

ITEM 1
COVER PAGE

Part 2A of Form ADV Firm Brochure

HAWK RIDGE CAPITAL MANAGEMENT, LP

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This brochure ("Brochure") provides information about the qualifications and business practices of Hawk Ridge Capital Management LP ("Hawk Ridge"), an investment adviser registered with the United States Securities and Exchange Commission (the "SEC") under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). If you have any questions about the contents of this Brochure, please contact Hawk Ridge's Chief Compliance Officer at (310) 594-7350. The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

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

This brochure contains material information in the matter and format promulgated by the SEC. Additional information, which must be read and considered with the information in this Brochure, may be found in other documents, including, as applicable, offering memoranda and/or investment management agreements, among others. Please read and understand the entire Brochure as responses to certain items may also respond to or provide additional or fuller information regarding the responses to other items.

Additional information about Hawk Ridge also is available on the SEC's website at www.adviserinfo.sec.gov

ITEM 2

MATERIAL CHANGES

The most recent annual update to Hawk Ridge's brochure was filed with the SEC on March 30, 2020. This Brochure amends the most recent annual update to incorporate certain changes and updates that Hawk Ridge does not believe constitute material changes.

Investors and prospective Investors should carefully review this Brochure in its entirety.

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ITEM 4

ADVISORY BUSINESS

A. General Description of Advisory Firm.

Hawk Ridge Capital Management, LP (the “Investment Manager”), a Delaware limited partnership which was organized in March 2015, is the investment manager of the Funds (described below). The Investment Manager is managed and controlled by Hawk Ridge Capital Management GP, LLC, which in turn is managed and controlled by David Brown. The Investment Manager is responsible for making all investment decisions for the Fund. The Investment Manager is registered as an investment adviser with the Securities and Exchange Commission (the “SEC”) under the Investment Advisers Act of 1940 (the “Advisers Act”).

Hawk Ridge Management, LLC (the “General Partner”), an affiliate of the Investment Manager, is the general partner of the Master Fund, Accredited Feeder, and the Institutional Feeder. The General Partner was organized in Delaware in August 2007 and is managed and controlled by David Brown. The General Partner, subject to the supervision of the advisory committee, controls the operations of the Funds. The General Partner has the authority to (a) accept subscriptions for and withdrawals of Interests in the Fund, (b) accept withdrawals of Limited Partners from the Fund and (c) terminate the Fund and the Master Fund.

Hawk Ridge Capital Management LP and Hawk Ridge Management, LLC are collectively referred to as “Hawk Ridge” throughout this brochure.

Hawk Ridge provides discretionary investment management services to its clients (the “Advisory Clients”), which include the following private investment funds (each a “Fund” and collectively, the “Funds”):

- (i) Hawk Ridge Master Fund, L.P., a Delaware limited partnership (the “Master Fund”);
- (ii) Hawk Ridge Partners, L.P., a Delaware limited partnership (the “Accredited Feeder”);
- (iii) Hawk Ridge Partners II, L.P., a Delaware limited partnership (the “Institutional Feeder”); and
- (iv) Hawk Ridge Partners Offshore Ltd., a Cayman Islands exempted company (the “Offshore Feeder”).

The Accredited Feeder, the Institutional Feeder and the Offshore Feeder (collectively, the “Feeder Funds”) invest all or substantially all of their assets in, and conduct their investment activities through the Master Fund.

Hawk Ridge is the investment manager and general partner (as applicable) of the Funds. Each Fund is governed by a limited partnership agreement or articles of association (as applicable) that sets forth the specific guidelines and restrictions applicable to each Fund (the “Governing Documents”). In addition, investors in each Feeder Fund are provided with offering documents prior to their investment, which also contain information regarding the intended investment program for such Fund. The portfolio investments of the Funds are managed by Hawk Ridge pursuant to an investment management agreement between Hawk Ridge and each of the Funds.

B. Description of Advisory Services

Hawk Ridge generally has broad and flexible investment authority with respect to the investment portfolios that it manages for Advisory Clients. Hawk Ridge seeks to achieve equity like investment returns while taking on significantly less market risk than the broad market indices through long and short investments in publicly-traded equity securities primarily in the United States and other developed markets. Hawk Ridge

will seek to achieve its objectives through thoughtful, in-depth due diligence and bottom up, fundamental analysis of investments, including both quantitative valuation analysis and significant qualitative due diligence. In evaluating investments, a particular emphasis is placed on developing an independent perspective and conducting thorough interviews of management and third-party industry professionals. Please refer to Item 8 of this Brochure for additional information regarding the investment strategies pursued by Hawk Ridge and their associated risks.

The above description is merely a summary and you should not assume that any descriptions of the specific activities in which the Funds may engage are intended in any way to limit the types of investment activities which the Funds may undertake or the allocation of Funds capital among such investments. Hawk Ridge reserves the right to alter any of the Funds' investment policies or strategies as deemed appropriate from time to time in its discretion without obtaining investor approval. It is critical that investors refer to the relevant Fund's confidential private offering memorandum and other Governing Documents for a complete understanding of Hawk Ridge's advisory services. The information contained herein is a summary only and is qualified in its entirety by such documents.

C. Availability of Customized Services for Individual Clients

Hawk Ridge neither tailors its advisory services to the individual needs of investors in the Funds, nor accepts investor-imposed investment restrictions.

Hawk Ridge (or its affiliates) has entered (and may in the future enter) into side letter or similar agreements with certain investors that may provide for terms of investment that are more favorable to the terms described in the respective Fund's Governing Documents. Such terms may include, without limitation, the waiver or reduction of fees and/or the addition of certain information rights.

D. Wrap Fee Programs

Hawk Ridge does not offer or participate in wrap fee programs.

E. Assets Under Management

As of December 31, 2020 Hawk Ridge manages approximately \$1,852,175,235 of net assets on a discretionary basis. Hawk Ridge does not manage any assets on a non-discretionary basis.

ITEM 5 FEES AND COMPENSATION

A. Advisory Fees and Compensation

Management Fees

The Investment Manager receives a management fee (the “Management Fee”) from the Master Fund with respect to each Feeder Fund as of the last business day of each calendar quarter, in arrears. The Management Fee is accrued as of the end of each calendar month at a rate equal to a percentage (the “*Fee Percentage*”) of the total balance of each Master Fund Sub-Account as of the last business day of the month, prior to the accrual of any Performance Allocation (as defined below) and any withdrawals as of such last business day. The Percentage Fee for each Master Fund Sub-Account is generally equal to:

- 0.146% (approximately 1.75% on an annual basis) if the total value the Master Fund’s total assets is equal to or greater than \$400 million as of the last day of each calendar month; or
- 0.167% (approximately 2% on an annual basis) if the total value of the Master Fund’s total assets is less than \$400 million as of the last day of each calendar month.

The Management Fee will be paid quarterly in arrears, as of the last business day of each calendar quarter. The Management Fee is accrued as of the end of each calendar month, prior to the accrual of any Performance Allocation (as defined below) and any withdrawals as of such last business day. Since the Management Fee will be paid at the Master Fund level, no management fee will be paid at the Feeder Fund level. The Management Fee will be prorated for any period that is less than a full quarter and will be deducted in calculating the net profit or net loss of the Funds. Certain investor share classes associated with our banking platform investors may pay a higher management fee than the rates disclosed above.

