

Item 1
Cover Page

Part 2A of Form ADV: Firm Brochure

Lone Pine Capital®

LONE PINE CAPITAL LLC

March 31, 2021

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This brochure (this "Brochure") provides information about the qualifications and business practices of Lone Pine Capital LLC. If you have any questions about the contents of this Brochure, please contact us at (203) 618-1400 or compliance@lpcap.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

A copy of this Brochure and additional information about Lone Pine Capital LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

This Brochure does not constitute an offer to sell or the solicitation of an offer to purchase any securities of any entities described herein. Any such offer or solicitation will be made solely to qualified investors by means of a confidential offering memorandum and related subscription materials.

Item 2
Material Changes

This Brochure is Lone Pine Capital LLC's ("LPC") annual updating amendment. Clients and prospective clients should carefully review the disclosure contained herein. While LPC has made changes to reflect general updates, no material changes have been made to this Brochure since LPC's Form ADV Part 2A was filed in March 2020.

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Item 4

Advisory Business

Lone Pine Capital LLC

LPC commenced operations in June 1997 and currently has offices in Greenwich, Connecticut, New York, New York, London and San Francisco, California. The managing member of LPC is Lone Pine Managing Member LLC ("LPMM") and Mr. Stephen F. Mandel, Jr. is the managing member of LPMM.

LPC provides investment advisory services to private investment funds that are offered to investors on a private placement basis (collectively, the "LPC Funds"). The LPC Funds are structured as Delaware limited partnerships and Cayman Islands exempted limited companies. As of December 31, 2020 LPC managed approximately \$31,275,509,600 of net assets on a discretionary basis and did not manage any client assets on a non-discretionary basis.

The LPC Funds

LPC provides investment advisory services to the following LPC Funds:

1. **The Cypress Funds.** Lone Redwood, L.P., a Delaware limited partnership ("Redwood"), Lone Cedar Intermediate Fund, Ltd., a Cayman Islands exempted company ("Cedar Intermediate"), Lone Cedar, Ltd., a Cayman Islands exempted company ("Cedar"), Lone Cypress, Ltd., a Cayman Islands exempted company ("Cypress") and Lone Spruce, L.P., a Delaware limited partnership ("Spruce"). Redwood, Cedar Intermediate, Cedar, Cypress and Spruce are referred to collectively as the "Cypress Funds". Cedar invests all of its investable assets in shares of Cedar Intermediate. Redwood and Cedar Intermediate invest a substantial portion of their assets in shares of Cypress, but may invest directly as well.
2. **The Cascade Funds.** Lone Cascade, L.P., a Delaware limited partnership ("Cascade"), Lone Sierra, L.P., a Delaware limited partnership ("Sierra"), Lone Monterey, Ltd., a Cayman Islands exempted company ("Monterey") and Lone Monterey Master Fund, Ltd., a Cayman Islands exempted company ("Monterey Master Fund"). Cascade, Sierra, Monterey and Monterey Master Fund are referred to collectively as the "Cascade Funds". Monterey invests all of its investable assets in shares of Monterey Master Fund.

LPC may serve as investment adviser for other entities or accounts in the future.

Lone Pine Associates LLC, a Delaware limited liability company and an affiliate of LPC ("LPA"), serves as the general partner to each of Redwood and Spruce and as the manager to Cedar Intermediate. Lone Pine Members LLC, a Delaware limited liability company and an affiliate of LPC ("LPM"), serves as the general partner to each of Cascade and Sierra and as the manager to Monterey Master Fund. LPMM is also the managing member of LPA and LPM.

Please see Item 8 for a description of the investment strategies employed by LPC and certain material risks inherent in such strategies.

In providing investment management and advisory services to the LPC Funds, subject to the terms of their respective governing documents, LPC formulates its investment objectives, directs and manages the investment and reinvestment of the LPC Funds' assets, and provides reports to the investors in the LPC Funds. Investment advice is provided directly to the LPC Funds and not individually to their underlying investors. Other than any limitations set forth in the governing documents of the LPC Funds, LPC's investors may not impose restrictions on LPC related to investing in certain securities or types of securities.

LPC does not participate as either a sponsor or manager of any wrap fee programs.

Item 5

Fees and Compensation

Each LPC Fund pays LPC a fixed asset-based management fee payable monthly (prorated for partial months) in advance. In addition, each LPC Fund pays a performance based incentive allocation based on net capital appreciation (over the management fee and where applicable, a "hurdle amount" as discussed below, and subject to a loss carryforward mechanism). The LPC Funds pay this fee and allocation by debiting the accounts of investors in each such LPC Fund. Any incentive allocations allocated to an affiliate of LPC comply with the requirements of Section 205 of the Investment Advisers Act of 1940, as amended (the "Advisers Act"), and Rule 205-3 thereunder. LPC or its affiliate may waive (and has done so) the portion of the management fee and incentive allocation that is allocable to certain investors, such as LPC's affiliates, LPC's employees, members of their immediate family and their lineal descendants, trusts or other entities established for their benefit and family or other foundations established by such persons (collectively, "Internal Investors"). While withdrawals are generally permitted only at month-end, a pro rata portion of any management fee paid in advance will be returned to the LPC Fund for distribution to any investor that is permitted to withdraw (or compulsorily withdrawn) prior to any month-end. The fees and allocations applicable to each LPC Fund are set forth in detail in each LPC Fund's offering memorandum. A brief summary of such fees and allocations is provided below.

The Cypress Funds

Generally, the Cypress Funds pay LPC a monthly management fee for investment advisory services equal to 1/12 of 1% (1% on an annualized basis) of each investor's capital account or the net asset value of each series of each class of shares held by an investor, as applicable, at the beginning of each such month.

Generally, at the end of each fiscal year of the Cypress Funds or upon the redemption or withdrawal of an investor, LPA is entitled to an incentive allocation in an amount ranging from 13% to 18% (subject to certain conditions) of the net capital appreciation of each class of partnership interest or the increase in the net asset value of each series of each class of shares for such fiscal year (which includes both realized gains and losses and unrealized appreciation and depreciation of securities held in such Cypress Fund's portfolio) after deducting the management fee for such fiscal year, subject to a loss carryforward mechanism (and in certain classes of shares or interests, only to the extent the net capital appreciation or the increase in the net asset value of such series of each class of shares for such fiscal year was in excess of a "hurdle amount"). To the extent that this allocation has been waived for any investor, the amount allocated to LPA is proportionately reduced. The "hurdle amount" for any fiscal year is the amount an account or series of shares would have earned for such fiscal year if it had received an annual rate of return equal to that of a benchmark specified in the applicable Cypress Fund's offering materials.

The Cascade Funds

For the Cascade Funds, investors may choose among management fee only classes or among classes that bear both a management fee and an incentive allocation.

