private Funds, on the other hand, have no geographic restrictions on their investments and trade in markets worldwide. The Opportunity Fund may invest anywhere in the world but is expected to invest only in companies that are engaging in merger or similar transactions where appraisal rights will be triggered; the AIM-Listed Fund is not expected to invest in any such appraisal transactions. The Brookdale Funds also may invest anywhere in the capital structure of companies and are not focused primarily on preferred shares; consequently, even within the South Korean market, the Brookdale Funds may invest in bonds and ordinary shares of companies. While the Brookdale Funds may also invest in South Korean preferred shares, that sector has been, and is expected to continue to be, a relatively small portion of the Brookdale Funds’ overall assets and strategy. Moreover, in accordance with their investment mandate, the Brookdale Funds generally engage in hedging when it is cost-effective to do so; thus, within the South Korean preferred share universe, the Brookdale Funds typically prefer securities that can be cost-effectively hedged. The AIM-Listed Fund and the Institutional Account do not generally engage in hedging at the security level and thus do not typically consider whether a particular investment can be cost-effectively hedged.

At the launch of the AIM-Listed Fund, there was some overlap in the investor bases of the AIM-Listed Fund and the Brookdale Funds, with almost half of the investors in the AIM-Listed Fund being existing investors in one or both of the Brookdale Funds. Most importantly with respect to the above identified conflicts of interest, both at the launch of the AIM-Listed Fund and as of the date of this brochure, Dr. Weiss and certain other members of senior management of Weiss have significant investments in both the AIM-Listed Fund and the Brookdale Funds, with such “internal capital” representing a material portion of the investor base of each of the Funds. Such investments in all three Funds (*i.e.*, the AIM-Listed Fund and the two Brookdale Funds) may reduce any financial incentive for Weiss to favor one Fund to the detriment of another Fund.

The AIM-Listed Fund and the Institutional Account are both geographically focused on South Korean companies but have different investment restrictions that have been imposed on their investment strategies. There are specific restrictions in the offering document of the AIM-Listed Fund and the investment management agreement for the Institutional Account. In addition, Weiss may consult from time to time with the Board of Directors of the AIM-Listed Fund and the Client that has engaged Weiss to manage the Institutional Account. The Institutional Account is expected to be invested substantially similarly to the strategy of the AIM-Listed Fund, with the exception of variations caused by capital inflows and outflows and some additional flexibility to invest in additional securities and instruments in a portion of the Institutional Account’s Portfolio. Weiss may have a financial incentive to favor the Institutional Account

over the AIM-Listed Fund because it is eligible to receive Performance-Based Compensation from the Institutional Account, but Weiss seeks to treat all Clients fairly and use objective criteria when making decisions that affect more than one Client.

Weiss seeks to resolve and control the above conflicts of interest through its policies and procedures. For example, in the first instance, Weiss seeks to typically allocate trades in South Korean preferred shares among the two Brookdale Funds, the AIM-Listed Fund and the Institutional Account *pro rata* based on an objective formula, generally subject to minimum lot sizes. Generally speaking, this formula is a function of the relative asset value of the AIM-Listed Fund and the Institutional Account (each of which are dedicated to the South Korean preferred share strategy) compared to the target assets of the Brookdale Funds invested in the South Korean preferred share strategy, subject to available liquidity of each Client. By having a formula applicable on a strategy-wide basis, the conflict associated with any particular single investment is diminished. With respect to a specific security or transaction, however, Weiss may make an allocation in a different manner, but only if Weiss determines in its discretion, that a different allocation structure would be more appropriate or if the foregoing formula would provide an unfair result. Adjustments may also be required when a formula would result in an allocation to one or more Clients of fractional shares, odd lots, less than a minimum trading size, or a position that is not economically meaningful given transaction or other costs. In such cases, a predetermined rotational system (*i.e.*, a system by which Clients take turns as to which one will transact first for a particular transaction) or some other objective system designed to be fair to all applicable Clients may be used.

There is also overlap in the investment mandates of the Brookdale Funds and the Opportunity Fund, and because Weiss or its affiliate earns Performance-Based Compensation from those Funds at different rates and on different terms, there can be conflicts of interest that arise. Weiss seeks to resolve those conflicts in an objective manner as disclosed to the investors in the confidential offering memorandum for the Opportunity Fund. For example, because the Opportunity Fund does not generally maintain cash balances for new investments but is designed to call capital from investors on an as-needed basis, the Brookdale Funds are likely to be able to invest in a newly identified investment before the Opportunity Fund is able to make similar investments. If the particular investment is limited in supply, the Brookdale Funds may, in fact, take all of such available investment before the Opportunity Fund is able to invest, or the participation of the Brookdale Funds may reduce the number of securities available to the Opportunity Fund. If both the Brookdale Funds and the Opportunity Fund have available capital to invest at the same time, however, it is expected that the Funds will invest *pro rata*, based on the amount of capital that each such Fund has available for such particular investment.

In addition, because different Clients may have different mandates, restrictions, available cash and costs of capital, there may be times when one Client may want to sell a security or other instrument at about the same time another Client may want to purchase the same security or other instrument. When such a situation occurs, Weiss will seek to use an objective procedure such as a predetermined rotational system to reduce conflicts when more than one Client is seeking to transact in opposite directions in a security that is relatively illiquid or the Clients' expected trading activity is expected to be a large portion of the trading volume of the security.

The Chief Compliance Officer of Weiss regularly monitors the allocation of trades among the Clients to ensure that Weiss is not improperly favoring one Client over another.

## **Item 7. Types of Clients**

As noted in Item 4, Weiss is an investment adviser to four pooled investment vehicles and one institutional separate account. Two of the Funds (the Brookdale Funds) are privately offered open-end hedge funds, one of the Funds (the Opportunity Fund) is a privately offered fund with a limited duration investment period, and one of the Funds (the AIM-Listed Fund) is a closed-end fund listed on AIM. All four of the Funds are exempt from registration as investment companies under the Investment Company Act. None of the Funds were publicly offered in any jurisdiction, but the AIM-Listed Fund has been listed for trading on AIM. The separate account is managed for one institutional client pursuant to an investment management agreement. Weiss may serve as investment manager for additional funds, special purpose vehicles or separate accounts in the future.

Each investor in the Opportunity Fund, each investor in the U.S. Fund and each U.S. investor in the Cayman Fund, must be (i) an “accredited investor,” as defined in Regulation D under the Securities Act of 1933, as amended (the “Securities Act”) and (ii) a “qualified purchaser,” as that term is defined in Section 2(a)(51) of the Investment Company Act, or a “knowledgeable employee” as that term is defined in the 3c-5 of the Investment Company Act. Prior to April 1, 2019, the Brookdale Funds relied on the exclusion from the definition of investment company in Section 3(c)(1) under the Investment Company Act; since that date, the Brookdale Funds have instead relied on the exclusion in Section 3(c)(7). Each Private Fund imposes a minimum initial investment or capital commitment of \$5,000,000 for each investor. However, the minimum initial investment or capital commitment, as applicable, may be modified or waived for any particular prospective investor by the relevant general partner for the U.S. Fund and the Opportunity Fund or the Board of Directors of the Cayman Fund, as applicable, in their sole discretion, subject to applicable law. Except in the discretion of the General Partner of the U.S. Fund or the Board of Directors of the Cayman Fund, as applicable, no partial withdrawal or redemption that would reduce an investor’s balance below the lesser of \$5,000,000 or the investor’s initial investment will be accepted, and investors in the Opportunity Fund are not generally permitted to withdraw capital from the fund.

At its launch, the AIM-Listed Fund was privately offered in the United States under Regulation D under the Securities Act only to investors that were both accredited investors under the Securities Act and “qualified purchasers” as defined in Section 2(a)(51) of the Investment Company Act. The AIM-Listed Fund was privately offered to investors outside of the United States in accordance with the laws and rules of the applicable jurisdictions. The AIM-Listed Fund is a closed-end fund and has not issued any additional shares subsequent to its initial launch.

The minimum account size for a separate account is subject to negotiation and depends on several factors, including the proposed strategy.

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

The investment objective and scope of potential strategies employed by the Brookdale Funds are broader than those applicable to the Opportunity Fund, the AIM-Listed Fund and the Institutional Account. However, there is overlap in the methods of analysis used for all the Clients. The primary differences among the Clients relate to the broader mandate of the Brookdale Funds (both in terms of geography and types of investments), as well as the extent of their use of leverage and hedging. The Opportunity Fund is permitted, but not required, to use leverage and hedging, but generally has not used leverage or engaged in hedging to date. The AIM-Listed Fund is permitted to use leverage and hedging but generally has done so only to a limited extent. The Institutional Account has a similar strategy to that of the AIM-Listed Fund, and is generally not expected to use leverage or hedging to any material extent.

The objective of each Brookdale Fund is to seek high risk-adjusted returns while attempting to control risk. Weiss' overall goal for the Brookdale Funds is that trades should increase the risk-adjusted expected return to investors. This is generally determined by estimating, when possible, with various degrees of precision, an expected annualized return on the trade, the opportunity cost of the free equity used over the expected life of the trade with respect to foregone alternative investments, and depending upon the risk characteristics and size of the trade, the effect the trade would have on the probability of the Brookdale Funds' current portfolio, or a likely future portfolio, suffering losses of various magnitudes.