Performance Allocation

In addition, consistent with the relevant provisions of the Advisers Act and Rule 205-3 adopted thereunder, at the end of each fiscal year, Hawk Ridge, as the General Partner of the Master Fund, is entitled to receive, via reallocation from the Feeder Funds to the Master Fund an annual performance-based allocation (the “Performance Allocation”) equal to 20% of the net capital appreciation, if any, in each investor’s capital account or shares (as applicable) during the year (including both realized and unrealized gains and losses). The Performance Allocation is made only if, and to the extent that, the net capital appreciation of a Feeder Fund for the year exceeds any net capital depreciation in the Master Feeder Fund (reduced *pro rata* for any withdrawals) accumulated in prior years (*i.e.*, a “high water mark”). The General Partner may be allocated Performance Allocations with regard to unrealized appreciation as well as realized gains in the Master Feeder Fund.

The Performance Allocation is subject to loss carry forward provision such that the Performance Allocation is made only if, and to the extent that, the net capital appreciation of an investor’s capital account or the net asset value of shares (as applicable) for the year exceeds any net capital depreciation in the capital account (reduced *pro rata* for any withdrawals) or the net asset value of shares accumulated in prior years (a “high water mark”). Such provisions are designed to ensure that no Performance Allocation will be made with respect to an investor until any net loss allocated to such investor during the period is first recovered (taking into account interim withdrawals and distributions).

When calculating the Performance Allocation at the Feeder Fund level, net profits will be reduced by the Management Fee, and all items of income, loss and expense incurred at the Feeder Fund level will be taken into account.

Fees may be negotiable for certain investors under certain circumstances. In addition, the Management Fee and/or Performance Allocation may be waived or reduced for investors that are members, employees or affiliates of Hawk Ridge, relatives of such persons, and for certain strategic investors.

It is critical that investors refer to the relevant private offering memorandum and other Governing Documents for a complete understanding of how Hawk Ridge is compensated for its advisory services. The information contained herein is a summary only and is qualified in its entirety by such documents.

B. Payment of Fees

Fees are deducted from each Fund's assets. Investors do not have the ability to choose to be billed directly for fees incurred. The Management Fee is generally payable quarterly in arrears and will be prorated in the event of a contribution or withdrawal during the quarter. The Performance Allocation is calculated and charged at the end of each fiscal year (or at the time of an investor withdrawal or redemption).

It is critical that investors refer to the relevant confidential private placement memorandum and other governing documents for a complete understanding of how fees are deducted from their assets. The information contained herein is a summary only and is qualified in its entirety by such documents.

C. Additional Fees and Expenses

The Funds will be treated as a common business enterprise for the purposes of expense allocation. Subject to certain limitations described in the Governing Documents, all other expenses will be paid by the Master Fund and allocated pro rata to the Feeder Funds and will include: (a) brokerage and execution charges, commissions, custodial charges, and fees for quotation and other data services; (b) fees related to accounting, trading, portfolio management and risk management systems; (c) research subscriptions and expenses; (d) legal and consulting fees related to investment research; (e) broken trade and broken deal fees; (f) expenses to register securities and transfer taxes; (g) costs and expenses incurred for the purpose of protecting and enhancing the value of the assets of the Feeder Funds and the Master Fund (including the costs of instituting and defending litigation); (h) U.S. federal, state and local taxes, filing and registration fees of the Master Fund, the Feeder Funds, Hawk Ridge and its affiliates (other than taxes on the income of Hawk Ridge and its affiliates); (i) all costs, fees and expenses relating to investor communications, relations, bookkeeping, accounting and the preparation and mailing of financial, tax and performance information to investors, including an allocable share of Hawk Ridge's costs, fees and expenses relating to internal accounting and tax preparation functions should the Feeder Funds and/or the Master Fund determine not to use third party providers for such services; (j) fees, costs and expenses incurred in connection with borrowings; (k) administration fees, costs and expenses; (l) premiums and other costs of D&O/E&O and other insurance; (m) costs and expenses incurred by Fund representatives in execution of their duties; and (n) all regulatory and compliance fees, costs and expenses incurred in complying with regulatory requirements that directly result from management of the Feeder Funds and the Master Fund (including expenses incurred in complying with FATCA and preparing Form PF); (n) fees for attorneys, accountants, consultants and other professionals or experts (including the fees and expenses for counsel to Hawk Ridge or one or more of its officers or managers) arising in connection with a Feeder Fund's or the Master Fund's business; and (o) directors' fees including reasonable travel, hotel and other related expenses properly

incurred by the directors in attending meetings of the fund board of directors or any committee of the board or any general meeting or any meeting held in connection with the business of the Fund.

The General Partner will allocate the expenses to the individual Feeder Funds in the manner it determines to be fair and equitable and in its sole discretion, which will generally be in proportion to the net assets of each Feeder Fund (taking into account any special arrangements with particular investors in the Feeder

Funds regarding management fees, performance allocations and expense ratios), although the General Partner may in its discretion specially allocate to a Feeder Fund which, in its opinion, are more appropriately borne by that Feeder Fund and not to the Feeder Funds collectively.

It is critical that investors refer to the relevant confidential private offering memorandum and other Governing Documents for a complete understanding of expenses. The information contained herein is a summary only and is qualified in its entirety by such documents.

D. Prepayment of Fees

As described in Item 5.A., the Management Fee is paid quarterly in arrears, adjusted for any contributions made during the quarter and is accrued as of the end of each calendar month.

With respect to terminating the advisory relationship, investors generally may withdraw/redeem all or a portion of its capital account or shares (as applicable) on a quarterly basis, subject to certain limitations, including but not limited to: a 12-month lockup period for each purchase of interests or shares, a withdrawal fee on withdrawals of investments made less than one year prior to the date of withdrawal, required notice periods (generally 60 days' prior written notice), restrictions on aggregate withdrawals, suspensions of withdrawal/redemptions, retentions of reserves, delays in payment and/or distributions in kind.

It is critical that investors refer to the relevant confidential private offering memorandum and other Governing Documents for a complete understanding of their withdrawal/redemption rights and when fees are charged. The information contained herein is a summary only and is qualified in its entirety by such documents.

E. Additional Compensation and Conflicts of Interest

Neither Hawk Ridge 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

As generally described in Item 5 above, Hawk Ridge is entitled to receive performance-based compensation from investors in the Funds in the form of a Performance Allocation at the Master Fund level.

The fact that Hawk Ridge could receive performance-based compensation creates a potential conflict of interest in that it may create an incentive for Hawk Ridge to effect transactions in investments that are riskier or more speculative than would be the case if compensation were based solely on a flat percentage of capital. In addition, the terms of the Performance Allocation were not the product of an arm's length negotiation with any third party. The Performance Allocation is generally calculated on a basis that includes unrealized appreciation of the Funds' assets; such compensation may be greater than if it were based solely on realized gains.

The Performance Allocation is made only if, and to the extent that, the net capital appreciation of a limited partner's capital account or the net asset value per share (as applicable) for the year exceeds any net capital depreciation in the capital account (reduced pro rata for any withdrawals) or net asset value per share accumulated in prior years (i.e., a "high water mark"). The high water mark and other conditions to payment are designed to prevent Hawk Ridge from receiving performance-based compensation with respect to profits that simply restore previous losses.

Hawk Ridge presently provides investment management services only to Advisory Clients that are subject to a performance-based allocation arrangement. As such, the conflict of interest related to managing accounts that charge performance-based fees alongside accounts that do not charge performance-based fees does not apply to Hawk Ridge.

Hawk Ridge recognizes that it is a fiduciary and as such must act in the best interests of its clients. Further, Hawk Ridge recognizes that it must treat all clients fairly and must refrain from favoring one client's interests over another's. Hawk Ridge regularly assesses the allocation of its resources, including investment personnel, to ensure adherence to its fiduciary duties.