Generally, the Cascade Funds pay LPC a monthly management fee ranging from 1/12 of 1% to 1/12 of 2% (1% to 2% on an annualized basis) of each investor's capital account or the net asset value of each series of each class of shares held by an investor, as applicable, at the beginning of each such month.

Generally, at the end of each fiscal year of each of the Cascade Funds or upon the redemption or withdrawal of an investor, LPM is entitled to an incentive allocation in an amount ranging from 10% to 20% (subject to certain conditions) of the amount by which the return on the capital account or the net asset value of each series of each class of shares for such fiscal year exceeds a "hurdle amount", subject to a loss carryforward mechanism, and a "20% IA Limitation" (as defined below). To the extent that this allocation/fee has been waived for any investor, the amount paid to LPM is proportionately reduced. The "hurdle amount" for any year is the amount an account or series of shares would have earned for a fiscal year if it had received an annual rate of return equal to that of an equity index specified in the applicable Cascade Fund's offering materials. Generally, the incentive allocation in any fiscal year will not exceed 20% of the investor's return on its capital account (or return on its applicable series of shares) for such fiscal year (the "20% IA Limitation"). Any amount of incentive allocation that is due but not reallocated because of the 20% IA Limitation will be added to the investor's catch-up incentive allocation, as described in more detail in the offering documents of the Cascade Funds.

Additional Fees and Expenses

The fees and expenses for each LPC Fund are set forth in the offering documents for each LPC Fund. Below is a summary:

Each LPC Fund bears its own expenses, including, but not limited to, as applicable: management fees; fees and expenses charged by the administrator; entity formation and registration fees; fees and expenses for maintaining the LPC Fund's registered office; fees and expenses relating to any vehicle through which the LPC Fund may hold investments; fees to and filing and registration expenses paid by the members of the Board of Directors or officers (including any Anti-Money Laundering Compliance Officer, Money Laundering Reporting Officer and Deputy Money Laundering Reporting Officer appointed pursuant to Cayman AML regulation) (in each case, for LPC Funds domiciled in the Cayman Islands); investment expenses (i.e., expenses related to the investment of the LPC Fund's assets, including, without limitation, brokerage commissions, bank service fees, expenses relating to short sales, interest expense, clearing and settlement charges, custodial fees, fees and expenses related to valuation, professional and consulting fees, fees and expenses paid to third-party providers of research products and services, expenses related to proxy voting research, reporting, execution and recordkeeping services, financing charges (including initial and variation margin), and fees for news and quotation equipment and connectivity costs and services and market data services); legal expenses (including, without

limitation, expenses related to litigation and threatened litigation, if any, and expenses related to legal inquiries (formal and informal), including regulatory "sweeps," and fees and expenses associated with the preparation of amendments and revisions to the offering documents of an LPC Fund); accounting, audit and tax preparation expenses; a portion of the premiums covering professional liability insurance covering the LPC Funds, LPC and its affiliates and personnel; taxes, withholding taxes and transfer taxes; costs relating to FATCA, CRS and similar tax regulatory compliance regimes; costs of printing and mailing reports and notices; fees and expenses relating to the offering and selling of interests in the LPC Funds (including, without limitation, expenses attributable to compliance with the EU Alternative Investment Fund Managers Directive and other private placement, lobbying and distribution rules in the U.S. and foreign jurisdictions, and compliance with anti-money laundering law and know-your-customer requirements); regulatory expenses (including filing fees, and fees and expenses related to investment position filing reports relating to the LPC Funds and their investment portfolios such as Section 13 filings and their international equivalents, and compliance with U.S. federal, state, local, non-U.S. and other laws and regulations (including, but not limited to, securities laws, the Hart-Scott-Rodino Act, ERISA, DOL, SEC and CFTC rules and regulations)); and other expenses associated with the operation of the LPC Funds and all extraordinary expenses. If any of the above expenses are incurred jointly for the account of more than one LPC Fund ("Shared Direct Expenses"), such expenses will be allocated among the applicable LPC Funds in such manner as LPC or an affiliate considers fair and reasonable. Generally, each applicable LPC Fund will bear its pro rata share of the Shared Direct Expenses based on respective assets under management at the time the expense is paid.

The securities transactions of the LPC Funds generate a substantial amount of brokerage commissions and other transaction-based compensation all of which will be paid by the LPC Funds to the applicable brokerage counterparty. Please see Item 12 for further information.

The Cypress Funds and the Cascade Funds may (and as of the date hereof the Cypress Funds currently do) make investments in other investment companies (including other private investment funds; see Item 8 for further information). In such an instance, the LPC Funds will pay any management or other asset-based fees payable to a third-party management firm in respect of such investments. LPC or its affiliate will pay any incentive fees or allocations in respect of such investments.

Neither LPC nor any of its supervised persons accepts compensation (*e.g.*, brokerage commissions) for the sale of securities or other investment products.

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

Performance-based compensation arrangements create an incentive to make investments that are riskier or more speculative than would be the case if such arrangements were not in effect. In addition, because performance-based compensation is calculated on a basis that includes unrealized appreciation of each LPC Fund's assets, it may be greater than if such compensation were based solely on realized gains. Item 5 above describes the incentive allocations received by an affiliate of LPC from its clients. Neither such affiliate of LPC nor any supervised persons receive additional performance-based compensation from clients. The formula for calculating performance-based compensation differs (i) from one LPC Fund to the next and (ii) among investors within a given LPC Fund depending on (x) the class of shares or limited partnership interests selected by such investor and (y) when a given investor invested in such LPC Fund. This creates a conflict of interest with respect to the allocation of investment opportunities among LPC Funds with the same or substantially similar strategies. For example, there may be a conflict of interest with respect to allocations of investments between the Cypress Funds, on the one hand, and the Cascade Funds, on the other hand, because the Cascade Funds have classes of interests/shares that are management fee only, while the Cypress Funds only have classes of interests/shares that include incentive allocations. However, LPC is committed to allocating investment opportunities on a fair and equitable basis and has established order aggregation and allocation policies and procedures to address the potential conflict of interest. (Please see Item 11 and Item 12 for a description of LPC's order aggregation and allocation policies and procedures.) Further, despite the potential conflict of interest noted above, LPC believes that its employees' interests are aligned with those of its investors due to the fact that LPC's senior members have a significant portion of their personal net worth invested in the LPC Funds.

Item 7

Types of Clients

LPC's clients are the LPC Funds to which LPC provides investment advice. The investors in the LPC Funds include, among others, high net worth individuals, corporations, trusts, charitable institutions, foundations, endowments, funds of funds and other U.S. and international institutional investors. The offering memorandum for each LPC Fund sets forth the required minimum amounts for investment by investors in such LPC Fund. The minimum investment amounts generally do not apply to Internal Investors. In addition, because related persons of LPC serve as trustees to the Lone Pine Capital LLC 401(k) Profit Sharing Plan (the "Plan"), a defined contribution plan established for the benefit of LPC's employees, the Plan is deemed a client of LPC.