Within that broad objective, the Brookdale Funds are not limited by product, strategy or geographical region, and the Brookdale Funds' strategies employed, trades pursued, and portfolios held from time to time are likely to vary along all of these dimensions as opportunities arise. Historically, one of the primary strategies that each Brookdale Fund has employed to achieve this objective is purchasing securities, instruments and other assets at a discount to observable and measurable reference values. This strategy may be most easily understood in the rudimentary examples of purchasing shares of an investment fund at a discount to its net asset value, a convertible security at a discount to its as-converted value, or a special purpose acquisition company at a discount to the cash in its trust account, but is equally applicable to other economic arbitrage type trades where a security of any type of issuer may be trading at a price that is at a discount to the underlying (and realizable) estimated value of its assets, or where related securities are trading at a price differential that does not reflect differences in their economic entitlements. However, these types of economic arbitrage trades are just some examples of a wide range of trading strategies that Weiss may employ on behalf of the Brookdale Funds. The Brookdale Funds have an intentionally broad investment mandate and Weiss expects to use a variety of strategies, financial instruments, assets and securities. Weiss will often seek to identify mispriced securities—securities that are undervalued for purchase and overvalued securities for sale. The Investment Manager believes that opportunities to invest in mispriced securities arise from market inefficiencies, or because of faulty analysis by market participants of the potential impact (positive or negative) that specific events or trends may have on the value of a security. These securities might have the characteristics of derivatives; directly trading real estate interests; trading equity stakes of entities in liquidation; trading debt instruments that are expected to be highly covered by the value of underlying assets; or trading in securities that have assets or liabilities that the Investment Manager believes are mispriced by the market; or trades in any other assets where the Investment Manager believes the market price does not correctly reflect expected value. These opportunities may be coupled with short positions.

Weiss expects to be opportunistic in its trading strategies on behalf of the Brookdale Funds. The Brookdale Funds may trade securities in countries that are receiving unfavorable media coverage, that are in the midst of political changes or that are otherwise perceived as exceptionally risky. The Brookdale Funds may also trade securities whose market value is expected to be meaningfully affected by future events including a debt repayment obligation; a management transition; changes, implementation or enforcement of legislation

or regulations; market recognition of mispriced assets or liabilities; lawsuits; or a bankruptcy or financial restrictions.

The Opportunity Fund's investment objective is to generate high risk-adjusted returns. The Opportunity Fund has sought to achieve its investment objective by constructing a portfolio of investments in companies involved in publicly announced mergers, acquisitions or other corporate transactions where statutory "appraisal" or "dissent" rights are expected to be triggered and where Weiss determines that the proposed transaction consideration undervalues the target security. The strategy seeks to realize a value greater than the proposed transaction consideration by exercising statutory appraisal rights through the appraisal process in the relevant jurisdiction. Weiss may also negotiate with the acquirers, where appropriate. Catalysts for monetization may include negotiated settlements and court-awarded judgments. While target companies are often domiciled in Delaware and hence the Delaware appraisal statute governs, the Opportunity Fund may invest globally without limitation, in both U.S. and non-U.S. jurisdictions. The investment period of the Opportunity Fund terminated during 2020, and Weiss expects that upon disposition of the Opportunity Fund's last investment, the Opportunity Fund will be dissolved.

The AIM-Listed Fund's investment objective is to provide shareholders with an attractive return on their investment predominantly through long-term capital appreciation, but the AIM-Listed Fund also generally returns to shareholders dividends received on an annual basis. The AIM-Listed Fund is geographically focused on South Korean companies and specifically invests primarily in listed preferred shares issued by companies incorporated in South Korea, which in many cases are currently trading at a discount to the corresponding common shares of the same companies. Weiss generally seeks to assemble a portfolio of South Korean preferred shares that it believes are undervalued and could appreciate based on criteria it selects. Some of the considerations that affect Weiss' choice of securities to buy and sell may include the discount at which a preferred share is trading relative to its respective common shares, its dividend yield, its liquidity and its common shares weighting (if any) in the Korea Index, among other factors. Not all of these factors will necessarily be satisfied for particular investments. The AIM-Listed Fund invests primarily in South Korean preferred shares, but it may invest some portion of its assets in other securities, including exchange-traded funds, futures contracts and other types of options, swaps and derivatives related to South Korean equities, as well as cash and cash equivalents. The AIM-Listed Fund does not have any concentration limits.

The Institutional Account has a strategy similar to that of the AIM-Listed Fund. The objective of the Institutional Account is to outperform over time a benchmark designed to measure the performance of the large and mid-cap segments of the South Korea market, adjusted for the taxes applicable for a non-resident of South Korea. The strategy is to invest in companies with the goal of generating an attractive risk-adjusted rate of return over time. The Institutional Account is expected to be invested substantially similarly to the strategy of the AIM-Listed Fund, with the exception of variations caused by capital inflows and outflows and some additional flexibility to invest in additional securities and instruments in a portion of the Institutional Account's portfolio. The Institutional Account has limits on concentration and overweights or underweights of securities in the portfolio as compared to the account's benchmark.

The Funds may utilize certain trading techniques that can, in certain circumstances, substantially increase the adverse impact to which the Funds may be subject. In addition, securities that Weiss believes are fundamentally undervalued or incorrectly valued may not ultimately be valued in the capital markets at prices and/or within the time frame that Weiss anticipates. Securities in which the Funds invest may also be subject to risks of fraud or other loss that Weiss does not anticipate.

## **Material Risks**

Investors must recognize that investing in securities involves risk of loss that investors should be prepared to bear. The following describes certain risks involved with the trading strategies and the methods of analysis that Weiss considers to be material for each Fund. Investors and prospective investors in any Fund should carefully read the respective offering documents for the relevant Fund for a more detailed discussion of risks involved with investing in that Fund.

### ***Investment and Trading Risks.***

An investment in a Fund involves a high degree of risk, including the risk that the entire amount invested may be lost. The Funds trade in securities and other financial instruments using strategies and trading techniques with significant risk characteristics. No guarantee or representation is made that Weiss' trading strategy will be successful. A Fund's trading strategy may utilize such trading techniques as option transactions, margin transactions, short sales, forwards, leverage, and other derivatives trading; such techniques can, in certain circumstances, substantially increase the adverse impact to which a Fund may be subject. In addition, securities, instruments and other assets which Weiss believes are fundamentally mispriced may not ultimately be valued in the capital markets at prices and/or within the time frame that Weiss anticipates. Securities and other instruments in which the Clients invest may also be subject to risks of fraud or other loss that Weiss does not anticipate. As a result, each Client may lose all or substantially all of its investment in any particular instance.

Weiss provides investment management to each Fund but not to investors in the Funds individually. As a result, each investment made by a Fund may or may not be appropriate for a particular investor in a Fund. For example, in choosing between investments for the U.S. Fund, Weiss will often take into account the tax attributes from the point of view of a U.S. taxable investor; Weiss may also take into account how the timing of a disposition would affect the taxes payable by a U.S. taxable investor. Investors in the U.S. Fund likely have differing tax status, brackets, income and losses outside of the Fund, and therefore investment decisions will likely not optimize tax outcomes equally for all investors.

### ***External Funds.***

Weiss may determine from time to time that it could benefit from external expertise or sourcing capabilities, including when the Brookdale Funds are entering a new market or market segment. In such cases, the Brookdale Funds have invested, and expect in the future to invest, through structures such as funds, entities or other types of commingled pools or joint ventures in which an unaffiliated third party with expertise in the particular strategy, market, jurisdiction, type of security, investment structure or other instrument, currency or sector, advises or effectively manages a portion of a Brookdale Fund's assets dedicated to a particular investment or group of investments ("External Funds"). Investments in External Funds expose the Brookdale Funds to numerous risks. The success of investments in External Funds depends, in part, on the ability of Weiss to adequately conduct due diligence and analyze the External Fund and its manager. Weiss may not have any ability to negotiate the economic terms of the investment, adequately supervise the External Fund's investments or exercise influence over the investment decision-making process. The expenses charged to a Brookdale Fund as an investor in an External Fund and the fees payable to the manager and its affiliates of such External Fund (whether structured as management fees, incentive-based fees, allocation of profits, brokerage fees or otherwise) will reduce the returns of the relevant Brookdale Fund with respect to such investments and will generally not be offset against fees payable by such Brookdale Fund to Weiss. Weiss may have limited, if any, rights to withdraw, transfer or otherwise liquidate its investment in an External Fund. Each Brookdale Fund generally expects to rely on the estimated valuations of such Brookdale Fund's investments in External Funds provided by the External Fund. There may be significant delays in a Brookdale Fund's receipt of such valuations, audited financial statements and tax information.



### ***General Economic and Market Conditions.***

The success of the Clients' activities will be affected by levels and changes in general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including securities laws and laws relating to taxation of the Clients' investments), accounting standards, trade barriers, currency exchange controls and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect, among other things, the level and volatility of securities' prices, the liquidity of the Clients' investments and the availability of certain securities and investments, and may make investing in certain types of securities, including securities in which the Client may wish to invest, less profitable. Volatility or illiquidity could also impair the Clients' profitability or result in losses. The Clients may maintain substantial trading positions that can be materially adversely affected by the level of volatility in the financial markets — the larger the positions, the greater the potential for loss.

### ***Foreign and Emerging Market Securities.***

The Funds' trading of securities and instruments in global markets involves substantial risks not typically associated with trading in U.S. securities. Trading in such foreign securities may be affected by changes in currency rates or exchange control regulations, changes in governmental administration or economic or monetary policy (in the U.S. and abroad) or changed circumstances in dealings between nations. To the extent not effectively hedged, changes in foreign currency exchange rates relative to the U.S. dollar may affect the U.S. dollar value of the Funds' assets denominated in that currency, and the dollar value of the underlying assets of foreign issuers whose prices are quoted in dollars and thereby impact upon the Funds' total return on such assets. Moreover, with respect to the AIM-Listed Fund in particular, its assets are generally expected to be denominated principally in South Korean won, but dividends are paid to shareholders of the AIM-Listed Fund in British pound sterling. The AIM-Listed Fund has not generally engaged in currency hedging activities and thus is exposed to movements in currency exchange rates.

Foreign currency exchange rates are affected by the international balance of payments and other economic and financial conditions, government interventions including capital controls, speculation and other factors. Moreover, foreign currency exchange rates may be affected by the regulatory control of the exchanges on which the currencies trade. The Funds may incur costs in connection with conversions between various currencies. The Funds may, but are not required to, utilize options and forward contracts to hedge against currency fluctuations but there can be no assurance that any such hedging transactions will be effective or will be available to the Funds on acceptable terms.