ITEM 7

TYPES OF CLIENTS

Hawk Ridge provides investment advisory services solely to pooled investment vehicles operating as private investment funds. Each investor in the Funds must meet certain eligibility provisions.

The offering of the Funds is designed to be exempt from registration under the Securities Act of 1933, as amended (the “Securities Act”) pursuant to Regulation D thereunder. In addition, each Fund is designed to rely on exemptions from registration as an investment company under the Investment Company Act of 1940, as amended (the “Investment Company Act”) pursuant to Section 3(c)(1) (in the case of the Accredited Feeder) and Section 3(c)(7) (in the case of the Institutional Feeder and the Offshore Feeder) of the Investment Company Act.

Admission to the Funds is not open to the general public. Interests in the Accredited Feeder will generally be offered and sold only to sophisticated investors that are (i) “accredited investors” within the meaning of Rule 501 of Regulation D of the Securities Act, and (ii) “qualified clients” as defined in Rule 205-3 of the Advisers Act. Investors in the Institutional Feeder must generally be “accredited investors” under Regulation D of the Securities Act and “qualified purchasers” as defined in Section 2(a)(51) of the Investment Company Act. Investors in the Offshore Feeder are typically either (i) non U.S. Persons; or (ii) U.S. persons who are exempt from federal income tax and also qualify as both “accredited investors” under Regulation D of the Securities Act and “qualified purchasers” as defined in Section 2(a)(51) of the Investment Company Act.

Accredited Investors and Qualified Clients that invest in the Funds (collectively, “Investors”) may include bank platforms, state or local public pension plans, corporate pension funds, endowments, foundations, high net worth individuals, family offices, trusts, foundations, fund of funds or other registered investment advisers.

The minimum initial investment amount is \$5,000,000 in both the onshore Feeder Funds and in the offshore Feeder Fund. Subsequent investments must generally be at least \$100,000. Hawk Ridge and/or the board of directors, as applicable, may in its sole discretion, waive, reduce, increase, or alter these requirements in particular cases and may change them as to new investors in the future.

ITEM 8

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Methods of Analysis and Investment Strategy

Methods of Analysis

Hawk Ridge's investment philosophy centers on fundamental value-oriented investing. Hawk Ridge seeks to achieve equity like returns while taking on significantly less market risk than the broad market indices. Hawk Ridge seeks to achieve its investment objective through superior security selection on both long and short positions using fundamental analysis of investments, including both quantitative valuation analysis and significant qualitative due diligence in order to understand business trends, assess management, identify investment risks/opportunities and ultimately to develop a full investment thesis. In evaluating investments, a particular emphasis is placed on developing an independent perspective and conducting thorough interviews of management and third-party industry professionals.

Hawk Ridge's investment process is driven by a disciplined yet flexible approach to idea generation, research/analysis, portfolio construction, and risk management. Hawk Ridge utilizes various methods of analysis in formulating its investment decisions.

Hawk Ridge adopts a fundamental approach to idea generation, focused on due diligence of individual companies. Hawk Ridge employs various screening techniques and automated methods of monitoring news headlines in order to quickly and efficiently identify situations in the market that are most conducive to creating a disparity between business fundamentals and valuation. This process of identifying potential investment candidates is conducted continuously over time (on a day to day basis) in order to develop a consistent "pipeline" of attractive investments that is repeatable over time.

Hawk Ridge makes use of all publicly available information when researching investments. Hawk Ridge may also utilize Bloomberg, CapIQ, trade publications, published research, newspapers, SEC filings, company presentation materials, and broadcast news and internet services. The due diligence process generally consists of interviews with company management and third-party industry professionals (suppliers, customers, competitors, and former industry executives), use of alternative data sources to establish understanding of economic trends, and discussions with capital market professionals. Although not a primary focus, Hawk Ridge also makes use of relevant sell-side research provided by broker-dealers, mostly to get an understanding of what the consensus opinion is on the security in question.

In order to mitigate risk, Hawk Ridge evaluates risks and biases in the portfolio including the following: correlations between individual securities, balance sheet risk of individual securities, net long market exposure, operational risk in underlying investment holdings, overall trading liquidity in individual positions and across the portfolio, exposure to foreign currencies and changes in the broad economic landscape.

Investment Strategies

The investment strategies are set forth in the respective offering materials and governing documents that are provided to investors. Hawk Ridge will be highly flexible in its ability to select and dispose of investments in response to market opportunities and other circumstances.

Hawk Ridge generally pursues a value-oriented strategy, targeting equity-like returns with the goal of taking on significantly less market risk than the broad market indices. Hawk Ridge seeks investment opportunities (long and short) typically through a rigorous screening and due diligence process involving both quantitative analysis and significant qualitative due diligence that is designed to identify situations in the market that are most conducive to creating a disparity between business fundamentals and valuation.

In general, Hawk Ridge seeks to take long positions in businesses that have the most desirable combination of attractive business characteristics and low valuation and seeks short positions in businesses that have the least attractive combination of poor business characteristics and high valuation.

Hawk Ridge expects to take long positions in companies that are perceived to have stable prospects and attractive, growing free cash flow yields and good valuation multiples. Hawk Ridge will prefer shorts in businesses that Hawk Ridge perceives to have weak or declining business prospects, or business prospects dwarfed by peers, with respect to which Hawk Ridge has taken a long position. Hawk Ridge may make investments outside of these general criteria depending on valuation and other factors.

Investments will primarily be focused in the United States although Hawk Ridge will opportunistically invest in other developed markets. Under normal market conditions, Hawk Ridge will attempt to diversify the Funds' equity investments among a number of issuers and industries. However, there is no limit on the percentage of the Funds' assets which may be invested in any security or industry, and portfolios may be concentrated in securities issued by a small number of issuers or companies in a small number of industries.

In addition, Hawk Ridge may use leverage by buying securities on margin (i.e., with credit supplied by the broker-dealer through which equity securities are purchased) or by borrowing from third parties. Hawk Ridge will limit the extent of the Funds' borrowing based on its view of macro-economic and market technical factors, and generally will obtain the maximum margin only when it believes such factors indicate sustained market advances.

Hawk Ridge has broad and flexible investment authority with respect to the investments made by the Funds. The Funds may pursue other strategies or engage in other activities than those described herein.

Please note that an investment in the Funds is deemed highly speculative and is not intended as a complete investment program. Investing in the securities markets in general and in the Funds advised by Hawk Ridge in particular involves significant risk. Investments in the Funds are designed only for experienced and sophisticated persons who are able to bear the economic risk of the loss of their investment and who have a limited need for liquidity.

It is critical that investors refer to the relevant private offering memorandum and other Governing Documents for a complete understanding of Hawk Ridge's investment strategies and methods of analysis. The information contained in this Item 8 is a summary only and is qualified in its entirety by such documents.

B. Material Risks Relating to Investment Strategies and Techniques

All investing and trading activities risk the loss of capital. While Hawk Ridge attempts to moderate these risks, there can be no assurance that the Funds will be able to invest fully on attractive terms or

that the Funds will not suffer losses. The following discussion sets forth some of the more significant risks associated with the investment strategies pursued by Hawk Ridge.

Nature of Investments. Hawk Ridge has broad discretion in making investments for its Advisory Clients. Investments will generally consist of equity securities, equity-related instruments and other assets and financial instruments that may be affected by business, financial market or legal uncertainties. There can be no assurance that Hawk Ridge 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 the Funds' activities and the value of investments. In addition, the value of the portfolio may fluctuate as the general level of interest rates fluctuates.