Item 8

Methods of Analysis, Investment Strategies and Risk of Loss

Investment Strategies and Methods of Analysis

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

Investment Strategies of the Cypress Funds

The Cypress Funds primarily invest in equity and equity-related securities of companies with minimum average daily trading volumes of approximately \$20 million or greater at the time of the initial investment based on bottom-up, fundamental analysis provided by LPC. The portfolios of the Cypress Funds are allocated among long positions and short positions.

On the long side, LPC generally seeks investments in equity and equity-related securities of three different types of companies: (i) growth companies, where capital can be invested in the business at a high rate of return for a long period of time; (ii) highly cash-generative businesses with only modest growth opportunities where management is aggressively using the cash for the benefit of shareholders; or (iii) previously under-managed, solid businesses where top-flight management has taken the helm. Such companies generally will have three things in common: (x) management that LPC respects and trusts; (y) businesses that have competitive "moats" around them; and (z) reasonable valuations.

On the short side, LPC seeks companies that (1) are subject to significant misperception about the economics of their businesses or the sustainability of their growth; (2) have long-term competitive and/or balance sheet problems; or (3) have reported their results in what LPC believes is a questionable (rather than merely aggressive) manner, causing a material difference between reported numbers and economic reality. LPC seeks to minimize volatility and control risk through diversification but also wants every position to meaningfully impact overall portfolio performance. To manage risk, generally, no single-name long position will exceed 10% of net assets and no single-name short position will exceed 5% of net assets.

The Cypress Funds may utilize both over-the-counter and exchange-traded instruments (including derivative instruments such as options, swaps and futures on equities and equity indices and other derivatives), and may invest in a variety of fixed income securities and instruments, including, but not limited to, high-yield and convertible fixed income securities and instruments. The Cypress Funds may invest up to 5% of total assets in private placement

securities (measured at the time the investment is made). Such private placement securities may (and currently do) include investments by the Cypress Funds in other investment companies, including private investment funds. Private placement securities held by the Cypress Funds prior to January 2, 2019 will be allocated as described in the offering memorandum for the applicable Cypress Fund.

From time to time, LPC may hedge against currency fluctuations using forward contracts and other instruments and may maintain assets in cash or cash-equivalent instruments, pending investment, for defensive purposes or to fund withdrawals/redemptions.

The Cypress Funds employ gross portfolio leverage (long exposure plus short exposure, divided by equity) of approximately 2:1. In limited circumstances, leverage may exceed 2:1 when LPC determines that this is in the best interest of the Cypress Funds in a given investment environment.

LPC's Management Committee has granted certain of LPC's more experienced investment analysts the discretion to each manage a total of 100 basis points of gross portfolio exposure using only stocks (at cost) in the Cypress Funds. This "analyst discretion" is subject to the following stipulations: a) such discretion is limited to 100 basis points per analyst; b) analysts may allocate portfolio exposure to no more than one stock long or two stocks short in the analyst's specific area of industry expertise or focus; c) the stocks must represent new investment positions in the portfolio and d) analysts will be required to adhere to all applicable investment restrictions and guidelines set forth in the offering documents of the applicable LPC Funds, including but not limited to stock liquidity, borrow availability and cost, position size limits and exposure and emerging market limitations. A member of the Portfolio Management Team has the right to reject or amend any exercise of analyst discretion if such member deems this to be in the best interests of the LPC Funds. Analyst discretion may not be used to reduce or increase the size of an existing portfolio position.

Investment Strategies of the Cascade Funds

The Cascade Funds primarily invest in equity and equity-related securities of companies with minimum average daily trading volumes of approximately \$20 million or greater at the time of the initial investment. While LPC intends that the Cascade Funds will pursue a long-only strategy, it may from time to time hedge all or a portion of a long investment if it determines that this is in the best interests of the Cascade Funds. LPC may hedge against currency fluctuations using forward contracts and other instruments and may maintain assets in cash or cash-equivalent instruments, pending investment, for defensive purposes or to fund withdrawals or redemptions. The Cascade Funds may utilize both over-the-counter and exchange-traded instruments (including derivative instruments such as options, swaps and futures on equities and equity indices and other equity derivatives) and invest in the fixed-income markets.

Similar to the long-investments of the Cypress Funds, with respect to investments by the Cascade Funds, LPC generally seeks investments that LPC believes fit into the following categories: (i) growth companies, where capital can be invested in the business at a high rate of return for a

long period of time; (ii) highly cash-generative businesses with only modest growth opportunities where management is aggressively using the cash for the benefit of shareholders; or (iii) previously under-managed, solid businesses where top-flight management has taken the helm. These investments generally have three things in common: (x) management that LPC respects and trusts; (y) businesses that have competitive "moats" around them; and (z) reasonable valuations.

The Cascade Funds may invest up to 5% of the assets that have elected to participate in private placement securities (measured at the time the investment is made). Such private placement securities may include investments by the Cascade Funds in other investment companies, including private investment funds.

The Cascade Funds do not intend to employ leverage, but may do so when deemed appropriate by LPC.

Methods of Analysis

LPC's investment strategy for the Cypress and Cascade Funds is driven by fundamental, bottom-up research. LPC's fundamental research includes, without limitation, the following methods: meeting with company management (and conducting reference checks where practicable), speaking with customers, competitors and suppliers, consultation with industry experts and reading publicly available information and financial filings (such as Form 10-K and Form 10-Q).

Risk of Loss - Generally

Investing in the LPC Funds involves a risk of loss that investors must be prepared to bear. The following risk factors do not purport to be a complete description of the risks involved in an investment in the LPC Funds. For a more complete description of the risks involved in investing in any given LPC Fund, please refer to the offering memorandum for such LPC Fund.

General Risk Factors

Operating History. The past investment performance of LPC (including the LPC Funds) should not be construed as an indication of the future results of an investment in any one LPC Fund. Each LPC Fund's investment program should be evaluated on the basis that there can be no assurance that LPC's assessment of the short-term or long-term prospects of investments will prove accurate or that the LPC Fund will achieve its investment objective.

Dependence on the Investment Manager. The success of the LPC Funds depends upon LPC's ability to develop and implement investment strategies that achieve the applicable LPC Fund's investment objectives. Subjective decisions made by LPC may cause an LPC Fund to incur losses or to miss profit opportunities on which it would otherwise have capitalized.

Cybersecurity Risk. As part of its business, LPC processes, stores and transmits large amounts of data, including personally identifiable information of LPC investors. LPC has procedures and systems in place to protect investor information and prevent data loss and security breaches.