Trading in securities and instruments of foreign issuers, particularly in emerging markets, may also expose the Funds to risks relating to political and economic developments abroad, including the possibility of expropriations or confiscatory taxation, limitations on the use or transfer of the Funds' assets and any effects of foreign social, economic or political instability. Foreign companies are not subject to the regulatory requirements of U.S. companies and, as such, there may be less publicly available information about such companies. Moreover, many foreign companies are not subject to uniform accounting, auditing and financial reporting standards and requirements comparable to those applicable to U.S. companies. The occurrence of adverse events affecting one particular foreign country or region could have more widespread effects and adversely impact the global trading market.

The legal systems in foreign countries may not be as developed as those in the U.S. and it may be difficult to predict with any degree of assurance the resolution of legal issues in adjudications or governmental proceedings. For instance, in the event of a default of any foreign obligations, it may be more difficult for the Funds to obtain or enforce a judgment against the issuers of such securities. This risk may be particularly pronounced for certain emerging markets.

Some countries may require governmental approval for foreigners to trade in foreign securities and the amount of foreign ownership may be limited. Repatriation of trading income, capital and the proceeds of sales by foreign entities may require governmental registration and/or approval. The Funds could be adversely affected by delays in or a refusal to grant any required governmental registration or approval for such repatriation or by taxes imposed by another foreign governmental entity or regulatory body on a prospective or retroactive basis.

Securities of foreign issuers may be less liquid than comparable securities of U.S. issuers and, as such, their price changes may be more volatile and this reduced liquidity may diminish the Funds' abilities to execute trades. Furthermore, foreign exchanges and broker-dealers are generally subject to less government and exchange scrutiny and regulation than their U.S. counterparts. Governments may impose new rules or suspend trading in securities that prevent the Funds from unwinding positions at a time when it would otherwise be advantageous to do so. Brokerage commissions, dealer concessions and other transaction costs may be higher in foreign markets than in the U.S. In addition, settlement systems in emerging markets are often less well organized than in developed markets. Supervisory authorities may also be unable to apply standards which are comparable with those in developed markets. Thus there may be risks that settlement may be delayed and that cash or securities belonging to the Funds may be in jeopardy because of failures or defects in the systems. In particular, market practice may require that payment shall be made prior to receipt of the security which is being traded or require that delivery of a security must be made before payment is received. These factors may result in losses to the Funds. Governments may also restrict the Funds' ability to repatriate capital gains or income. Furthermore, the inability of the Funds to make intended security transactions due to settlement problems could result in a failure of the Funds to make potentially advantageous trades.

Custody services in many countries remain underdeveloped and although the Funds' primary custodians, prime brokers or local brokers, as the case may be, endeavor to put in place control mechanisms, including the selection of agents to register securities on behalf of the Funds or their subsidiaries, there is a transaction and custody risk of dealing in securities in certain foreign markets. In limited circumstances in the event of the insolvency of a sub-custodian, the Funds may not be able to recover segregated assets. Such circumstances may include retroactive application of legislation and improper registration of title.

Taxation of dividends, interest and capital gains received by non-residents varies among foreign countries and, in some cases, is comparatively high. Shares in which the Funds trade that are exempt from taxation on dividends and/or capital gains at the Fund or company level at the time of investment may have their tax treatment changed in the relevant jurisdiction. This could have an adverse effect on the value of the shares traded by the Funds. In addition, foreign countries may have less well-defined tax laws and procedures and such laws may permit retroactive taxation so that the Funds could in the future become subject to foreign tax liability that they had not reasonably anticipated in conducting their trading activities or valuing their assets. The Funds may, but are not required to, take certain steps as Weiss (or its affiliates) considers appropriate, including the establishment of subsidiaries in suitable jurisdictions, with a view to reducing the taxation incurred on the Funds' income and capital gains.

### ***Diversification.***

Weiss generally seeks to control each Fund's net exposure, both across and within countries, although the AIM-Listed Fund is focused exclusively on South Korea. The Institutional Account are also focused exclusively on South Korea, but that was the explicit choice of the relevant clients, which are sophisticated institutions. In general, none of the Funds nor the Institutional Account is intended to be a complete investment program for any investor. The Opportunity Fund has been relatively concentrated in a small number of investments, and is concentrated in particular companies, industries or countries. Weiss also

may seek to examine the holdings of the issuers in which a Fund has positions or is considering establishing or increasing its position size to determine if, in the aggregate, such Fund's net exposure to one or more particular securities owned by such issuers would exceed in the aggregate a certain percentage of the Fund's assets, as determined by Weiss from time to time. However, for many securities, such information may not be readily available and, if available, may not be timely or accurate. There is no assurance that each Fund will be adequately diversified in all market conditions. Although each Brookdale Fund has certain self-imposed guidelines on diversification, there are no limits on the Brookdale Fund's trading discretion. At any given time, it is therefore possible that a Brookdale Fund may select securities that are concentrated in a particular market, country, type of security, currency, sector or issuer. In addition, if, after having traded shares, the value of the shares increases dramatically and the risk-adjusted returns justify keeping the position given its relative size and liquidity, the portfolio could have less diversification than was intended by Weiss when the trade was originally made. This limited or reduced diversity could expose each Fund to significantly greater volatility than in a more diversified portfolio. The insolvency or other business failure of any one or more of the issuers in which the Funds have traded shares could have a material adverse effect on each Fund's performance and ability to achieve its objectives.

### ***Use of Leverage.***

Weiss may leverage each Fund's portfolio through loans, margin and other debt or the use of derivatives in order to increase the amount of capital available for trading, or by engaging in swaps and other transactions that have the economic effect of increasing the Fund's exposure to securities or instruments. Historically over time, the Brookdale Funds generally have utilized such leverage to varying degrees. If a Fund fails to earn as much on the incremental trades made with borrowed funds as it pays for such funds, the use of leverage decreases returns to the investors of such Fund. In the event a Fund leverages its portfolio, fluctuations in the market value of the Fund's portfolio have a greater effect in relation to the Fund's capital and the risk of loss and the possibility of gain are each increased. In addition, when a Fund utilizes leverage, the level of interest rates generally, and the rates at which the Fund can borrow in particular, are an expense of the Fund and therefore affect the operating results of the Fund. Although Weiss continuously monitors the amount of leverage used by each Fund (subject to such leverage being available), a maximum amount is not imposed under the terms of any Fund's constituent documents. The Brookdale Funds typically utilize leverage and such leverage may be significant at times. To date, Weiss has not used leverage to fund investments by the AIM-Listed Fund or the Opportunity Fund.

When short-term margin borrowing is used to trade securities, it subjects the relevant Fund to certain additional risks. For example, should the securities pledged to brokers to secure the Fund's margin accounts decline in value, the Fund could be subject to a "margin call," pursuant to which the Fund must either deposit additional funds with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In addition, in many cases, the margin borrowing could be terminated by the lender to the Fund with little notice and for no reason. In the event of a sudden, precipitous change in the value of the Fund's assets, the Fund might not be able to liquidate assets quickly enough or otherwise transfer funds to pay off its margin debt in a timely manner.

The securities in which the Funds trade may themselves be leveraged. Alternatively, these securities may be deleveraged by having large cash holdings. The leverage (borrowing) or deleveraging (cash holdings) of the securities in which the Funds hold shares will affect the risk of the Funds' portfolios, and consequently, to the extent Weiss is able to obtain sufficient information from the issuer of the security to make such determination, may also affect the leverage chosen by Weiss for the Funds. The use of leverage by each Fund may also be affected by accounts receivable on securities that have been submitted for redemption or withdrawal or for which payment is otherwise receivable but for which cash has not yet been received. The timing of the receipt of that cash may be longer than initially anticipated by Weiss.

The Brookdale Funds may also seek to obtain leverage by entering into one or more credit facilities and incurring indebtedness with lenders, which may require the Brookdale Funds to pledge their rights to call Conversion Amounts from investors holding Commitment Shares or Commitment Interests. Such investors would likely be obligated to pay Conversion Amounts up to the full amount of their respective Capital Commitments if the Brookdale Funds fail to repay the amounts borrowed under the applicable credit facility or experience an event of default thereunder. A credit agreement could contain other terms that restrict the activities of the Brookdale Funds and such investors or impose additional obligations on them. For example, a credit agreement could impose restrictions on the General Partner of the U.S. Fund's or the directors of the Cayman Fund's ability to consent to the transfer of such an investor's Commitment Shares or Commitment Interests, as applicable.

### ***Control Positions.***

A Fund (alone or possibly together with any other accounts managed by Weiss and its affiliates) may take an activist approach, particularly with securities that Weiss believes to be undervalued, to seek to either increase returns or reduce risk. As such, each Fund may purchase (possibly with any other accounts managed by Weiss or its affiliates) a large enough position in any issuer, or coordinate with other shareholders (in accordance with applicable law) to have some influence, friendly or unfriendly, on the management and/or governing board of the issuer. The Brookdale Funds in particular may propose resolutions, hire proxy solicitation firms to oppose company sponsored resolutions, nominate one or more persons (whether affiliated with Weiss or not) to the governing board, or otherwise attempt to influence the issuer's direction. The Funds may incur significant expenses in connection with such activities, and could become subject to lawsuits. The large size of the position, combined with the possibility that Weiss may obtain "insider information" in such situations, may make the position difficult to sell.

### ***Service on Boards of Directors.***

Individual representatives of Weiss or its affiliates have served and may in the future serve on the board of directors of one or more entities in which the Funds invest. In their capacity as board members, such individuals will become subject to fiduciary, reporting or other duties and restrictions which may adversely affect the Funds. In addition, one or more Funds may be precluded from effecting certain purchases or sales if Weiss or its affiliates are in possession of material non-public information regarding the issuer of the securities.

### ***Mispriced Securities.***

Weiss' trading strategy involves trading in particular securities, instruments and other assets that Weiss believes are mispriced. For certain Clients, these opportunities may also be coupled with short positions. Weiss believes that opportunities to invest in mispriced securities arise from market inefficiencies, or because of faulty analysis by market participants of the potential impact (positive or negative) that specific events or trends may have on the value of a security. The identification of trading opportunities in undervalued or overvalued securities is a difficult task, and there is no assurance that such opportunities will be successfully recognized or acquired. While trading in mispriced securities offers the opportunities for above-average returns, these trades involve a high degree of financial risk and can result in substantial losses. In addition, limits on price fluctuations imposed by exchange rules or regulations can prevent closing positions when the Clients would otherwise elect to do so.