Concentration of Investments. There is no limit on the types of positions the Funds may take, the size of the companies in which the Funds may invest, or the concentration of investments (by sector, industry, capitalization, company, country or asset class). Although Hawk Ridge will attempt to spread the Funds' capital among a number of investments, at times the Funds may hold a relatively small number of securities positions, each representing a relatively large portion of the Funds' capital. Losses incurred in such positions could have a material adverse effect on the Master Fund's overall financial condition, including opportunity loss.

Use of Leverage. As noted above, the Funds may utilize leverage. Leverage increases returns if the Fund earns a greater return on investments purchased with borrowed funds than the Fund's cost of borrowing such funds. However, the use of leverage exposes the Fund to additional levels of risk, including (i) greater losses from investments than would otherwise have been the case had the Fund not borrowed to make the investments, (ii) margin calls or interim margin requirements which may force premature liquidations of investment positions and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the Fund's cost of borrowing such funds. In the event of a sudden, precipitous drop in value of the Fund's assets, the Fund might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying its losses. In an unsettled credit environment, Hawk Ridge may find it difficult or impossible to obtain leverage for the Fund. In such event, the Fund could find it difficult to implement its strategy. In addition, any leverage obtained, if terminated on short notice by the lender, could result in Hawk Ridge being forced to unwind the Fund's positions quickly and at prices below what Hawk Ridge deems to be fair value for such positions.

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

Hawk Ridge, on behalf of its Clients, from time to time effects transactions in the "over-the-counter" or "OTC" derivatives markets. The stability and liquidity of OTC derivatives transactions depends in large part on the creditworthiness of the parties to the transactions. In the OTC markets, Hawk Ridge, on behalf of a Client, enters into a contract directly with dealer counterparties which may expose the

Client to the risk that a counterparty will not settle a transaction in accordance with its terms because of a solvency or liquidity problem with the counterparty. Delays in settlement may also result from disputes over the terms of the contract (whether or not bona fide). In addition, a Client may have a concentrated risk in a particular counterparty, which may mean that if such counterparty were to become insolvent or have a liquidity problem, losses would be greater than if it had entered into contracts with multiple counterparties. Certain OTC derivative contracts require that a Client post collateral.

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

Collateral that a Client posts to its counterparties that is not segregated with a third-party custodian may not have the benefit of customer-protected "segregation" of such funds. In the event that a counterparty were to become insolvent, a Client may become subject to the risk that it may not receive the return of its collateral or that the collateral may take some time to return.

Portfolio Turnover. The investment strategy pursued by Hawk Ridge may require it to actively trade Advisory Client portfolios, and as a result, turnover and brokerage commission expenses may significantly exceed those of other investment entities of comparable size.

An investment in the Advisory Clients advised by Hawk Ridge involves a high degree of risk, including the risk that the entire amount invested may be lost. The following list of risk factors (set forth in Section B and C of this Item 8) does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Advisory Clients advised by Hawk Ridge. These risk factors only include those risks Hawk Ridge believes to be material, significant or unusual and relate to particular investment strategies, types of securities or methods of analysis employed by Hawk Ridge. In addition, as Hawk Ridge's investment program develops and changes over time, an investment in the Advisory Clients advised by Hawk Ridge may be subject to additional and different risk factors.

C. Material Risks Associated with Particular Types of Securities

Equity Related Instruments and Equity Securities in General. Investments in equity securities may include a broad variety of issuers and instruments. There will be no overall requirements with respect to earnings, revenues, market capitalization or other criteria to limit Hawk Ridge's particular types of equity investments. Accordingly, equity investments may include many securities which are speculative or are of higher risk than those of the most mature or prominent companies. Long/short strategies and other strategies that may be employed depend largely upon identifying securities with appropriate features of negative correlation, i.e., that a loss in one position (whether long or short) will be more than outweighed by a gain in a related position. If the anticipated pattern of price correlation does not in fact occur, or if the positions are not appropriately weighted, losses may occur. Hawk Ridge may use equity-related instruments in its investment program. Certain options and other

equity-related instruments may be subject to various types of risks, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk. In addition, equity-related instruments can involve significant economic leverage and may, in some cases, involve significant risks of loss.

Short Sales. Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on the portfolio. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no assurance that securities necessary to cover a short position will be available for purchase. There is also the risk that the securities borrowed in connection with a short sale must be returned to the securities lender on short notice. If a request for return of borrowed securities occurs at a time when other short sellers of the security are receiving similar requests, a “short squeeze” can occur, and Hawk Ridge may be compelled to replace borrowed securities previously sold short with purchases on the open market at the most disadvantageous time, possibly at prices significantly in excess of the proceeds received in originally selling the securities short. The inability to continue to borrow securities previously sold short may also force Hawk Ridge to unwind other elements of an investment position, possibly at a loss. From time to time regulatory or legislative action taken by regulators around the world may restrict the ability of Hawk Ridge to enter into short sales.

Small Capitalization Companies. Historically, securities of small capitalization companies (commonly referred to as “micro-cap” and “small-cap” companies) have been more volatile in price than those of larger capitalized, more established companies. The securities of small capitalization and recently organized companies pose greater investment risks because such companies may have limited product lines, distribution channels and financial and managerial resources. The equity securities of small capitalization companies are often traded over-the-counter or on regional exchanges and may not be traded in the volumes typical on a national securities exchange. Consequently, the Advisory Clients may be required to dispose of such securities or cover a short position over a longer (and potentially less favorable) period of time than is required to dispose of or cover a short position with respect to the securities of larger, more established companies. Investments in small capitalization companies may also be more difficult to value than other types of securities because of the foregoing considerations as well as lower trading volumes. Investments in companies with limited operating histories are more speculative and entail greater risk than do investments in companies with an established operating record. Additionally, transaction costs for these types of investments are often higher than those of larger capitalization companies.

Stock Index Options. Hawk Ridge, on behalf of its Clients, also purchases and sells indices, as well as call and put options on indices. An index or index option fluctuates with changes in the market values of the stocks included in the index. Because the value of an index or index option depends upon movements in the level of the index rather than the price of a particular instrument, whether a Client will realize gains or losses from the purchase or writing of options on indices depends upon movements in the level of instrument prices in the instrument market generally or, in the case of certain indices, in an industry or market segment, rather than movements in the price of particular instruments.

Fixed Income Securities. Fixed income securities are subject to the risk of an issuer’s ability to meet principal and interest payments on the obligation (credit risk), and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk). Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed income securities tends to increase. This risk will be greater for long-term securities than for short-term

securities. Hawk Ridge may take positions in debt securities which rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer's assets. Hawk Ridge may take positions in debt securities which are not protected by financial covenants or limitations on additional indebtedness. Advisory Clients will therefore be subject to interest rate and liquidity risks.

Investing in High-Yield Debt Securities and Lower Rated Loans. Hawk Ridge may invest in "high yield" bonds and preferred securities that are rated in the lower rating categories by the various credit rating agencies (or in comparable non-rated securities). Securities in the lower rating categories are subject to greater risk of loss of principal and interest than higher-rated securities and are generally considered to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than securities with higher ratings in the case deterioration of general economic conditions. Because investors generally perceive that there are greater risks associated with the lower-rated securities, the yields and prices of such securities may tend to fluctuate more than those for higher-rated securities. The market for lower-rated securities is thinner and less active than that for higher-rated securities, which can adversely affect the prices at which these securities can be sold. In addition, adverse publicity and investor perceptions about lower-rated securities, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of such lower- rated securities.