However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to LPC may be susceptible to compromise, leading to a breach of LPC's network. LPC's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other factors. If any of these events occur, the investors' information could be accessed or disclosed improperly. In addition, counterparties of the LPC Funds, especially the administrator, process, store and transmit information provided by LPC or the investors. If a counterparty fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, LPC investors' data may be improperly accessed, used, or disclosed.

General Economic and Market Conditions. The success of an LPC Fund's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the LPC Fund's investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of the prices and the liquidity of an LPC Fund's investments. Volatility or illiquidity could impair an LPC Fund's profitability or result in losses. An LPC Fund may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets.

Catastrophe Risks. The LPC Funds may be subject to the risk of loss arising from direct or indirect exposure to various catastrophic events, including the following: hurricanes, earthquakes and other natural disasters; war, terrorism and other armed conflicts; cyberterrorism; major or prolonged power outages or network interruptions; and public health crises, including infectious disease outbreaks, epidemics and pandemics. To the extent that any such event occurs and has a material effect on global financial markets or specific markets or issuers in which the LPC Funds invest (or has a material negative impact on the operations of Lone Pine or its service providers or on the locations in which Lone Pine operates), the risks of loss can be substantial and could have a material adverse effect on the LPC Funds and the investors' investments therein. Furthermore, any such event may also adversely impact one or more individual investors' financial condition, which could result in substantial withdrawal requests by such investors as a result of their individual liquidity situations and irrespective of an LPC Fund's performance.

Coronavirus Risks. In December 2019, the virus SARS-CoV-2, which causes the coronavirus disease known as COVID-19, surfaced in Wuhan, China. The disease spread around the world, resulting in the temporary closure of many corporate offices, retail stores, and manufacturing facilities across the globe, as well as the implementation of travel restrictions and remote working and "shelter-in-place" or similar policies by numerous companies and national and local governments. These actions caused the disruption of manufacturing supply chains and consumer demand in certain economic sectors, resulting in significant disruptions in local and global economies. Such disruptions continue to be felt, as many countries and U.S. states struggle to

contain the virus and its variants. The short-term and long-term impact of COVID-19 on the operations of Lone Pine and the performance of the LPC Funds is difficult to predict. Any potential impact on such operations and performance will depend to a large extent on future developments and actions taken by authorities and other entities to contain COVID-19 and its economic impact. These potential impacts, while uncertain, could adversely affect the performance of the LPC Funds.

Brexit. The United Kingdom formally withdrew from the European Union on January 31, 2020. On December 24, 2020, the European Union and the United Kingdom concluded a trade agreement intended to apply following the end of the transition period on December 31, 2020. The withdrawal process has led to an extended period of market volatility and disruption, not just in the United Kingdom, but throughout the European Union, the European Economic Area and globally. Prospective investors should be aware that any future negotiations between the United Kingdom and the European Union with respect to their trading relationship may introduce new uncertainties and instabilities in the financial markets that may be significant. It is not possible to ascertain the precise impact these events may have on LPC or its clients from an economic, financial or regulatory perspective, but any such impact could have material consequences for the LPC Funds' investment performance.

Discontinuation of LIBOR. It is expected that the U.S. dollar London Interbank Offered Rate ("LIBOR"), which is commonly used as a reference rate within various financial contracts (any such rate, a "Reference Rate"), will not be published after June 30, 2023 (other than the one-week and two-month tenors, which will not be published after the year 2021). In anticipation of the end of LIBOR, the United States and other countries are currently working to replace LIBOR with alternative Reference Rates. As a general matter, the expected discontinuation of LIBOR may significantly impact financial markets; specifically, discontinuation may impact financial contracts to which a client is a party. Generally, the transition to alternative Reference Rates may (i) cause the value of a Reference Rate to be uncertain or to be lower or more volatile than it would otherwise be; (ii) result in uncertainty as to the functioning, liquidity or value of certain financial contracts; (iii) involve actions of regulators or rate administrators that adversely affect certain markets or specific financial contracts; and (iv) impact the strategy, products, processes, legal positions and information systems of market participants, including an LPC Fund and its counterparties. With respect to financial contracts to which a client is a party, including corporate loans and floating rate debt, any such contract that has a maturity that extends beyond June 2023 and uses LIBOR as a Reference Rate (other than contracts that include curative fallback language or other curative mechanisms) may need to be renegotiated, the process of which will consume resources of such LPC Fund and may result in disputes among counterparties, the result of which may be adverse to such LPC Fund. Considered in their entirety, the impacts of the discontinuation of LIBOR on financial markets generally and on the specific financial contracts to which an LPC Fund is a party may adversely affect the performance of such client.

Fund Investment. Investors are purchasing interests in the LPC Funds and not the underlying investments invested by the LPC Funds. Investors generally will not be entitled to the underlying investments that the LPC Fund's make and will have no claim to such investments.

Nature of Investments. LPC has broad discretion in making investment decisions for the LPC Funds. Investments may be affected by, among other things, business, financial markets or legal uncertainties. There can be no assurance that LPC will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investments. Prices of investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of any LPC Fund's activities and the value of its investments. No guarantee or representation is made that any LPC Fund's investment objectives will be achieved. The past investment performance of LPC should not be construed as an indication of future results of an investment in an LPC Fund.

Securities Selection Risk. LPC's judgments about the value and potential appreciation or depreciation of a particular security or asset class may be incorrect and there is no guarantee that individual securities will perform as anticipated. The value of an individual security can be more volatile than the market as a whole. LPC's estimate of a security's value may be wrong.

Business and Regulatory Risk. Legal, tax and regulatory changes are likely to occur during the terms of the LPC Funds and some of these changes may adversely affect the LPC Funds, perhaps materially. Changes in regulation of hedge funds may adversely affect the value of investments held by the LPC Funds and the ability of the LPC Funds to obtain the leverage they might otherwise obtain or to pursue their trading strategies. In addition, the securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. The SEC, other regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. In addition, increased regulation (whether promulgated under securities laws or any other applicable laws) and increased regulatory oversight of private investment funds and their managers may impose administrative burdens on LPC including responding to examinations and other regulatory inquiries and implementing policies and procedures. The effect of any future regulatory change on the LPC Funds could be substantial and adverse and such burdens may direct LPC's and its affiliates' time, attention and resources away from portfolio management activities.

Systemic Risk. Systemic risk is the risk of broad financial system stress or collapse triggered by the default of one or more financial institutions, which results in a series of defaults by other interdependent financial institutions. Financial intermediaries, such as clearing houses, banks, securities firms and exchanges with which the LPC Funds' interact, as well as the LPC Funds themselves, are all subject to systemic risk. A systemic failure could have material adverse consequences on the LPC Funds and on the markets for the securities in which the LPC Funds seek to invest.