### ***Illiquid Securities; Designated Investments.***

As referenced above, each Client's positions may be illiquid, whether known at the time of investment or determined in the future due to changes resulting from or imposed by a number of factors, including the market conditions and applicable regulations. The Opportunity Fund's positions in appraisal rights claims will be illiquid upon the closing of the merger or similar corporate transaction. The Brookdale Funds may also invest in private funds and restricted securities, including purchasing securities directly from private

companies. Such illiquid securities may have to be held for a substantial period of time (a duration of many years) before they can be liquidated, if at all, and may be difficult to value. Such illiquidity could result in a Fund's inability to satisfy redemption requests in a timely manner. In addition, certain illiquid positions may be segregated from time to time as Designated Investments, as defined in each Brookdale Fund's respective offering documents. Only investors at the time any such segregation is made will participate in any such Designated Investments and the gains and losses of any such Designated Investments will accrue solely to such investors. If an investor that participates in a Designated Investment desires to redeem their entire interest in the Brookdale Fund, such investor may not receive proceeds for the Designated Investment until it is liquidated.

### ***Short Sales.***

A portion of the investment program for the Funds may include short selling. Weiss may engage in short sales as part of hedging transactions or when it believes securities are overvalued. Short sales are sales of securities each Fund borrows but does not actually own. Short sales may be made with the anticipation that the prices of the securities will decrease and the Funds will be able to make a profit by purchasing the securities at a later date at the lower prices, or short sales may be made for hedging purposes. Each Fund could incur a potentially unlimited loss on a short sale if the price of the security increases prior to the time it purchases the security to replace the borrowed security. A short sale presents different risk than purchasing a security outright since there is no ceiling on the possible cost of replacing the borrowed security, whereas the risk of loss on a "long" position is generally limited to the purchase price of the security. Closing out a short position may cause the price of the security to rise, creating a greater loss. The Brookdale Funds have engaged and expect to engage in short selling in the future. To date, Weiss has not engaged in any short selling on behalf of the AIM-Listed Fund (or the Opportunity Fund).

The Funds' ability to execute a short selling strategy may be materially adversely impacted if the Securities and Exchange Commission (the "SEC") or other domestic or foreign agencies impose temporary and/or permanent rules, interpretations, prohibitions, and restrictions on short selling activity.

Regulatory authorities may from time-to-time impose restrictions that adversely affect the Funds' abilities to borrow certain securities in connection with short sale transactions. In addition, traditional lenders of securities might be less likely to lend securities under certain market conditions. As a result, the Funds may not be able to effectively pursue a short selling strategy due to a limited supply of securities available for borrowing. The Funds may also incur additional costs in connection with short sale transactions, including in the event that it is required to enter into a borrowing arrangement in advance of any short sales. Moreover, the ability to continue to borrow a security is not guaranteed and the Funds are generally subject to strict delivery requirements. The inability of the Funds to deliver securities within the required time frame may subject the Funds to mandatory "close out" by the executing broker-dealer. A mandatory "close out" may subject the Funds to unintended costs and losses. Certain action or inaction by third-parties, such as executing broker-dealers or clearing broker-dealers, may materially affect the Funds' abilities to effect short sale transactions.

### ***Risks of Trading in Options.***

Trading options can provide a greater potential for profit or loss than an equivalent trading in the underlying asset and can provide a hedge against particular risks. The value of an option may decline because of a change in the value of the underlying asset relative to the strike price, the passage of time, changes in the market's perception as to the future price behavior of the underlying asset, changes in the market's expectation of future interest rates or dividends, and other market variables. In the case of the purchase of an option, the risk of loss of an investor's entire investment (i.e., the premium paid plus transaction charges) reflects the nature of an option as a wasting asset that may become worthless when the option expires. Where an option is written or granted (i.e. sold) uncovered, the seller may be liable to pay substantial

additional margin, and the risk of loss when a call option is written is unlimited, as the seller will be obligated to deliver, or take delivery of, an asset at a predetermined price which may, upon exercise of the option, be significantly different from the market value. Over-the-counter options which the Funds may use in its trading strategies generally are not assignable except by agreement between the parties concerned, and no party or purchaser has any obligation to permit such assignments. The over-the-counter market for options is relatively illiquid, particularly for relatively small transactions.

#### ***Other Derivative Instruments.***

Derivative instruments, or “derivatives,” include futures, options, swaps, structured securities and other instruments and contracts that are derived from or the value of which is related to one or more underlying securities, financial benchmarks, currencies or indices. Derivatives allow an investor to hedge or to speculate upon the price movements of a particular security, financial benchmark, currency or index. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset. However, there are a number of additional risks associated with derivatives trading. For example, because many derivatives are leveraged, and thus provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement cannot only result in the loss of the entire position, but may also expose the Funds to the possibility of a loss exceeding the original amount invested. Derivatives may also expose investors to liquidity risk, as there may not be a liquid market within which to close or dispose of outstanding derivatives contracts. Swaps and certain options and other custom instruments are subject to the risk of non-performance by the swap counterparty, including risks relating to the creditworthiness of the swap counterparty.

Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as “daily price fluctuation limits” or “daily limits.” Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent Weiss from promptly liquidating unfavorable positions and subject the Funds to substantial losses. In addition, Weiss may not be able to execute futures contract trades at favorable prices if little trading in the contracts involved is taking place. It also is possible that an exchange or the Commodity Futures Trading Commission (“CFTC”) may suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only.

Weiss is exempt from registration with the CFTC as commodity pool operators pursuant to Rule 4.13(a)(3) under the Commodity Exchange Act of 1936, as amended. In addition, Weiss is exempt from registration with the CFTC as a commodity trading advisor pursuant to Rule 4.14(a)(10) under the CEA. Complying with the applicable exemptions may prevent the Funds from entering into transactions that they would otherwise be able to enter into.

#### ***Hedging.***

All of the Funds may utilize certain financial instruments for both trading and risk management purposes. These instruments generally include writing or buying options and other derivatives, as well as shorting securities, funds, indices, or swaps, and combining long and short positions in securities and instruments in an effort to reduce overall risk. For example, the Funds may seek to hedge exposure to the interest rate or currency rate on certain of the Funds’ positions. The success of the Funds’ hedging strategy will depend on Weiss’ ability to predict the future relationship between the performance of the instruments utilized for hedging purposes and the performance of the positions being hedged. The change in the relationship may also result in the hedge increasing the overall risk of the portfolio. There is also a risk that such relationship

will change over time rendering the hedge ineffective. Since the characteristics of many securities change as markets change or time passes, the success of the Funds' hedging strategies may also be subject to Weiss' ability to correctly readjust and execute hedges in an efficient and timely manner. In addition, the lack of futures and derivatives markets or high transaction costs in certain foreign markets may reduce or eliminate the Funds' abilities to hedge certain exposures. Even when the underlying values may have the predicted relationship, pricing imperfections may become worse and thus the hedge could increase risk over the time period until the underlying values are realized. Weiss may or may not seek to hedge some or all of the risks inherent in the portfolio of any Fund. To date, the Brookdale Funds have generally engaged in hedging activities with respect to individual securities, groups of securities and the portfolios as a whole; the AIM-Listed Fund has engaged in limited hedging on a portfolio-wide basis, and the Opportunity Fund has not engaged in any hedging.

### ***Trading in Fixed-Income Securities.***

Each Brookdale Fund expects to allocate a portion of its assets, which may be significant at times, to bonds or other fixed income securities, including, without limitation, notes and debentures issued by corporations; annuity shares of split investment trusts; debt securities issued or guaranteed by governments or agencies or instrumentalities thereof; commercial paper; convertible bonds; asset-backed or structured-finance securities; and "higher yielding" (and, therefore, higher risk) debt securities of the former categories. These securities may pay fixed, variable or floating rates of interest, and may include zero coupon obligations. Fixed income securities are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity indexed to FX changes and the tax treatment of interest and dividends or inflation. These and other risks are particularly prevalent with fixed income securities of issuers in emerging and foreign markets. It is likely that a major economic recession or other event could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, it is likely that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

### ***Convertible Securities.***

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

### ***Reverse Repurchase Agreements and Repurchase Agreements.***

The Funds may enter into reverse repurchase agreements with banks and broker-dealers, by which a Fund sells securities for cash and agrees to repurchase the securities from the buyer at an agreed upon price and date. A transaction under a reverse repurchase agreement provides the Fund additional leverage in the form of cash, subject to market risk with respect to the securities to be repurchased; in addition, reverse repurchase agreements are subject to the risk that the Fund's counterparty may default on its obligation to return the securities on the agreed upon redelivery date. Any default may subject the relevant Fund to expenses, delays and risk of loss. Similarly, the Funds may enter into repurchase agreements with banks and broker-dealers which are agreements by which the relevant Fund acquires a security for cash and obtains a simultaneous commitment from the seller to repurchase the security at an agreed upon price and date. In such transactions, the resale price is in excess of the acquisition price and reflects an agreed upon market rate of interest, which may be unrelated to the coupon rate (if applicable) of the purchased security. A transaction under a repurchase agreement would afford an opportunity for the Fund to earn a return on temporarily available cash without taking direct market risk on the subject securities being purchased and

repurchased, although there is a risk that the seller may default in its obligation to pay the agreed upon sum on the redelivery date.

### ***Event Driven Transactions.***

The Funds may trade securities whose market value is expected to be meaningfully affected by future events. These outcomes may be uncertain and the trading decisions may be based on whether Weiss believes the market price does not accurately reflect the probability of particular outcomes. Weiss will need to forecast the likelihood of the events on which trading decisions are based and analyze the likely impact of the event if it occurs. Such events may include a change in the issuer's corporate or capital structure (such as a merger, spin-off or recapitalization), a debt repayment obligation, a management transition or a bankruptcy or financial restrictions. If the proposed event does not occur or is delayed, the market price of the security may decline and result in losses to the Funds if at the time the Funds are net long the security. In certain transactions, the Funds may not be hedged against market fluctuations unrelated to the anticipated event but that may affect the value of the consideration to be received. This may result in losses even if the event occurred and the outcome of the anticipated event was beneficial to the position. It is also possible that the short-run market reaction to a particular outcome may be unfavorable even if the long-run result is favorable.