Distressed Securities. Hawk Ridge may invest in distressed securities. Distressed securities may include the purchase of securities of issuers in bankruptcy, at risk of filing for bankruptcy or otherwise being insolvent. The identification of investment opportunities in distressed securities is a difficult task, and there is no assurance that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer the opportunities for above average returns, these investments involve a high degree of risk and can result in substantial losses. In addition, Advisory Clients may be required to hold such securities for a substantial period of time before realizing their anticipated value. During this holding period, a portion of the Advisory Client's capital would be committed to the securities purchased, thus possibly preventing it from investing in other opportunities. In addition, Hawk Ridge may finance such purchases with borrowed funds and thus will have to pay interest on such funds during the holding period. Returns generated from such investments may not adequately compensate Advisory Clients for the risks involved.

Convertible Securities. Hawk Ridge may invest in convertible securities, securities that may be exchanged or converted into a predetermined number of the issuer's underlying shares or the shares of another company or that are indexed to an unmanaged market index at the option of the holder during a specified time period. Convertible securities may take the form of convertible preferred stock, convertible bonds or debentures, stock purchase warrants, zero-coupon bonds or liquid-yield option notes, stock index notes, mandatories, or a combination of the features of these securities. Prior to conversion, convertible securities have the same general characteristics as non-convertible debt securities. As with all debt securities, the market value of convertible securities tends to decline as interest rates increase and conversely, increase as interest rates decline. Convertible securities, however, also appreciate when the underlying common stock appreciates, and conversely, depreciate when the underlying common stock depreciates.

SPAC PIPE Transactions. A special purpose acquisition company ("SPAC") is formed strictly for the purpose of raising capital through an initial public offering to fund the acquisition, through a merger, capital stock exchange, asset acquisition or other similar business combination, of one or more operating businesses that are typically not publicly-listed. SPACs will often seek third-party equity capital in the form of a private investment in public companies ("PIPE") transaction that is

funded on a concurrent basis with the consummation of the underlying business combination that is being pursued by the SPAC. While such SPAC PIPEs are typically entered into at the time a proposed business combination is announced, certain SPACs may seek PIPE commitments at the time of their IPO in the form of forward purchase agreements. Hawk Ridge on behalf of its Clients may participate in such SPAC PIPE transactions, where it may make an irrevocable commitment to subscribe for equity securities of the combined company surviving the business combination between the SPAC and its target at a set price at the time that an agreement for the underlying business combination is signed. Consummation of a SPAC PIPE is typically contingent on and generally occurs concurrently with the successful closing of the underlying business combination which itself may be subject to conditions (such as regulatory approval, shareholder approval, etc.). As a result, Clients, in their capacity as an investor in a SPAC PIPE, may bear the market or pricing risk of the transaction between the time of executing a subscription agreement to participate in the PIPE and the closing of the underlying business combination being pursued by the SPAC. In addition, during the period of time between a Client's subscription to a PIPE and the consummation of the underlying business combination being pursued the SPAC, Hawk Ridge may have to cause a Client to reserve capital in anticipation of funding its irrevocable commitment. Such time period may be substantial in the case of a forward purchase agreement executed at the time of a SPAC's IPO. In such circumstances, any capital being reserved by Clients will not be available for participation in other investment opportunities. Further, the shares issued at the closing of a SPAC PIPE will generally be restricted for a period of time following the closing until the company that results from the business combination is readmitted for trading on the relevant exchange and the securities are registered under the Securities Act.

Warrants. Warrants are derivative instruments that permit, but do not obligate, the holder to subscribe for other securities. Warrants do not carry with them the right to dividends or voting rights with respect to the securities that they entitle the holder to purchase, and they do not represent any rights in the assets of the issuer. As a result, warrants may be considered more speculative than certain other types of investments. In addition, the value of a warrant does not necessarily change with the value of the underlying securities or commodities, and a warrant ceases to have value if it is not exercised prior to its expiration date.

Non-U.S. Securities. Investing in securities of non-U.S. governments and companies that are generally denominated in non-U.S. currencies and utilization of options on non-U.S. securities involves certain considerations comprising both risks and opportunities not typically associated with investing in securities of the United States government or United States companies. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, foreign government restrictions, less government supervision of exchanges, brokers and issuers, greater risks associated with counterparties and settlement, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

Currency Risks. Investments that are denominated in a foreign currency are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment, capital appreciation and political developments. Hawk Ridge may try to hedge these risks, but there can be no assurance that it will implement a hedging strategy, or if it implements one, that it will be effective.

General Derivative Considerations. The use of derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in securities or more traditional investments, depending upon the characteristics of the particular derivative and the portfolio as a whole. Derivatives may entail investment exposures that are greater than their cost would suggest, meaning that a small investment in derivatives could have a large potential impact on an Advisory Client's performance. If Hawk Ridge invests in derivatives at inopportune times or judges market conditions incorrectly, such investments may lower the Funds' return or result in a loss. The Funds also could experience losses if derivatives are poorly correlated with other investments, or if the Funds are unable to liquidate a position because of an illiquid secondary market. The market for many derivatives is, or suddenly can become, illiquid. Changes in liquidity may result in significant, rapid, and unpredictable changes in the prices for derivatives. Engaging in these transactions involves risk of loss that could materially adversely affect the value of the Funds' net assets.

Options. The purchase or sale of an option involves the payment or receipt of a premium by the investor and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security, commodity or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses its premium. Selling options involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received (which could result in a potentially unlimited loss). Over-the-counter options also involve counterparty solvency risk.

Asset-Backed Securities. Asset-Backed Securities ("ABS") typically represent an interest in a pool of assets such as credit card receivables, automobile loans, or home equity loans, and have yield and maturity, characteristics corresponding to their underlying assets. Unlike traditional debt securities, which may pay a fixed rate of interest until maturity when the entire principal amount comes due, payments on certain ABS include both interest and a partial payment of principal. This partial payment of principal may consist of a scheduled principal payment as well as an unscheduled payment from the voluntary prepayment, refinancing, or foreclosure of the underlying loans. As a result of these unscheduled payments of principal, or prepayments on the underlying securities, the price and yield of ABS can be adversely affected. For example, during periods of declining interest rates, prepayments can be expected to accelerate, and Hawk Ridge would be required to reinvest the proceeds at the lower interest rates then available. Prepayments of loans that underlie securities purchased at a premium could result in capital losses because the premium may not have been fully amortized at the time the obligation is prepaid. In addition, like other interest-bearing securities, the values of ABS generally fall when interest rates rise, but when interest rates fall, their potential for capital appreciation is limited due to the existence of the prepayment option.

Other Securitized Products. Securitized products may include, in addition to the asset-backed investments described above, collateralized debt obligations and synthetic credit portfolio transactions. Structured products are generally subject to the risks of asset-backed securities, including prepayment, credit, liquidity, market, structural, legal, and interest risks. They may also be subject to special risks related to their particular structure. For example, synthetic portfolio transactions may be structured with two or more tranches, each of which receives different proportions of the interest and principal distributions on a pool of credit assets. The yield to maturity of any given tranche may be extremely sensitive to the default rate in the underlying reference portfolio.

Limited Liquidity of Investments. Some of Hawk Ridge's investments may be relatively illiquid. An investment may be illiquid because it is thinly traded or because Hawk Ridge's position in it is large in relation to the overall market for the security. Hawk Ridge may own (or have a short position in) securities that are relatively liquid when acquired (or sold short) but that later become illiquid. Hawk

Ridge may not be able to liquidate illiquid positions if the need were to arise; rapid sales of such securities could depress the market value of those securities, reducing Hawk Ridge's profits, or increasing its losses, in the positions (and rapid purchases to cover short positions could have the corollary effect). In addition, while it does not currently intend to, Hawk Ridge may buy securities that are not immediately saleable in the public markets.