Material Risk Factors Applicable to the Cypress Funds and Cascade Funds

Equity Securities Generally. The LPC Funds invest primarily in equity and equity-related securities (which include equity and equity-related derivatives). The value of these securities generally will vary with the performance of the issuer and movements in the equity markets. As a result, the LPC Funds may suffer losses if they invest in equity instruments of issuers whose

performance diverges from LPC's expectations or if equity markets generally move in a single direction and the LPC Funds have not hedged against such a general move.

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

Use of Leverage. The LPC Funds may, in the sole discretion of LPC, leverage their investment positions by borrowing funds from broker-dealers, banks or others. Such leverage increases both the possibilities for profit and the risk of loss.

Use of Derivatives. LPC Funds may use derivatives. A derivative instrument will obligate or entitle an LPC Fund to deliver or receive an asset or a cash payment that is based on the change in value of a designated security, currency or index. Even a small investment in derivative instruments can have a large impact on a portfolio's yield, risk exposures, or liquidity. Therefore, using derivatives can disproportionately increase losses and reduce opportunities for gains when interest rates, security prices or currency rates are changing.

Portfolio Turnover. High portfolio turnover can increase the LPC Funds' transaction costs and may result in realization of net short-term capital gains, a higher effective tax rate and lower after-tax performance.

Counterparty Risk. LPC Funds enter into many transactions, including derivatives and over-the-counter options transactions, with or through third parties in which the failure of the third party to perform its obligations under a contract with the applicable LPC Fund could have a material adverse effect on such LPC Fund. Furthermore, any misconduct on behalf of the counterparties, including, without limitation, fraudulent activities, will increase the applicable LPC Fund's possible exposure to risk. LPC Fund assets are held in accounts maintained for an LPC Fund by its prime brokers or other custodians. Prime brokers and other custodians are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to the LPC Funds' assets are subject to limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a prime broker, custodian or any of their respective sub-custodians, agents or

affiliates, it is impossible to generalize about the effect of their insolvency on the LPC Funds and their assets. The insolvency of any of the LPC Fund's prime brokers, custodians or other counterparties may result in a loss of fund assets held by or through such counterparty.

Non-U.S. Securities. Investing in non-U.S. securities poses unique risks such as fluctuation in currency exchange rates, market illiquidity, price volatility, high trading costs, difficulties in settlement, regulations on stock exchanges, limits on foreign ownership, less stringent accounting, reporting and disclosure requirements, and other considerations. Furthermore, issues of non-U.S. securities are sometimes subject to different, often less comprehensive accounting reporting or disclosure requirements than U.S. issuers. In the past, equity and debt instruments of non-U.S. markets have had more frequent and larger price changes than those of U.S. markets.

Emerging Market Countries. The risks of investments in non-U.S. securities described above apply even to a greater extent to investments in emerging markets. Investing in a country that is still relatively underdeveloped involves exposure to economic structures that are generally less diverse and mature than in the U.S. and to political and legal systems that may be less stable. In the past, markets of developing countries have had more frequent and larger price changes than those of developed countries. Economic or political changes may cause larger price changes in these securities than in other foreign securities.

Foreign Exchange Risk. A portion of the LPC Funds' assets may be invested in securities denominated in currencies other than the U.S. dollar and in other financial instruments, the price of which is determined with reference to currencies other than the U.S. dollar. The LPC Funds, however, value their securities and other assets in U.S. dollars. To the extent unhedged, the value of an LPC Fund's assets will fluctuate with U.S. dollar exchange rates as well as with price changes of the LPC Fund's investments in the various local markets and currencies. Thus, an increase in the value of the U.S. dollar compared to the other currencies in which the assets of an LPC Fund is invested reduces the effect of increases and magnifies the U.S. dollar equivalent of the effect of decreases in the prices of the securities invested in by LPC in non-U.S. markets. Conversely, a decrease in the value of the U.S. dollar has the opposite effect of magnifying the effect of increases and reducing the effect of decreases in the prices of the non-U.S. dollar securities held by LPC Funds.

Debt Securities Generally. Certain LPC Funds may invest in private and government debt securities and instruments. Such debt instruments may be unrated, and whether or not rated, the debt instruments may have speculative characteristics. The issuers of such instruments (including sovereign issuers) may face significant ongoing uncertainties and exposure to adverse conditions that may undermine the issuer's ability to make timely payment of interest and principal. Such instruments are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse conditions.

Suspension of Trading. A public exchange typically has the right to suspend or limit trading in all securities that it lists. Such a suspension could render it impossible for the LPC Funds to

liquidate their positions and thereby expose them to losses. In addition, there is no guarantee that non-exchange markets will remain liquid enough for the LPC Funds to close out positions.

Illiquid Portfolio Securities. The LPC Funds may invest in securities that are subject to legal or other restrictions on transfer or for which no liquid market exists (e.g., private placement securities). The LPC Funds may not be able to readily dispose of such illiquid investments, and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time. The sale of restricted and illiquid assets often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. There is no guarantee that such restricted and illiquid securities could be sold at the values at which they may be carried on the books of the LPC Funds. Furthermore, the valuation of such illiquid securities will be determined in accordance with LPC's valuation policy and as disclosed in the applicable offering memorandum of the Cypress Funds and the Cascade Funds, as applicable, whose determination will be final and conclusive as to all parties.

Private Placement Securities. Investment activities related to private placement securities may result in the imposition of restrictions on the flexibility of the Cascade Funds for those investors who choose not to participate in private placement securities. For example, if LPC obtains material nonpublic information about a company that trades in the public markets through its investment research into private placement securities, the LPC Funds will not be able to trade the securities of the public company.

Current and prospective investors in the LPC Funds should review Item 5, as well as each relevant LPC Fund's offering memorandum, for additional information.

Item 9
Disciplinary Information

There are no legal or disciplinary events that are material to LPC's investment advisory business or the integrity of LPC's management.

Item 10
Other Financial Industry Activities and Affiliations

LPC is registered as a commodity pool operator and commodity trading advisor with the National Futures Association ("NFA"). LPA, an affiliate of LPC, has submitted a withdrawal notice to the NFA to cease operating as a commodity pool operator. LPM, an affiliate of LPC, has submitted a withdrawal notice to the NFA to cease operating as a commodity pool operator. Stephen F. Mandel, Jr., Kerry A. Tyler, Brian F. Doherty, Melissa M. Graham, Marcia S. Heitlinger and Zlata H. Gleason are associated persons of these entities.

Entities affiliated with LPC (Lone Pine Investors I LLC and Lone Pine Investors II LLC) hold a minority and passive interest in certain other investment advisers. Some of the principals of such managers are former employees of LPC. Neither LPC nor any affiliate will be involved in the operation or decision making of any other investment adviser or its affiliates.

An Internal Investor may generally withdraw any portion of its capital account as of the end of any quarter from the Cypress Funds and Cascade Funds and upon such notice as may be determined by LPC (or the Board of Directors, as applicable) from time to time. Notwithstanding the foregoing, LPC may modify the withdrawal terms applicable for Internal Investors from time to time to provide for less frequent withdrawal rights.