### ***Political and Regulatory Risk.***

The value of certain of the Clients' investments may change in response to changes in law or regulation. These changes may be difficult to predict. Additionally, laws or regulations could potentially have retroactive effects, so while the Funds may no longer own affected securities, they may still be adversely affected by such changes in regulation. The Funds trade in various U.S. and international jurisdictions, and may be subject to the risk of changes in law in those countries or their political subdivisions. Examples of political and regulatory risk may include currency controls, changes to tax law, changes to limits on ownership of certain securities, changes to the structure of financial markets, and changes to rules and practice governing property rights. Political and regulatory risk may be particularly pronounced in less developed markets, and to the extent a Client's investments are concentrated in a particular market, this risk will be greater for such Client.

***The United Kingdom's Withdrawal from the European Union.*** The United Kingdom ("UK") formally withdrew from the European Union (EU) on 31 January 2020 (such withdrawal being commonly referred to as "Brexit") subject to a transitional withdrawal agreement which extends the application of European Union (the "EU") law in the UK, and provides for continuing UK access to the EU single market, until 31 December 2020. However, there remains considerable uncertainty surrounding the implementation of Brexit (including the detail of how it will be conducted, how trade negotiations may develop, whether it will have a negative impact on the UK or the broader global economy and the impact on the value of the British pound) and the shape of the regulatory landscape following Brexit is not yet defined. The effects of Brexit will depend, to a significant degree, on any agreements the UK makes to retain access to the EU markets as well as the United States. Brexit creates an uncertain political, legal and economic environment in the UK and potentially across the member states of the EU and in global markets for the foreseeable future, including during any period while the terms of Brexit are being negotiated. It is difficult to predict the economic, tax, fiscal, legal and regulatory implications of Brexit for the private investment funds industry, the European and global financial markets generally and for the Clients and their investments specifically. It is possible those implications may adversely impact EU and United Kingdom-based businesses resulting in an economic slowdown and/or a deteriorating business environment in the United Kingdom and/or one or more EU member states. As a result of Brexit, the manner in which the Clients invest in assets located within the EU or the United Kingdom may be impacted. The uncertainty created by Brexit may in turn adversely impact the financial performance of the Clients and the returns that investors might otherwise receive. Any change, including, but not limited to, regulatory changes, may increase the



costs borne directly or indirectly by the Clients and adversely affect the returns that investors might otherwise receive.

***LIBOR risk.*** A number of major interest rates, other rates, indices and other published values or benchmarks are the subject of recent or forthcoming national and international regulatory reforms. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on the value of and return on investments linked to any such value or benchmark. Among other developments, relevant authorities are strongly encouraging the transition away from Interbank Offered Rates (“IBORs”), such as LIBOR and EURIBOR, and have identified “risk free rates” to potentially take the place of such IBORs as primary benchmarks. This includes (i) for USD LIBOR, the Secured Overnight Financing Rate (“SOFR”) so that SOFR may be established as the primary USD interest rate benchmark, (ii) for EONIA and EURIBOR, a new Euro Short-Term Rate (“ESTR”) as the new euro risk-free rate, and (iii) for Sterling LIBOR, a reformed Sterling Overnight Index Average (“SONIA”), so that SONIA may be established as the primary sterling interest rate benchmark. The risk-free rates have a different methodology in the way they are calculated and other important differences from the IBORs they will eventually replace and some have little, if any, historical track record. It is not known whether certain IBORs will continue long-term in their current form. The reforms and eventual replacement of IBORs with risk free rates may cause the relevant IBOR to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any of these developments could have a material adverse effect on the value of and return on securities or financial contracts using any such rates and as a consequence on the Clients.

***Forward Trading.***

Forward trading involves contracting for the purchase or sale of a specific quantity of, among other things, a financial instrument at an agreed price, with delivery and settlement at a specified future date. Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward trading is mostly unregulated and therefore there are no requirements with respect to record-keeping, segregation of funds or financial responsibility. The principal risks relating to the use of forwards are: (a) when used for hedging purposes, the possible imperfect relationship between the prices of the forwards and the market value of the securities or currencies in the Funds’ portfolios intended to be hedged by the forwards; (b) possible lack of a liquid secondary market for closing out a forwards position; (c) losses on forwards resulting from interest rate or currency movements not anticipated by Weiss; and (d) the risk of counterparty defaults.

***Prime Broker and Custodian Risk; Counterparty Risk.***

Each Fund’s assets will typically be held in one or more accounts maintained for the Fund by its prime brokers, at other brokers, or custodian banks, which may be located in various jurisdictions, including emerging market jurisdictions. The prime brokers, other brokers (including those acting as sub-custodians) and custodian banks are subject to various laws and regulations in the relevant jurisdictions that are designed to protect their customers in the event of their insolvency. Accordingly, the practical effect of the laws protecting customers in the event of insolvency and their application to the Funds’ assets may be subject to substantial variations, limitations and uncertainties. For instance, in certain jurisdictions brokers could have title to the Fund’s assets or not segregate customer assets. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving an insolvency of a custodian, prime broker, another broker or a clearing corporation, it is difficult to generalize about the effect of the insolvency of any of them on the Fund and its assets. The insolvency of any of the prime brokers, local brokers, custodian banks or clearing corporations may result in the loss of all or a substantial portion of the Fund’s assets or in a significant delay in the Fund having access to those assets.

In addition, investments made by the Funds in foreign securities may require the appointment of sub-custodians, some of which may be based in jurisdictions where the custodians do not operate as nominee for the client but may take title to the custodied assets. In such cases, if the sub-custodian becomes insolvent, its clients may simply rank as unsecured creditors of the foreign custodian in a foreign insolvency proceeding rather than having a right to reclaim the custodied assets.

Some of the markets in which the Funds may effect transactions are “over-the-counter” or “interdealer” markets. The participants in such markets are typically not subject to the credit evaluation and regulatory oversight to which members of “exchange-based” markets are subject. This exposes the Funds to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not *bona fide*) or because of a credit or liquidity problem, thus causing the Funds to suffer a loss. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Funds have concentrated their transactions with a single or small group of counterparties. Counterparties in foreign markets may face increased risks, including the risk of being taken over by the government or becoming bankrupt in countries with limited, if any, rights for creditors. The Funds are not restricted from concentrating any or all of their transactions with one counterparty. Weiss’ evaluation of the creditworthiness of counterparties may not prove sufficient. The ability of the Funds to transact business with any one or number of counterparties and the lack of a complete and “foolproof” evaluation of the financial capabilities of the Funds’ counterparties may increase the potential for losses by the Funds.

#### ***Currency Risk.***

The Funds historically have made investments in securities that are denominated in one or more currencies other than U.S. dollars. Weiss may, to the degree it deems appropriate, cause the Funds to enter into arrangements in an attempt to hedge the Funds’ exposure to significant currency fluctuations between the U.S. dollar and the applicable currency or currencies. Weiss may also determine not to hedge a particular currency exposure as part of its investment strategy. There can be no assurance that the hedging arrangements, if any, entered into on behalf of the Funds will be sufficient to address all currency risks. More particularly, the success of such hedging arrangements, if any, is subject to the ability of Weiss to correctly hedge against movements in the direction of currency rates. Therefore, while Weiss may enter into such transactions to seek to reduce currency exchange rate risks, unanticipated changes in currency rates may result in a poorer overall performance for the Funds than if Weiss had not engaged in any such hedging transaction.

With respect to the AIM-Listed Fund in particular, its assets are generally expected to be denominated principally in South Korean won, but dividends are paid to shareholders of the AIM-Listed Fund in British pound sterling. With respect to the Institutional Account, its assets are generally denominated principally in the South Korean won, but the client’s operating activities are based in a different currency. To date, the AIM-Listed Fund and the Institutional Account have not generally engaged in currency hedging activities and thus are exposed to movements in currency exchange rates.

#### ***Soft Dollars.***

Weiss will not use “soft dollars” generated by any Fund to pay for any type of product or service that such Fund would not otherwise be authorized to pay for directly as a Fund expense. In addition, Weiss will use soft dollars only when Weiss believes such use is in the best interests of the applicable Fund. However, the use of brokerage commissions to obtain research services can nonetheless create a conflict of interest between Weiss and such Fund. The use of “soft dollars” may result in such Fund paying higher brokerage commissions than might be paid if transactions were effected through brokers that do not provide such services. To the extent that Weiss is able to acquire certain products and services without spending such Fund’s funds directly or at reduced prices, Weiss’ use of “soft-dollars” may prevent investors from seeing

a complete picture of the composition of Fund expenses. In addition, the availability of these non-monetary benefits may influence Weiss to select one broker rather than another to perform services for such Fund. It is anticipated that any use of commissions or “soft dollars” to pay for research products or services will fall within the safe harbor created by Section 28(e) of the Securities Exchange Act of 1934, as amended.

### ***Cybersecurity Risk.***

With the increased use of technologies such as the Internet to conduct business, The Funds are susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber-attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through “hacking” or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber incidents affecting Weiss’ and other service providers (including, but not limited to, accountants providing services to the Funds, custodians, transfer agents and financial intermediaries) have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, interference with the Funds’ ability to value their securities or other investments, impediments to trading, the inability of the Funds to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. Similar adverse consequences could result from cyber incidents affecting issuers of securities in which the Funds invest, counterparties with which the Funds engage in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions (including financial intermediaries and service providers) and other parties. In addition, substantial costs may be incurred in order to prevent any cyber incidents in the future. While the Funds’ key service providers have established business continuity plans in the event of, and risk management systems to prevent, such cyber incidents, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Furthermore, the Funds cannot control the cyber security plans and systems put in place by their service providers or any other third parties whose operations may affect a Fund or its investors. The Funds and their investors could be negatively impacted as a result.