Withdrawals funded out of the most liquid portion of Hawk Ridge's assets could cause the illiquid portion to be a greater percentage of Hawk Ridge's portfolio than would otherwise be optimal.

The value assigned to illiquid securities (including thinly traded securities) and large blocks of securities for purposes of determining participation account sharing percentages and determining net profit and net loss may differ from the value Hawk Ridge is ultimately able to realize on those securities.

Hedging. Hawk Ridge uses hedging strategies to the extent it considers appropriate in light of current circumstances and portfolio composition. It may, and does, so using short positions in one instrument to hedge long positions in another instrument, and vice versa. Hedging strategies in general are intended to limit or reduce investment risk, but they can also be expected to involve transaction costs and may inherently limit or reduce the potential for profit. Hedges are often imperfectly inversely correlated with the underlying exposure Hawk Ridge seeks to hedge and, to the extent that is the case, can subject Hawk Ridge to additional risk, if prices involved in the hedging position move against Hawk Ridge. Other risks that may be involved in hedging include: (i) possible illiquidity in the market for closing out a hedging position; (ii) interest rate, spread, or other broad market movements not anticipated by Hawk Ridge; (iii) Hawk Ridge's obligations to meet margin or other payment requirements; (iv) a counterparty's default or refusal to perform; and (v) impact that required segregation of Hawk Ridge's assets to cover hedge related obligations may have on portfolio management or Hawk Ridge's ability to meet short term obligations. Hawk Ridge does not attempt to hedge all market or other risks inherent in its positions and will hedge certain risks, if at all, only partially.

Currencies and Foreign Exchange. Hawk Ridge may take positions in currencies, either directly or through the use of derivative instruments. While it may do so to hedge currency exposure on other investments, it may also do so to take advantage of what Hawk Ridge considers trading opportunities. The foreign exchange markets can be news-driven, can be unexpectedly volatile, and can be affected by non-market forces such as actions of various governments.

Forward Contracts. Hawk Ridge may trade deliverable forward contracts in the inter-bank currency market. Such deliverable forward contracts and "cash" trading are substantially unregulated. Deliverable forward contracts are not currently traded on exchanges; rather, banks and dealers act as principals in these markets. There is currently no limitation on daily price movements and speculative position limits are not applicable. Changes in the forward markets may entail increased costs and result in burdensome reporting requirements. Principals in the forward markets have no obligation to continue to make markets in the forward contracts traded. The CFTC now regulates non-deliverable forwards (which includes many deliverable forwards where the parties do not take delivery) as swaps. The imposition of credit controls by governmental authorities or the implementation of additional regulations might limit forward trading to less than that which Hawk Ridge would otherwise recommend, to the possible detriment of the Funds.

Over-the-Counter Derivatives. Over-the-counter or "OTC" derivatives have historically been individually

negotiated, non-standardized agreements entered into directly and privately between two parties—rather than on an exchange—to make/receive payments based on changes in underlying reference instruments or values. While, as described below, legislation and regulations require many derivatives to be cleared, many will remain bilateral and non-cleared. OTC derivatives involve the following types of risks, among others:

Counterparties to non-cleared OTC derivatives might fail to perform, subjecting Hawk Ridge to loss of the benefit of the derivative agreement and potentially to loss of access to assets posted with the counterparty as collateral. Non-cleared OTC derivatives are generally not afforded the risk-mitigating protections of an execution facility or clearinghouse, or of a government regulator that oversees the execution facility or clearinghouse, in the event of such a failure to perform. Even cleared derivatives may not avoid these risks entirely: when transacting in cleared OTC derivatives, Hawk Ridge will not face a clearinghouse directly but rather will transact through an OTC derivatives dealer that is registered with the CFTC or SEC and that acts as a clearing member (a futures commission merchant). If another of Hawk Ridge's clearing member's customers fails to meet its obligations to the clearing member, under certain circumstances the clearing member could default on its obligations to the clearinghouse, and Hawk Ridge's assets held by the clearing member could consequently become inaccessible for an indefinite period or could ultimately prove not to be recoverable.

If a counterparty's creditworthiness declines, the value of a derivative contract with the counterparty can be expected to decline, potentially resulting in losses by the Fund. Many derivative contracts call for payments by Hawk Ridge periodically or upon changes in the price of an underlying instrument or in underlying rates or indices. Hawk Ridge must be prepared to make those payments when due, and it may be required to maintain collateral with its counterparty to support its payment obligations. If Hawk Ridge were to fail to fulfill those obligations or to post any required collateral, its counterparty could declare an event of default, and Hawk Ridge could be required to pay breakage fees, suffer the loss of the amounts paid to the counterparty, and possibly forego future payments from the counterparty. OTC derivatives are less liquid than listed options or futures. Difficulties may arise in interpreting the legal terms of the relevant agreements.

Swap Agreements. Hawk Ridge from time to time enters into various swap agreements ("Swaps") as part of its investment program. A Swap is agreement between two parties to exchange cash flows (and sometimes principal amounts) measured by different interest rates, commodity prices, exchange rates, energy rates, indices or prices, with payments generally calculated by reference to a principal ("notional") amount or quantity. OTC Swaps and similar derivatives are individually negotiated contracts that are not traded on exchanges or SEFs; rather, banks and dealers act as principals in these markets. Furthermore, OTC Swaps may have non-standardized and highly bespoke terms, and may or may not be cleared by a central counterparty. As a result, Hawk Ridge is subject to the risk of the inability or refusal to perform with respect to such contracts on the part of the counterparties with which Hawk Ridge trades. However, many Swaps representing a substantial portion of the Swap marketplace, for example many interest rates swaps, are required to be executed through regulated futures exchanges or SEFs and be submitted for clearing to regulated clearinghouses. All Swaps, whether OTC or traded on regulated markets, may be subject to various other types of risk, including market risk, liquidity risk, counterparty credit risk (including, if applicable, risk of clearing member or clearinghouse default), legal risk, and operations risk. In addition, Swaps can involve considerable economic leverage and may, in some cases, involve significant risk of loss. Depending on their structure, Swaps may increase or decrease exposure to the corporate credit market, equity securities, long-term or short-term interest rates, foreign currency values, corporate borrowing rates, or other factors. Swaps can take many different forms and are known by a variety of names. Hawk Ridge is not limited to any particular form of Swap if its use is consistent with Hawk Ridge's investment

objectives and policies Depending on how they are used, Swaps may increase or decrease the overall volatility of a portfolio. The most significant factor in the performance of Swaps is the change in the specific interest rate, currency, equity index or other factors that determine the amounts of payments due to and from Hawk Ridge. If a Swap calls for payments by Hawk Ridge, Hawk Ridge must be prepared to make such payments when due. In addition, if a counterparty's creditworthiness declines, the value of a Swap with such counterparty can be expected to decline, potentially resulting in losses by Hawk Ridge.

Total Return Swaps. Hawk Ridge from time to time may invest in total return swaps. As a buyer of total return swaps, Hawk Ridge will be obligated to make certain periodic payments in exchange for the total return on a referenced asset, including coupons, interest, and the gain or loss on such asset over the term of the swap. Hawk Ridge may be required to maintain collateral with the total return swap counterparty. If Hawk Ridge fails to fulfill its payment obligations or fails to post any required collateral under a total return swap, the total return swap counterparty may declare an event of default, and, as a result, Hawk Ridge may be required to pay swap breakage fees (with respect to OTC swaps), suffer the loss of the amounts paid to the counterparty, and forego the receipts from the counterparty of further total return swap payments.