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

Item 11

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

Code of Ethics

In seeking to meet its fiduciary obligations, LPC has adopted a Code of Ethics (the "Code"). The Code incorporates the following general principles that all employees are expected to uphold: employees must at all times place the interests of clients first; employees must comply with all applicable laws and regulations, including, without limitation, federal securities laws; all personal securities transactions must be conducted in a manner consistent with the Code and any actual or potential conflicts of interest or any abuse of an employee's position of trust and responsibility must be avoided; employees must not take any inappropriate advantage of their positions; information concerning the identity of securities and financial circumstances of the LPC Funds, including the LPC Funds' investors, must be kept confidential; and independence in the investment decision-making process must be maintained at all times.

The Code places restrictions on personal trading by LPC employees and their immediate family members, including that they disclose their personal securities holdings and transactions to LPC on a periodic basis. Generally, employees are not permitted to buy and sell publicly traded securities other than (i) treasury securities, municipal bonds, sovereign bonds, open-ended mutual funds and (ii) subject to preclearance, broad-based exchange traded funds and closed-ended mutual funds. Employees generally are permitted to sell with preclearance (x) securities held prior to employment with LPC and (y) in certain circumstances, involuntarily received securities. Employees are permitted to make investments in private placement securities (including other private investment funds) subject to preclearance. In addition, employees are permitted to hold accounts over which a third-party manager exercises exclusive discretionary authority.

LPC monitors Employees' and their immediate family members' investments in private placements.

The Code also includes policies and procedures that are designed to prevent the misuse of material nonpublic information ("Insider Trading Policies"). LPC's Insider Trading Policies prohibit LPC and its employees from trading for the LPC Funds or themselves, or recommending trading, in securities of a company while in possession of material nonpublic information about the company, and from disclosing such information to unauthorized persons.

In addition, the Code contains restrictions on the giving and receiving of gifts and entertainment, and prohibitions on serving on the boards of outside companies without prior approval.

Employees of LPC are required to certify to their compliance with the Code on an annual basis.

Upon request, investors and prospective investors may review a copy of the Code on LPC's premises by contacting LPC's Investor Services at (203) 618-1400 or investor@lpcap.com.

Securities in which LPC or a Related Person has a Material Financial Interest

Entities affiliated with LPC (Lone Pine Investors I LLC and Lone Pine Investors II LLC) hold a minority and passive interest in certain other investment advisers. In all such instances, neither LPC nor any of its affiliates are or will be involved in the operation or decision making of any such other investment adviser or its affiliates.

A situation may arise where certain investments (including investments in private placement securities) held by one or more of the LPC Funds may be traded from one or more of the LPC Funds to one or more other LPC Funds, including for the purpose of rebalancing the portfolios of such LPC Funds. For example, certain "cross" trades may occur between two or more LPC Funds. Any such transactions will be conducted in accordance with, and subject to, LPC's and/or its affiliates' fiduciary obligations to each LPC Fund, as applicable. LPC Fund investors have authorized certain individuals to serve on a committee, the purpose of which is to consider and, on behalf of the LPC Fund investors, approve or disapprove, to the extent required by applicable law, principal transactions and certain other related party transactions identified by LPC and/or its affiliates for such review. These individuals are not employed by LPC or its affiliates, receive compensation for serving on such committee and are investors (directly or indirectly) in one or more LPC Funds. While these transactions are reviewed for their arm's length nature, they may ultimately be materially more beneficial to one of the parties to such cross trade or transaction than to the other. Such transactions, to the extent possible, are executed on an internationally recognized securities exchange with a broker-dealer which is paid a commission for executing such trades. The price paid will be the market price at the time of trade execution (plus applicable fees and commissions).

Investing in Securities that LPC or a Related Person Recommends to Clients

With certain limited exceptions, the Code restricts LPC employees from buying and selling publicly traded securities held by an LPC Fund. See description of the Code above.

Contemporaneous Trading among the Cypress and Cascade Funds

Participation in specific investment opportunities may be appropriate, at times, for one or more LPC Funds. If it is determined by LPC or its affiliates that it would be appropriate for more than one LPC Fund to participate in an investment opportunity, LPC will seek to execute orders for all of the participating LPC Funds on a fair and equitable basis, to the extent practical and in accordance with the applicable LPC Funds' investment strategies, and taking into account, among other considerations: (i) whether the risk-return profile of the proposed investment is consistent with the participating LPC Funds' objectives; (ii) the potential for the proposed investment to create an imbalance in the participating LPC Funds' portfolios; (iii) the liquidity requirements of the participating LPC Funds; (iv) potentially adverse tax consequences; (v) regulatory restrictions that would or could limit the participating LPC Funds' ability to participate in a proposed investment; (vi) the need to re-size risk in the participating LPC Funds' portfolios; and (vii) the relative amounts of capital available for new investments. Orders may be combined for all such accounts, and if any order is not filled at the same price, they will be

allocated on an average price basis. Similarly, if an order on behalf of more than one LPC Fund cannot be fully executed under prevailing market conditions, securities may be allocated among the different accounts on a basis which LPC or its affiliates consider fair and equitable.

Furthermore, although LPC monitors portfolio liquidity, LPC may nonetheless take actions with respect to an LPC Fund that decrease the liquidity of another LPC Fund's portfolio. For instance, by accepting additional capital in the Cascade Funds, LPC may increase the aggregate size of a position across all LPC Funds and thereby increase the amount of time it would take for the Cypress Funds to liquidate that position, and potentially increase the associated cost.

Although certain LPC Funds may pursue investment objectives that are similar to one another, the portfolios of such LPC Funds may differ for various reasons, including but not limited to, purchases and redemptions being made at different times and in different amounts, differences in investment programs and guidelines and tax, regulatory and liquidity considerations. Additionally, while LPC monitors the impact that taxes have on the LPC Funds' investors, LPC does not generally manage the LPC Funds from a tax-efficiency perspective.

With respect to allocations of limited-supply investment opportunities, such as privately placed securities, LPC will determine which LPC Funds are eligible to participate in those opportunities based on certain factors including, among other things, each such LPC Fund's investment program and relative amounts of capital available. LPC Funds without sufficient available capital will not participate.

With respect to allocations of initial public offerings ("IPOs"), IPO shares will generally be allocated among the LPC Funds *pro rata* based on assets under management as determined by LPC.

Item 12

Brokerage Practices

As noted previously, LPC has full discretionary authority to manage the LPC Funds, including the authority to make decisions with respect to which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and commissions or mark-ups and mark-downs paid. LPC seeks to obtain best overall execution of securities trades for the LPC Funds. In LPC's opinion, best execution is a combination of trade price, commission rates, available liquidity and prompt and reliable execution and research that a broker-dealer provides.