### ***Tax Restatement Risk.***

Weiss, on behalf of the Funds, expects to provide tax reporting information to Fund investors annually. Weiss attempts to distribute such information in a timely manner, but a Fund may have thousands of different investments in many different countries globally. There is a risk that Weiss and a Fund will not receive tax information from its underlying investments in a timely basis and that tax information Weiss receives will be modified after the investors have received such tax reporting. In such a scenario, the relevant Fund may need to reissue tax reporting information, which could cause an investor to delay filing or to file an amended tax return.

### ***American Depositary Receipts and Global Depositary Receipts.***

The Funds may trade in ADRs and GDRs. American Depositary Receipts (“ADRs”) are receipts issued by a U.S. bank or trust company evidencing ownership of underlying securities issued by non-U.S. issuers. ADRs may be listed on a national securities exchange or may be traded in the over-the-counter market. Global Depositary Receipts (“GDRs”) are receipts issued by either a U.S. or non-U.S. banking institution representing ownership in a non-U.S. company’s publicly traded securities that are traded on non-U.S. stock exchanges or non-U.S. over-the-counter markets. Holders of ADRs or GDRs generally bear all the costs of such facilities. The depository of an unsponsored facility frequently is under no obligation to distribute investor communications received from the issuer of the deposited security or to pass through voting rights to the holders of depositary receipts in respect of the deposited securities. Investments in ADRs and GDRs

pose, to the extent not hedged, currency exchange risks (including blockage, devaluation and non-exchangeability), as well as a range of other potential risks relating to the underlying shares, which could include expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains, other income or gross sale of disposition proceeds, political or social instability or diplomatic developments that could affect investments in those countries, illiquidity, price volatility and market manipulation. In addition, less information may be available regarding the underlying shares of ADRs and GDRs, and non-U.S. companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to, or as uniform as, those of U.S. companies. Such risks may have a material adverse effect on the performance of such investments and could result in substantial losses.

### ***Epidemics; Pandemics.***

As of the date of this brochure, there has been an outbreak of a novel and highly contagious form of coronavirus (“COVID-19”), which has spread to certain countries throughout the world including the United States. In the future, there are likely to be other epidemics, and possibly pandemics. The outbreak of COVID-19 has led (and may continue to lead) to significant uncertainty, breakdowns, delays and other disruptions in the global financial markets and the economies of nations where COVID-19 has arisen and may in the future arise, and may result in adverse impacts on the global economy in general, with potential corresponding results on Weiss and the performance of the Funds. It is impossible to predict the scope of this outbreak or the impact it may have on the global economy or the global financial markets. The COVID-19 outbreak has already led to certain governmental interventions that were implemented suddenly and on an “emergency” basis. Additional governmental intervention may occur and the impact on the Funds, their investments and Weiss cannot be predicted. Additionally, no assurances can be made regarding the policies that may be adopted by the U.S. federal government or any U.S. state government as a result of the outbreak and/or market volatility.

In response to the COVID-19 outbreak, at various times and for extended periods, some or all of Weiss’ personnel have worked remotely, and Weiss has severely limited all business travel. Although Weiss has implemented its business continuity plan to permit personnel to effectively work remotely, there is no assurance that this will work effectively at all times. This outbreak of COVID-19, or any future similar epidemic or pandemic, could adversely affect the ability of the Clients to satisfy their investment objectives, and could result in significant losses to the Clients. The extent of the impact of any such outbreak will depend on many factors, including the duration and scope of such outbreak, the development and distribution of treatments and vaccines for viruses such as COVID-19, the extent of its disruption to important global, regional and local supply chains and economic markets, and the impact of such outbreak on overall supply and demand, investor liquidity, consumer confidence and levels of economic activity, all of which are highly uncertain and cannot be predicted.

### **Risks Particular to the Opportunity Fund**

***Nature of the Claims.*** Upon the closing of a transaction that is the subject of an investment, the securities that were purchased in connection with the investment will no longer be publicly traded. As a result, the investments will be less liquid, which will severely limit the ability of the Opportunity Fund to thereafter realize a cash return on the investment without either (i) a settlement of the litigation or (ii) a court determination with respect to the litigation. Appraisal cases may take years to resolve.

***Litigation Risk.*** It is not possible to predict the outcomes of any litigation, and the timing and amount of settlements or judgments, as well as costs for counsel and experts, are difficult to estimate. The expenses of

counsel and experts may be significant. A trial court may face decisions that are not controlled by a legal precedent, and in the event of any adverse outcome, any party might choose to appeal the judgment or particular rulings, which could result in further delays and substantial expenses for the Opportunity Fund. Investors will not have the ability to influence the decisions with respect to any litigation strategy or tactics, including how legal fees will be structured (e.g., hourly fee, contingency fee, flat fee or other methods) and whether to settle or proceed with a case at any particular time. Parties to litigation may act in ways that are not always rational, or may have motivations that are unknown to Weiss, which may make it more difficult for Weiss to negotiate settlements or predict outcomes of legal proceedings.

***Changes in Law.*** The Opportunity Fund is pursuing its investment strategy based on the current status of the law (both statutes and judicial interpretations). Should there be a material change in the law affecting the availability of appraisal rights generally or the ability of the Fund to pursue appraisal rights as contemplated, the investment purpose of the Fund may be frustrated. There can be no assurances regarding the legal landscape in which the Fund operates over its life.

***Risk of Loss on Investment.*** There is no assurance that the purchase of securities and the subsequent pursuit of an appraisal action will generate a premium sufficient to pay the costs and expenses of such action or a return to the Opportunity Fund. The costs and expenses of an appraisal action may be substantial and the court may order that all or a portion of the expenses incurred by a shareholder may be charged pro rata against the value of all shares entitled to an appraisal award. Those provisions reduce the ability of Weiss to monitor and control legal expenses, which could be higher than anticipated. Similarly, if the Fund is forced to participate in a class with limited rights to lead the process or provide input, the Fund may not be able to monitor legal expenses or influence the litigation strategy or the result of any settlement discussion. Further, it is possible that an appraisal action could result in a determination of “fair value” that is less than the value that was paid in connection with the subject transaction and less than the amount per share that was paid by the Partnership to purchase the relevant securities. In addition, in the event that an announced transaction is not completed, it is possible for the Fund to lose some or all of its principal investment in the target company.

***Partnership Interests are Illiquid.*** Because withdrawals of partnership interests are generally not permitted and interests are not freely tradable, an investment in the Opportunity Fund is relatively illiquid and involves a high degree of risk. In addition, transfers of partnership interests will be permitted only in limited circumstances at the sole and absolute discretion of the Opportunity Fund General Partner and no market for the partnership interests is expected to exist at any time. Accordingly, partnership interests should only be acquired by investors willing and able to commit their funds for an appreciable period of time. A subscription for partnership interests should be considered only by sophisticated investors financially able to maintain their investment and who can afford to lose all or a substantial part of such investment.

#### Risks Particular to the AIM-Listed Fund and the Institutional Account

##### ***Potential Escalation in Tensions with North Korea.***

South Korea may be adversely affected by political, military, economic and other factors related to North Korea, including the possibility of war. Relations between South Korea and North Korea have been tense throughout South Korea’s modern history. The level of tension between the two countries has fluctuated and is currently high; the tension may increase abruptly as a result of current and future events. In recent years, there have been heightened security concerns stemming from North Korea’s nuclear weapon and long-range missile programs and increased uncertainty regarding North Korea’s actions and possible responses from the international community. There can be no assurance that the level of tension on the Korean peninsula will not continue to escalate in the future. Any further increase in tension, rhetoric or

actual war would likely have a material adverse effect on the Korean stock market and the value of assets of the AIM-Listed Fund's and the Institutional Account.

***South Korean Equity Market Risk.***

Weiss does not currently intend to hedge the AIM-Listed Fund's or Institutional Account's investments, so the value of such assets will likely fluctuate as the South Korean stock market fluctuates. South Korean equity market indices could decline, perhaps severely, over short or long time periods. Such a decline would likely adversely affect the value of the assets of the AIM-Listed Fund and the Institutional Account.

***South Korean Preferred Share Portfolio Concentration of the AIM-Listed Fund and the Institutional Account.***

South Korean preferred shares are concentrated with a small number of issuers, which could result in significant industry, company and other concentrated risks. The market capitalization and trading volume of issuers in South Korean securities markets, particularly preferred shares, are concentrated in a small number of issuers, which results in potentially fewer investment opportunities for the AIM-Listed Fund and the Institutional Account than the South Korean equity market as a whole. The investments of the AIM-Listed Fund and the Institutional Account will likely be concentrated in a small number of issuers and may not be diversified as a result. The AIM-Listed Fund and Institutional Account may each also have a significant proportion of their respective assets invested in multiple preferred share classes related to the same issuer. As a result, the AIM-Listed Fund and the Institutional Account are likely to have a high degree of portfolio concentration. Investors should be aware that the risk of investing in the AIM-Listed Fund or another fund or account with a similar strategy could be greater than the risk of investing in an entity that is more diversified.

**Risks Particular to the AIM-Listed Fund**

***Risks Particular to the AIM-Listed Fund Being Quoted on AIM.***

The shares of the AIM-Listed Fund have been admitted to AIM. An investment in shares quoted on AIM may be less liquid and may carry a higher risk than an investment in shares quoted on the Official List of the UK Listing Authority (the "Official List"). The rules of AIM are less demanding than those of the Official List. Further, the London Stock Exchange plc has not itself examined or approved the contents of the AIM-Listed Fund's offering materials. A prospective investor in the AIM-Listed Fund should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

The market price of the shares of the AIM-Listed Fund may not reflect the underlying value of the Fund's net assets. The price at which investors may dispose of their shares may be influenced by a number of factors, some of which are outside the AIM-Listed Fund's control. On any disposal shareholders may realize less than the original amount invested. Stock markets have also from time to time experienced extreme price and volume fluctuations, which have affected the market prices of securities and which have been unrelated to the operating performance of the companies affected. These broad market fluctuations, as well as general economic and political conditions, could adversely affect the market price of the AIM-Listed Fund's shares.