Risks. *An investment in the Funds involves significant risk. You should invest only after consulting with independent qualified sources of investment and tax advice.*

Neither the Funds nor Hawk Ridge guarantees or represent that the Funds' investment program will be successful. As with any investment, an investor could lose some or all of his or her or its investment. An investment in the Funds is not designed to be a complete investment program, therefore, should you invest, the investment should represent only a portion of your overall asset management strategy.

General Risks. *Hawk Ridge has exclusive and unrestricted discretion to invest Hawk Ridge's assets. The Funds' prospects depend upon Hawk Ridge's ability to develop and implement investment strategies that achieve Hawk Ridge's investment objectives. It is important to note that an investment in the Funds involves substantial risks and is suitable only for persons who have limited need for liquidity of their investment and no need for regular current income. No assurance exists that the Hawk Ridges will achieve their investment objective. In addition to the risks always associated with investment in securities, Hawk Ridge's (and thus the Funds) investment strategies involve a variety of other risks. The following describes some of the risks that arise from relying on an investment adviser with such broad discretion and on Hawk Ridge in particular.*

Dependence on Hawk Ridge; Investment Discretion. Hawk Ridge's prospects depend upon Hawk Ridge's ability to develop and implement investment strategies that achieve Hawk Ridge's investment objectives. Hawk Ridge will select particular investments based on its analysis and subjective assessment of the variety of factors that it considers relevant to the prospects of those investments. Failure of that analysis or those assessments as to particular investments or as to strategic direction and construction of Hawk Ridge's portfolio as a whole, may cause Hawk Ridge to incur losses or to miss profit opportunities on which it could otherwise have capitalized.

Reliance on Key Personnel. The Funds and Hawk Ridge's operations are substantially dependent on the skill, judgment, and expertise of the principal, David Brown, and Hawk Ridge's other personnel. The death, disability, departure, or other unavailability of Mr. Brown or any other key personnel could have a material and adverse effect on the Funds and Hawk Ridge.

Financial Market Fluctuations & Disruptions. Hawk Ridge's investment results will be affected by

general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, currency exchange controls, and national and international political circumstances. These and other general economic and market-oriented factors may affect the level and volatility of securities prices and the liquidity of Hawk Ridge's investments, in turn potentially impairing the Funds' profitability or resulting in losses. In particular, volatility and illiquidity may be increased by factors in countries and markets in which Hawk Ridge invests such as: relatively shallow levels of trading; relatively strong impact of central bank intervention in the foreign exchange markets; the relatively large impact of investment funds moving in and out of those markets; relatively poor levels and quality of information disclosure by companies; relative laxity of regulations covering the corporate governance of listed companies; and relatively under-developed regulations covering the trading of securities.

Disruptions in financial markets can significantly affect the prospects of companies in which Hawk Ridge invests, Hawk Ridge's ability to assess those prospects, and Hawk Ridge's ability to adapt its portfolio and market exposures. In 2007 and 2008, a global "credit crisis" caused rapid and violent swings in all markets. The effects of that crisis on markets (including effects caused by governmental intervention, discussed below) may continue, and markets may be less predictable than they historically have been. In the summer and early fall of 2011 global economic disruptions caused additional dramatic swings in securities prices. In 2012 and 2015, developments in Europe caused significant price swings and 2016 saw historic levels of price volatility and declines across international markets. More recently, the imposition of unprecedented trade tariffs by the United States could adversely affect the companies in which Hawk Ridge invests, and the possibility of similar retaliatory measures being taken by other countries may adversely impact global markets generally. Other disruptions including hurricanes, earthquakes, other natural disasters and terrorism that have similar, or even more dramatic, effects on the markets in which the Funds invest. The Funds could incur major losses in the event of disrupted markets and other extraordinary events in which historical pricing relationships become materially distorted. The risk of loss from pricing distortions can be compounded by the fact that in disrupted markets previously liquid positions can become illiquid, making it difficult or impossible to close them out if the markets are moving against them. These catastrophic risks of loss can be substantial and could have a material adverse effect on Hawk Ridge's business and Fund's portfolios including investments made by Hawk Ridge.

Disease and Epidemics. The impact of disease and epidemics may have a negative impact on our Funds and their performance. The outbreak of the Covid-19 pandemic in late 2019 and early 2020 resulted in health or other government authorities requiring the closure of corporate offices, other businesses and manufacturing facilities across the globe. While governmental agencies and private sector participants will seek to mitigate the adverse effects of the coronavirus, the efficacy of such measures is uncertain. Thus, the impact of Covid-19's impact on the Fund's investments could be materially adversely affected and the extent to which the coronavirus (or any other disease or epidemic) impacts business activity or investment results will depend on future developments, which are highly uncertain and unpredictable.

Reliance on Third Party Service Providers. Hawk Ridge and the Funds rely heavily on custodians, prime brokers, executing brokers and counterparties, and the Administrator for a variety of services that are essential to the Funds' and Hawk Ridge's operations, including executing, clearing and settling portfolio transactions, reporting transactions and positions, financial reporting, processing subscriptions and redemptions, and monitoring and providing information for regulatory reporting and related purposes. If any of these service providers fails to perform its services accurately and effectively, in particular if a service provider or its personnel were to engage in fraud or theft or make material errors in performing services, a Fund's and/or Hawk Ridge's operations could be materially impaired or Hawk Ridge could lose assets. Among other things, portfolio transactions Hawk Ridge

ordered might not be effected or Hawk Ridge might take action based on erroneous information. Any such failures, errors, fraud or other misconduct could cause Hawk Ridge to suffer losses.

It is critical that investors refer to the relevant confidential private offering memorandum and other Governing Documents for a complete understanding of the material risks involved in relation to the types of securities that Hawk Ridge invests in on behalf of the Funds. The information contained herein is a summary only and is qualified in its entirety by such documents.

ITEM 9
DISCIPLINARY INFORMATION

There are no legal or disciplinary events that are material to a current or prospective client's evaluation of Hawk Ridge's advisory business or the integrity of Hawk Ridge's management.

ITEM 10
OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Broker-Dealer Registration Status

Hawk Ridge 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.

B. Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Adviser Registration Status

Hawk Ridge and its management persons are exempt under 4.13(a)(3) from registering with the Commodity Futures Trading Commission and thus, are not registered as, and do not have any application to register as, futures commission merchants, commodity pool operators, commodity trading advisors or associated persons of the foregoing entities.

C. Material Relationships or Arrangements with Certain Related Persons

Hawk Ridge, its affiliates and their respective management persons and other personnel serve as the investment manager and general partner to the Funds, some of which may be considered their related persons due to the fact that they could be deemed under common control. Hawk Ridge, its employees, affiliates or their related persons may also invest directly in some or all of the Funds.

D. Material Relationships or Arrangements with Certain Related Persons

Hawk Ridge does not recommend or select other investment advisers for its Funds.

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

Hawk Ridge strives to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, honesty and trust. In seeking to meet those standards, Hawk Ridge has adopted a Code of Ethics (the “Code”), which is a part of Hawk Ridge’s compliance manual and has been designed to comply with Rule 204A-1 of the Advisers Act. The Code applies to Hawk Ridge’s “Access Persons.” Access Persons include, generally, any partner, officer or director of Hawk Ridge and any employee or other supervised person of Hawk Ridge who, in relation to the Funds, (1) has access to non-public information regarding any purchase or sale of securities, or non-public information regarding securities holdings or (2) is involved in making securities recommendations, executing securities recommendations, or has access to such recommendations that are non-public. All of Hawk Ridge’s employees are deemed to be Access Persons.