The factors to be considered in selecting and approving broker-dealers that may be used to execute trades for the LPC Funds include, but are not limited to:

- Overall costs of a trade (i.e., net price paid or received) including commissions, mark-ups, mark-downs or spreads in the context of LPC's knowledge of negotiated commission rates currently available and other current transaction costs;
- Provision of research and brokerage services;
- Quality of execution - accurate and timely execution, clearance and error/dispute resolution;
- Reputation, financial strength and stability;
- Access to liquidity;
- Block trading and block positioning capabilities;
- Willingness to execute difficult transactions;
- Ability to execute order with minimal adverse market impact;
- Willingness and ability to commit capital;
- Quality of derivatives offerings and servicing through the broker-dealer;
- Access to underwritten offerings and secondary markets;
- Ongoing reliability;
- Nature of the security and the available market makers;
- Adequacy of trading infrastructure and technology;
- Past history of execution for the LPC Funds;
- Desired timing of the transaction and size of trade;
- Confidentiality of trading activity; and
- Availability of accurate information regarding the trading of the security.

LPC will select and approve broker-dealers to execute client transactions based on a totality of circumstances, including any or all of the factors outlined above or other factors. This means that a broker-dealer offering the most favorable commission or spread may not always be selected to execute a particular transaction. LPC need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost.

If LPC decides, based on the above factors, to execute transactions through Alternative Trading Systems ("ATS"), such as Electronic Communications Networks ("ECNs") or crossing or matching networks, LPC will also consider the following factors when choosing to use one ATS over another: the nature of the order and manner in which LPC's trading desk have decided to execute the transaction; overall performance of the ATS (e.g., fill rates, historical execution prices); the flexibility of the ATS compared to other ATS; and the level of care and attention that will be given to smaller orders. Although LPC does execute trades through ATS at times, LPC also considers whether executing qualifying trades through a broker-dealer instead will provide better execution overall, despite the higher commission costs.

When LPC uses client brokerage commissions (or mark-ups or mark-downs) to obtain research or other products or services, LPC receives a benefit because it does not have to produce or pay for such products or services. LPC may have an incentive to select or recommend a broker-dealer based on LPC's interest in receiving research or other products or services, rather than on its clients' interest in receiving most favorable execution. Any research or services provided by a broker may benefit any LPC Fund and such benefits may not be proportionate to commission dollars related to the provision of such research or services. LPC has entered into Commission Sharing Arrangements ("CSAs") as a means to facilitate soft dollar payments. CSAs enable LPC to pool commission dollars generated in trades with certain broker-dealers to be aggregated and distributed to other broker-dealers to pay for investment research. This practice allows LPC to compensate research providers who do not have brokerage operations where traditional soft dollars can be credited through trade execution or where, in support of LPC's policy to seek best execution, LPC decides that a research provider's trading desk may not be capable of executing LPC's orders as effectively as other broker-dealers. Accordingly, LPC's procedures involve weighing the applicable best execution factors and considerations described above when directing client transactions to particular brokers in return for soft dollars.

Under Section 28(e) of the Securities Exchange Act of 1934, an investment adviser is generally deemed to have acted lawfully and in a manner consistent with its fiduciary duties under federal and state law, if the adviser determines in good faith that the commissions charged by a broker are reasonable in relation to the value of the brokerage and research products or services provided by such broker. The research and brokerage services that broker-dealers provided in the past, including the last fiscal year, include written information and analyses concerning specific securities, companies or sectors; news, quotation, statistics and pricing services; discussions with research personnel; invitations to attend conferences or meetings or discussions with research analysts, management teams or industry consultants; reports on particular industries and companies; macroeconomic or industry periodical subscriptions; subscriptions to data services ranging from business trends or behavior analytics to regulatory filings to securities market pricing; market and economic services and analyses; and consultants on political, legal or regulatory developments affecting portfolio securities or investment opportunities. Such research services may be provided in the form of access to various computer-generated data, written reports or in person or telephonic meetings. The soft dollar benefits received by LPC provide lawful and appropriate assistance to the investment adviser in the performance of its investment

decision making responsibilities, without regard to whether the research products or services benefit or solely benefit the account bearing the commission charge.

LPC is entitled to use commissions or "soft dollars" generated by the LPC Funds to pay for certain brokerage and research services. LPC will limit the use of soft dollars to obtain research and brokerage services which constitute research and brokerage services within the meaning of Section 28(e). Although LPC seeks best execution of all transactions, obtaining research and services by means of soft dollars represents a conflict of interest since it enables LPC to receive research and services that it might otherwise have had to purchase or produce with its own assets. LPC may decide at any time to stop using soft dollars or commissions generated by an LPC Fund for research and brokerage services and may charge such expenses to the applicable LPC Fund.

LPC's approach to sharing research among its investment professionals generates a conflict among our clients. We do not attempt to link soft dollar commissions generated by a client's trading activity to research services that are specifically used by the investment staff. Rather, we use the pool of soft dollar commissions generated by all eligible client trading activity to pay for research services consumed by any of our investment professionals. While we believe that all of our clients benefit from our robust investment discussion across asset classes and investment approaches, some clients contribute more directly to the cost of obtaining research services that inform the discussion.

Where a product or service obtained with soft dollars provides both research and non-research assistance to LPC (*i.e.*, a "mixed use" item), LPC will make a good faith allocation of the portion of the cost which may be paid for through soft dollars. In making good faith allocations of costs between the research and brokerage-related content and use versus other content and use, a conflict of interest may exist by reason of LPC's allocation of the costs of such benefits and services between those that primarily benefit LPC and those that primarily benefit the LPC Funds. The soft dollar benefits received by LPC do not generally have a mixed use.

An LPC Fund's securities transactions can be expected to generate a substantial amount of brokerage commissions, mark-ups and mark-downs, all of which will be obligations of the LPC Funds and not LPC. In addition to using brokers as "agents" and paying commissions, an LPC Fund may buy or sell securities directly from or to dealers acting as principal at prices that include mark-ups or mark-downs, and may buy securities from underwriters or dealers in public offerings at prices that include compensation to the underwriters and dealers.

In no case will LPC make binding commitments as to the level of brokerage commissions it will allocate to a broker-dealer, nor will it commit to pay cash if any informal targets are not met. A broker-dealer is not excluded from receiving business because it has not been identified as providing research products or services.

LPC does not use client brokerage to compensate or otherwise reward brokers for investor referrals. LPC does not participate in any directed brokerage arrangements.

LPC has established a brokerage committee that is responsible for ratifying the list of approved broker-dealers eligible to effect the LPC Funds' transactions and for reviewing broker-dealer trading volumes, prices, commissions, other transactions costs, the overall quality of execution and any step-out trades. The committee meets periodically, and no less frequently than quarterly, to evaluate a variety of topics including, but not limited to, commissions, soft dollars, new research providers, new executing brokers, trade errors and broker execution quality to evaluate reasonableness in light of services received and consistency with LPC's fiduciary duties to the LPC Funds.