***IFRS Financial Statements Differ From Those Prepared Under US GAAP.***

The AIM-Listed Fund's financial statements are prepared under the International Financial Reporting Standards ("IFRS") rather than the United States Generally Accepted Accounting Principles ("US GAAP"). Financial Statements prepared under IFRS differ from those prepared under US GAAP in a number of respects including, but not limited to, revenue recognition, accounting for business combinations and

acquisitions of intellectual property and accounting for capital instruments. Potential investors in the AIM-Listed Fund are advised to consult their own professional advisers as to the significance of these differences.

***The AIM-Listed Fund is Closed-End with Limited Redemption Rights for Shareholders.***

The AIM-Listed Fund has been established as a listed closed-ended vehicle. Accordingly, it is subject to decisions by its directors to make share repurchases. Shareholders have no right to have their shares in the AIM-Listed Fund redeemed or repurchased by the AIM-Listed Fund other than the biannual redemption opportunity that occurs in or around May of odd years, as specifically set forth in the offering documents of the AIM-Listed Fund. Shareholders wishing to realize their investment in the shares of the AIM-Listed Fund will therefore generally be required to dispose of their shares through AIM. Accordingly, shareholders' ability to realize their investment in the AIM-Listed Fund at net asset value or at all is in part dependent on the continued existence of a market for the AIM-Listed Fund's shares.

Investors should be aware that the value of the AIM-Listed Fund's shares may be volatile and may go down as well as up and investors may therefore not recover their original investment. In addition, the price at which investors may dispose of their shares may be influenced by a number of factors, some of which may pertain to the AIM-Listed Fund, and others of which are extraneous. These factors could include the performance of the Fund's investments, large market purchases or sales of the AIM-Listed Fund's shares on AIM, liquidity (or absence of liquidity) in the shares, currency fluctuations, legislative or regulatory or taxation changes and general economic and political conditions. The value of the AIM-Listed Fund's shares therefore may fluctuate and may not reflect their underlying asset value.

**Item 9.           Disciplinary Information**

There are no legal or disciplinary events to report that are material to a client's or prospective client's evaluation of Weiss' advisory business or the integrity of its management.



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

Weiss, its affiliates, employees, and Principals may engage in other activities, including providing investment management and advisory services to other accounts and investing directly, and are not required to refrain from any activity, to disgorge profits from any such activity or to devote all or any particular amount of time or effort of any of its officers, directors or employees to the Funds and their affairs. The U.S. Fund General Partner, which is an affiliate of Weiss, serves as the general partner of the U.S. Fund. The Opportunity Fund General Partner, which is an affiliate of Weiss, serves as the general partner of the Opportunity Fund. Nippon Opportunity Management LLC, which is an affiliate of Weiss, serves as the manager of six entities that are either the direct or indirect subsidiaries of certain of the Brookdale Funds. Each of Fundamental Research Associates Inc., Plover Cove Management Limited, and WAM LP UK Limited is an affiliate of Weiss, does not directly advise any clients of Weiss, but it provides research to Weiss in furtherance of Weiss' management of client investments. Notwithstanding the fact that the Brookdale Funds have substantially similar trading strategies, they have experienced, and are expected to continue to experience, different performance results from one another, which have been and may continue to be material. Such performance differences typically arise from particular investments that only one of the Brookdale Funds is able to make for regulatory or other reasons, or due to tax rules that affect one Fund and not the other.

Weiss currently serves as the investment manager to each Fund and to the Institutional Account. As noted in Item 8, each of the two Brookdale Funds has a trading strategy substantially similar to that of the other; the Opportunity Fund has a different trading strategy; and the AIM-Listed Fund and Institutional Account have a similar trading strategy to each other, but their strategy is different from that of the Brookdale Funds or the Opportunity Fund. Weiss may also serve as investment manager for additional funds, special purpose vehicles or accounts in the future. Such other funds or accounts may pursue substantially similar strategies to any existing Fund or Institutional Account or may pursue an entirely different strategy. When it is determined by Weiss that it would be appropriate for the Funds and one or more such other accounts or funds to participate in an investment opportunity, Weiss will seek to execute orders for all of the participating investment accounts, including the Funds and the Institutional Account, on an equitable basis under the circumstances, taking into account such factors as the relative assets, relative amounts of capital available for new investments, relative exposure to the particular type of assets in question and the investment programs and portfolio positions of the funds and the affiliated entities for which participation is appropriate. Weiss and its affiliates may give advice and recommend investments to other managed accounts or funds which may differ from advice given to, or investments recommended or bought for, the Clients, even though their investment objectives may be the same or similar.

Some issuers in which a Client may wish to invest may limit the percentage of outstanding shares that any one stockholder or group of stockholders, directly or indirectly, can own or exercise certain rights in corporate actions. Depending on the provisions applicable to the particular issuer, a Fund or the Institutional Account may be considered part of a "group" with other funds or accounts managed by Weiss currently or in the future. In such cases, a Client may be forced to limit its investment in an issuer to a level below what it might otherwise wish to invest. Moreover, if one of such Clients already has a pre-existing investment in such issuer and the limit on ownership or corporate action rights has already been reached by the investment of such Client, a different Client in the "group" (including a Fund or an Institutional Account) may be precluded from investing in that issuer altogether.

Weiss or its affiliates may provide investment management services to other collective investment vehicles (including closed-end funds) in which a Fund may invest; provided, however, that a Fund shall not be subject to additional layers of management and/or performance-based fees payable to Weiss or its affiliates with respect to such other collective investment vehicles. The officers, directors, partners and employees of Weiss and its affiliates may trade in securities for their own accounts, subject to restrictions and reporting

requirements as may be required by law or otherwise determined from time to time by Weiss. A Client may engage in certain transactions with its affiliates provided the terms thereof are commercially reasonable, as determined by Weiss.

Weiss has certain responsibilities with respect to valuing securities. A conflict may arise with respect to this responsibility given the Performance-Based Compensation to be earned by Weiss and/or the relevant affiliated general partner, as applicable, from the Private Funds and the Institutional Account and the Management Fee(s) to be paid to Weiss from all Clients. Individual representatives of Weiss or its affiliates may serve on the board of directors of one or more entities which securities the Clients trade. In their capacity as board members, such individuals may become subject to fiduciary, reporting or other duties which may adversely affect the Clients.

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

Weiss has adopted a written code of ethics (the “Code”) pursuant to Rule 204A-1 under the Advisers Act. The Code sets out basic principles to guide the officers, partners and employees of Weiss in discharging their duties for Weiss. The Code has been adopted with the objectives of deterring wrongdoing and promoting, among other things: (1) honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships, (2) full, fair, accurate, timely and understandable disclosure in all public communications made by Weiss, (3) compliance with applicable laws, rules and regulations, (4) prompt internal reporting of violations of the Code, and (5) accountability for adherence to the Code. The Code includes policies and procedures related to personal securities transactions by officers and employees considered to be “access persons.” The Code requires access persons to obtain prior written authorization from the Chief Compliance Officer of Weiss (or his designee) in order to buy or sell certain securities for their own account. The Code also requires access persons to provide periodic reports regarding transactions and holdings in all reportable securities. Access persons are required to submit quarterly reports regarding securities transactions and newly opened accounts, as well as annual reports regarding holdings and existing accounts. The partners, officers and employees of Weiss or its affiliates and their household members may invest in securities for their own accounts, or the accounts of foundations or trusts for which they are fiduciaries, subject to restrictions and reporting requirements as may be required by law or otherwise determined by the Code. Additionally, individual representatives of Weiss or its affiliates may serve on the board of directors of one or more entities in which a Fund invests, subject to restrictions and reporting requirements as may be required by law or otherwise determined by the Code. Weiss will provide a copy of the Code to any client or prospective client upon request.

Weiss and its employees may invest in the Funds, and in securities or other assets in which the Funds may invest, subject to applicable law, the Code, and to applicable investor eligibility requirements of each Fund.

Weiss and its affiliates may cause a security to be traded between one of the funds or accounts and any of the other funds or accounts it (or any of its affiliates) manages (a “cross transaction”) where it believes such trade to be in the interest of each fund or account and otherwise in compliance with applicable laws and any contractual restrictions with particular Clients. Weiss and/or its affiliate’s duty to be fair to the clients on both sides of a cross transaction may pose inherent conflict of interests. Weiss will seek to be fair and equitable to each client in a cross transaction in determining the appropriateness of the transaction for each client, and will determine market prices based on market quotations. A Fund or an Institutional Account may also engage in certain other transactions with affiliates of Weiss and/or the funds or accounts they manage, provided the terms thereof are commercially reasonable, as determined by Weiss and otherwise in compliance with applicable laws and any contractual restrictions with particular Clients.

## **Item 12. Brokerage Practices**

Weiss is responsible for selecting broker-dealers to execute trades and negotiating any commissions paid on such transactions. Weiss' primary consideration in placing transactions with particular broker-dealers is to obtain execution in the most effective manner possible, which generally includes factors of quantity purchased/sold and net execution price. Weiss will also take into account a variety of factors, including the availability and supply of buyers or sellers sourced by a broker-dealer, the commissions charged by the broker-dealer, the ability to enforce requested risk controls, and the perceived financial strength, integrity and stability of the broker-dealer. Weiss will also consider the quality, comprehensiveness and frequency of available research, ability of a broker-dealer to source certain hard-to-find securities or provide access to certain markets, public or private transactions, and other products and services considered to be of value. The products and services furnished by broker-dealers may include, among other things, written information and analyses concerning specific securities, companies or sectors; investment ideas; market, financial and economic studies and forecasts; statistics and pricing or appraisal services; discussions with research personnel; and special execution capabilities.