If LPC determines that the purchase or sale of a security is appropriate with regard to multiple LPC Funds, LPC will generally purchase or sell such a security on behalf of such LPC Funds with an aggregated order, to the extent permitted by applicable law. LPC will not aggregate orders if aggregation is inconsistent with the terms of the investment guidelines and restrictions of each LPC Fund for which trades are being aggregated. When aggregating orders all participating LPC Funds will be treated in a fair and equitable manner. When an aggregated order is generally executed at more than one price on the same day, the executed transactions will be allocated so that each participating LPC Fund receives the average unit price and bears its *pro rata* share, based on participation in the aggregated order (or allocation in the event of a partial fill), of the transaction costs to the extent reasonably practicable as determined by LPC. In the event of a partial fill, shares purchased or sold will generally be allocated *pro rata* in proportion to the size of the orders placed for each LPC Fund as determined by LPC and may be modified on a basis that LPC deems to be appropriate, including, for example, in order to avoid odd lots or *de minimis* allocations. Further, partially filled orders are closed at the end of each trading day. When orders are not aggregated, trades generally will be processed in the order that they are placed with the broker or counterparty selected by LPC. As a result, certain trades in the same security for one LPC Fund (including an LPC Fund in which LPC and its personnel may have a direct or indirect interest) may receive more or less favorable prices or terms than another LPC Fund, and orders placed later may not be filled entirely or at all, based upon the prevailing market prices at the time of the order or trade. In addition, some opportunities for reduced transaction costs and economies of scale may not be achieved.

From time to time, a portfolio manager may desire to add to an existing order. For example, a portfolio manager may issue an order to purchase shares of a company for the Cypress Funds (the "original order") and then a portfolio manager for the Cascade Funds may issue an order (the "subsequent order") to purchase shares in the same security subsequent to the initial order for the Cypress Funds. If the subsequent order is entered within a reasonable time, generally one hour after the original order was initiated, and such original order has not yet been completed, both orders will be aggregated and treated as if they had been entered as one order. When a subsequent order is entered after such reasonable time has elapsed, all completed fills relating to the original order will be allocated in accordance with the original order's allocation calculation. The remainder of the original order to be executed will then be aggregated with the subsequent order to create a new order and allocation calculation.

Item 13
Review of Client Accounts

LPC performs various daily, weekly, monthly, quarterly and other periodic reviews of each LPC Fund's portfolio. Such reviews are conducted by LPC's investment and operations professionals.

Each month, investors in the LPC Funds receive a monthly, unaudited account statement. This is posted to LPC's password-protected website. The monthly statement provides beginning and ending account balance information, capital activity, fees taken and account performance information. For quarter and year-end, the monthly statement will include information for the applicable quarter or year. For all LPC Funds, LPC issues investors tax reports and audited financial statements concerning their respective LPC Fund within 120 days of the end of such LPC Fund's fiscal year.

Item 14
Client Referrals and Other Compensation

Neither LPC nor any related person directly or indirectly compensates any person who is not a supervised person, including placement agents, for investor referrals. LPC may in the future enter into arrangements with third party placement agents, distributors or others to solicit investors in the LPC Funds and such arrangements will generally provide for the compensation of such persons for their services at LPC's expense. LPC does not receive economic benefits from non-clients for providing investment advice and other advisory services.

Item 15

Custody

LPC is deemed to have custody of the LPC Funds' assets because it has the authority to obtain client funds or securities, for example, by deducting advisory fees from a client's account or otherwise withdrawing funds from a client's account. Account statements related to the clients are sent by qualified custodians to LPC. Each LPC Fund's assets (other than certain privately offered securities) are held in custody by unaffiliated broker-dealers or banks acting in the capacity of "qualified custodians" pursuant to the Advisers Act.

LPC is subject to Rule 206(4)-2 under the Advisers Act (the "Custody Rule"). However, it is not required to comply (or is deemed to have complied) with certain requirements of the Custody Rule with respect to each LPC Fund because it complies with the provisions of the so-called "Pooled Vehicle Annual Audit Exception", which, among other things, requires that each LPC Fund be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that each LPC Fund distribute its audited financial statements to all investors within 120 days of the end of its fiscal year.

In addition, as noted in Item 7 above, because related persons of LPC serve as trustees to the Plan, LPC has engaged an independent auditor to conduct a surprise examination of the Plan in accordance with the applicable provisions of the Custody Rule.

Item 16
Investment Discretion

LPC or an affiliate of LPC entered into an investment management agreement, or similar agreement, with each LPC Fund, pursuant to which LPC or an affiliate of LPC was granted discretionary trading authority.

LPC's investment decisions and advice with respect to each LPC Fund are subject to each LPC Fund's investment objectives and guidelines as set forth in its offering memorandum.

Item 17

Voting Client Securities

LPC has authority to vote the securities held by the LPC Funds and has adopted proxy voting policies and procedures ("Proxy Policy") as required by the Advisers Act. The general policy is to vote proxy proposals, amendments, consents or resolutions relating to client securities, including interests in private investment funds, if any (collectively, "proxies"), in a manner that serves the best interests of the LPC Funds, as determined by LPC in its discretion, taking into account the following factors: (i) the impact on the value of the investments; (ii) the anticipated associated costs and benefits; (iii) the continued or increased availability of portfolio information; (iv) the effect on liquidity and (v) industry and business practices. In limited circumstances, LPC will abstain from voting proxies or affirmatively decide not to vote if LPC determines that abstaining or not voting is in the best interests of the LPC Funds. LPC may refrain from voting where LPC believes that voting would be inappropriate taking into consideration (x) the costs associated with voting the proxies and (y) any legal restrictions on trading resulting from the exercise of a proxy (e.g., voting in share-blocking jurisdictions). Shares on loan under securities lending arrangements or shares rehypothecated may not be able to be voted. In addition, the LPC Funds' custodians may not always be able to fulfill a voting request they receive from LPC, such as circumstances in which there is a shortfall in the shares at the relevant depository. Investors may review a copy of LPC's Proxy Policy and its proxy voting record on LPC's premises by contacting LPC's Investor Services at (203) 618-1400 or investor@lpcap.com.

In the unlikely event that a conflict of interest arises in connection with voting in relation to a given proxy proposal, the Proxy Policy provides that if the proposal is addressed by the Proxy Policy, LPC will vote in accordance with the Proxy Policy. If the proxy proposal is not addressed by the Proxy Policy, then LPC will delegate the voting decision to an independent committee of partners, members, directors or other representatives of the LPC Funds such as the Board of Directors of an LPC Fund.

Item 18
Financial Information

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

Item 19
Requirements for State-Registered Advisers

Not applicable.