Weiss is authorized to 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 research products and execution services or to pay higher commissions to such firms if Weiss determines such prices or commissions are reasonable in relation to the overall services provided. Accordingly, a portion of expenses for research related products and services might be paid with "soft dollars" generated through the Clients' investment activities. However, Weiss has committed to the Brookdale Funds that it will not use "soft dollars" generated by the Brookdale Funds to pay for any type of product or service that the Brookdale Funds would not otherwise pay for directly as a fund expense in accordance with the Brookdale Funds' governing documents. Weiss will also use soft dollars only if it believes it is in the best interest of its Clients. It is anticipated that any use of commissions or "soft dollars" to pay for research products or services would fall within the safe harbor created by Section 28(e) of the Securities Exchange Act of 1934, as amended.

While Weiss has committed to not use "soft dollars" generated by the Brookdale Funds to pay for any type of product or service that the Brookdale Funds would not otherwise pay for directly as fund expenses, and Weiss has further committed to use soft dollars only when Weiss believes such use is in the best interests of the Clients, the use of brokerage commissions to obtain research services can nonetheless create a conflict of interest between Weiss and the Funds. The use of "soft dollars" may result in the Clients paying higher brokerage commissions than might be paid if transactions were effected through brokers that do not provide such services. To the extent that Weiss is able to acquire certain products and services at reduced prices or without spending money from each Client directly, Weiss' use of "soft-dollars" may prevent Clients and investors in the Funds from seeing a complete picture of the composition of expenses. Moreover, if Weiss uses brokerage commissions to obtain research or other products or services that benefit the Non-Reimbursement Accounts, Weiss receives a benefit because it might otherwise have to produce or pay for such research, products or services itself. Weiss therefore may have an incentive to select a broker-dealer based on its interest in receiving the research or other products or services, rather than its Clients' interest in receiving most favorable execution. Moreover, while all Clients are eligible to benefit from products and services obtained with "soft dollars," not all products and services obtained with "soft dollars" may benefit all Clients equally or in proportion to the "soft dollars" generated by each Client. Any new arrangements with broker-dealers regarding third-party soft dollar payments must be approved in advance by the Chief Compliance Officer.

For example, and without limitation, Weiss currently receives a discount on certain electronic news and research services in recognition of brokerage commissions paid to an electronic broker affiliated with the news and research provider. This discount is deducted by the provider and thus passed along to the Clients

in accordance with the Clients' expense policies. Weiss also receives certain telecommunications connections to brokers for free or at a reduced rate in exchange for using the execution services of those brokers. In addition, from time to time, brokers may call Weiss with research regarding potential investment opportunities that the broker believes fit within the strategies of the Funds or the Institutional Account. If Weiss determines to pursue any such investment opportunity on behalf of a Client, Weiss may use the broker that brought the idea to Weiss to execute trades relating to that opportunity, and Weiss may pay higher commissions to that broker for trades in those or other securities in recognition of the research provided. Any soft-dollar arrangement involving above-market commissions must be approved by a senior portfolio manager at Weiss. From time to time, Weiss may receive other research and/or execution services in accordance with Section 28(e).

From time to time, representatives of Weiss may speak at conferences and programs for investors interested in investing in hedge funds or other investment opportunities that are sponsored by prime brokers and other brokers. These conferences and programs may provide opportunities by which Weiss is introduced to potential investors in the Funds or other investment vehicles it manages. The prime brokers are not generally compensated by Weiss, the Funds, or potential investors for providing such "capital introduction" opportunities. Prime brokers and other brokers may also provide financing and other services to the Funds and Weiss. Such additional services by a prime broker or other broker, including capital introduction services, may present a potential conflict of interest to Weiss in deciding whether to use the services of such prime broker or other broker in connection with the activities of the Funds. Weiss seeks to mitigate this conflict by adopting procedures to review best execution of trades, by having separate personnel responsible for trading and investor relations, and giving the traders and related personnel authority to decide which prime broker or other broker should be utilized for a particular service.

A Fund is not prohibited from engaging as a service provider any entity in which it, Weiss and their affiliates, employees and Principals have an interest. Any transaction for which payment is not specified in the governing documents of the Fund is subject to the requirement that compensation therefore will be for fair value and for compensation no higher than would be charged by an unrelated third party for such services. However, conflicts of interest would arise if such entity failed to perform adequately its undertakings to a Fund.

Weiss will seek to allocate securities transactions in a manner that is fair to each Client in light of each Client's investment strategy, size, diversification, cash availability, tax or regulatory impact, and any other relevant factors. When the purchase or sale of a security is considered to be in the best interest of more than one of the Clients (which is typically the case), the securities to be purchased or sold may be aggregated in order to obtain superior execution and/or lower brokerage expenses. Furthermore, if Weiss or an affiliate manages other accounts or funds, such aggregation may also occur when the purchase or sale of a security is considered to be in the best interest of more than one fund or account (including a Client). Execution prices for identical securities purchased or sold on behalf of multiple accounts in any one business day are typically averaged. In such instance, allocation of prices, as well as expenses incurred in the transaction, shall be made in a manner Weiss considers to be fair and equitable to each participating Client.

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

Weiss provides continuous advisory services for the Clients. The Investment Committee, Head of Risk Management, portfolio managers and certain designated analysts review and monitor the portfolios and aggregate portfolio risk exposures of the Clients on a regular basis. Such review may involve an examination of the current market value of portfolio investments, developments in portfolio companies, recent transactions and other factors affecting investment decisions with respect to the portfolio. A formal risk report is produced on a regular basis to review risks to which the Brookdale Funds are exposed. The Investment Committee, Head of Risk Management and portfolio managers also review the liquidity requirements of the Clients and are informed of margin requirements at the various counterparties. The Chief Compliance Officer or his designee regularly reviews positions and transactions for compliance with regulatory requirements.

Weiss' settlements group works to ensure that each trade is reconciled with the appropriate broker-dealer on a timely basis, and communicates with the Funds' third-party administrators and Institutional Account's custodian, who independently maintain the official records for the relevant Client and reconcile positions and activity. The settlements staff monitors and communicates with brokers and the administrators to detect trade breaks, improper allocations, or other potential trade errors.

Investors in each Brookdale Fund receive month-end unaudited statements of performance and net asset value from the Brookdale Fund's independent third-party administrator.

Investors in the Opportunity Fund receive quarter-end unaudited statements of performance from the fund's independent third-party administrator.

Audited financial statements of each Private Fund are prepared and delivered to such Private Fund's investors annually.

The AIM-Listed Fund makes certain public news announcements as required by applicable law, rules of AIM, and as stated in the AIM-Listed Fund's admission document. Generally, the AIM-Listed Fund announces its net asset value weekly and as of the end of each month. Weiss also prepares a monthly investment manager's report which is publicly released by the AIM-Listed Fund. The AIM-Listed Fund also prepares annual audited financial statements that are included in the AIM-Listed Fund's annual report to shareholders and unaudited semi-annual financial statements.

The Institutional Account client receives written reports periodically pursuant to the Investment Management Agreement with Weiss.

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

No person that is not a Client or an investor in the Funds provides Weiss with an economic benefit for providing investment advice or other advisory services to the Clients. Neither Weiss nor any related person compensates any person for client referrals. However, the Funds and Weiss may enter into agreements with one or more third parties providing for, among other things, (i) payments to such third parties of a fully disclosed sales charge, which may be paid from the investments of certain investors that agree thereto, or (ii) payments by Weiss to one or more of such third parties of a one-time or ongoing fee based upon the capital contributions of certain investors.

**Item 15. Custody**

Weiss is deemed to have custody of the assets of the U.S. Fund and the Opportunity Fund because of the authority that the relevant general partner (each of which is an affiliate of Weiss) has over those assets. Weiss is also deemed to have custody over the Cayman Fund's assets because Weiss has the authority to automatically deduct funds from the Cayman Fund to pay its fees in accordance with the Investment Management Agreement of the Cayman Fund. To satisfy the SEC's custody rule requirements, the Private Funds provide each investor in the Private Fund with audited financial statements within 120 days of the end of each year.

Weiss is not deemed to have custody of the assets of the AIM-Listed Fund or the Institutional Account.



**Item 16. Investment Discretion**

Weiss has discretionary authority to manage the assets of each Client. This discretionary authority is conferred to Weiss pursuant to an Investment Management Agreement between Weiss and each respective Client. For each Client, the applicable Investment Management Agreement provides that Weiss has complete discretion regarding the investment of the applicable Client's assets in accordance with the investment objectives, policies and parameters set forth in the applicable agreement.

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

Weiss has authority to vote proxies on behalf of the Funds. Absent specific Fund instructions, Weiss has adopted proxy voting procedures designed to ensure that proxies are properly identified and voted and that any conflicts of interest are addressed appropriately. Weiss will generally seek to exercise its proxy voting authority in a way that seeks to maximize the value of the Funds' assets. Weiss evaluates proxies to determine whether the vote is material in relation to the value of the investment, whether it has beneficial value to the Funds to vote, and if so, whether it requires special attention or handling. In connection with any vote that is material, Weiss' operations staff consults with Weiss' investment management staff for instructions on how to vote the upcoming proxy. In connection with any vote that either (i) Weiss determines is not material, or (ii) Weiss determines that it may have a material conflict of interest, then Weiss may choose to outsource the proxy voting decision to an outside proxy voting service or consultant. If Weiss does not outsource a proxy voting decision and Weiss identifies a material conflict of interest, Weiss' Compliance Committee will review the relevant votes to monitor whether the votes are consistent with Weiss' proxy voting procedures, including whether the votes are made in a manner that seeks to maximize the value of the applicable Fund's assets.

Weiss does not have authority to vote proxies on behalf of the Institutional Account. The Institutional Account receives any proxies directly from its custodian. Upon request from the underlying client of the Institutional Account, Weiss will generally provide its views on voting in a manner consistent with the interests of the Institutional Account.

A client may obtain a copy of Weiss' proxy voting policy, as well as information regarding how Weiss voted proxies on behalf the client, by sending a request to Weiss' Investor Relations staff at [info@weissasset.com](mailto:info@weissasset.com) or calling (617) 778-7780.

**Item 18. Financial Information**

Weiss does not require or solicit prepayment of any fees six months or more in advance, is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its clients, and has not been the subject of a bankruptcy petition at any time.