The Code sets forth a standard of business conduct that takes into account Hawk Ridge’s status as a fiduciary and requires Access Persons to place the interests of Advisory Clients and investors above their own interests. The Code is designed to: (i) establish guidelines for professional conduct and personal trading procedures; (ii) prevent improper personal trading by Hawk Ridge’s Access Persons; (iii) prevent improper use of material, non-public information about securities recommendations made by Hawk Ridge or securities holdings of the Funds; (iv) identify conflicts of interest; and (v) provide a means to resolve any actual or potential conflict in favor of the Funds and their investors.

The Code requires Access Persons to comply with applicable federal securities laws. Further, Access Persons are required to promptly bring violations of the Code to the attention of Hawk Ridge’s Chief Compliance Officer. All Access Persons are provided with a copy of the Code and are required to acknowledge receipt of the Code on at least an annual basis.

The Code also sets forth certain reporting and pre-clearance requirements with respect to personal trading by Access Persons. Among other things, Hawk Ridge’s Code requires Access Persons to obtain prior approval from the Chief Compliance Officer (or his designee) before buying or selling any reportable security in a personal account (other than exchange traded funds (“ETFs”), exchange traded notes (“ETNs”), registered closed-end investment companies, and options on ETFs or ETNs). This pre-clearance requirement also includes purchases or acquisitions of securities in an initial public offering, as well as any purchases or sales of securities in a limited offering (e.g., private placement). In addition, Access Persons must receive pre-approval prior to selling any reportable security held by the Access Person prior to joining Hawk Ridge (other than ETFs and closed- end investment companies).

Access Persons must provide the Chief Compliance Officer with a list of their personal accounts and an initial holdings report within 10 days of becoming an Access Person. In addition, Access Persons must provide annual holdings reports and quarterly transaction reports in accordance with Rule 204A-1 under the Advisers Act.

Investors or prospective investors may obtain a copy of Hawk Ridge’s Code of Ethics by contacting Hawk Ridge’s Chief Compliance Officer at (310) 594-7350.

A. Client Investments and Contemporaneous Trading

As explained in Item 10 above, Hawk Ridge serves as the general partner and investment adviser to the Funds. Hawk Ridge and its employees or their related persons also invest directly in some or all

of the Funds.

The fact that Hawk Ridge and its related persons have a financial ownership interest in the Funds creates a potential conflict in that it could cause Hawk Ridge to make different investment decisions than if they did not have such a financial ownership interest. Further, Hawk Ridge charges fees based on a percentage of assets under management. Such asset-based fee is payable without regard to the overall success or income earned by the Advisory Clients and therefore may create an incentive on the part of Hawk Ridge to raise or otherwise increase assets under management to a higher level than would be the case if Hawk Ridge were receiving a lower or no management fee. The receipt of performance-based compensation may create an incentive for Hawk Ridge to make investments that are riskier or more speculative than would be case in the absence of a performance-based fee structure.

B. Personal Trading

Hawk Ridge's Code of Ethics includes procedures for, and restrictions on, employee trading intended to prevent employees from benefiting from, or appearing to benefit from, any price movement that may be caused by Advisory Client transactions. From time to time, Access Persons of Hawk Ridge may have an interest or position in certain securities which may also be recommended to an Advisory Client. Each such related person transaction is separately identified and given extra assessment to ensure it is made strictly in accordance with Hawk Ridge's Code of Ethics and the terms of the applicable offering and organizational documents of each Fund.

Access Persons are subject to preclearance requirements with respect to certain transactions in personal accounts, as discussed above.

In addition, Hawk Ridge maintains a "Restricted List" of companies about which a determination has been made that it is prudent to restrict trading activity. Securities included on the Restricted List may include securities held by or being considered for purchase or sale on behalf of an Advisory Client or securities of a company about which investment personnel may have acquired material nonpublic information or a position where Hawk Ridge may have a securities filing obligation. In general, transactions in the securities of a company appearing on the Restricted List (whether on behalf of Advisory Clients or in personal accounts of Access Persons) will not be allowed except with the prior written approval of Hawk Ridge's Chief Compliance Officer or his designee.

The Code of Ethics generally prohibits Access Persons from transacting in securities that Hawk Ridge is buying, selling, or is considering buying or selling for Advisory Client accounts. No Access Person may effect a transaction in any security (excluding mutual funds, exchange-traded funds, or "ETFs", exchange-traded notes, or "ETNs", and closed-end funds) for the Access Person's personal account if he/she knows that Hawk Ridge is effecting or is considering effecting an equivalent transaction in the same security (excluding mutual funds and ETFs) for Advisory Client accounts. Transactions in options, derivatives or convertible instruments that are related to an equity security (excluding mutual funds, ETFs, ETNs, and closed-end funds) in which Hawk Ridge is effecting or considering effecting transactions for Advisory Client accounts are subject to the same limitations. The Chief Compliance Officer (or his designee) may consider granting an exception to this prohibition, but these exceptions will be rare.

Hawk Ridge and its related persons conduct investment activities for their own accounts and may serve as investment advisers or investment managers to other clients in the future. Such other activities or accounts may have investment objectives or may implement investment strategies similar to those of the Advisory Clients. Hawk Ridge and its principal owners have a significant investment in certain Hawk Ridge Funds and may have investments in certain other entities managed by Hawk Ridge or its affiliates from time to time.

Hawk Ridge may, at some point in the future, provide discretionary investment advisory services to additional accounts. The trades made by any other funds or accounts managed by Hawk Ridge or its affiliates in the future, may compete with trades for the Advisory Clients' portfolios. To the extent such situation occurs, Hawk Ridge will generally determine the allocation of assets pro-rata based on assets under management or in some other manner which Hawk Ridge determines is fair and equitable under the circumstances.

ITEM 12 BROKERAGE PRACTICES

A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions

When performing investment management services for the Funds, Hawk Ridge has full discretion to place buy and sell orders with or through such brokers or dealers as it may deem appropriate. It is the policy and practice of Hawk Ridge to strive for the best price and execution that are competitive in relation to the value of the transaction (“best execution”). In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the overall best qualitative execution, taking into consideration the full range of a broker-dealer’s services.

Hawk Ridge will place trades for execution only with approved brokers or dealers. In selecting a broker, dealer or other intermediary, Hawk Ridge will consider such factors that in good faith and judgment it deems reasonable under the circumstances. Hawk Ridge will not be required to consider any particular criteria. For the most part, Hawk Ridge will seek to obtain the best combination of brokerage expenses and execution quality of Fund transactions, but, as discussed below, Hawk Ridge is not required to select the broker or dealer that charges the lowest transaction cost, even if that broker provides execution quality comparable to other brokers or dealers.

Selection Criteria

In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the overall best qualitative execution, taking into consideration the full range of a broker-dealer’s services. In selecting a broker, dealer or other intermediary (including futures commission merchants, as applicable), Hawk Ridge will consider such factors that in good faith and judgment it deems reasonable under the circumstances. The considerations in selecting brokers may include, among other things: research services; economic and market information; portfolio strategy advice; industry and company comments; technical data; recommendations; research conferences; general reports; consultations; performance measuring data; online pricing; special execution capabilities; block trading and block positioning capabilities; willingness to execute related or unrelated difficult transactions in the future; willingness to commit capital; knowledge of other buyers and sellers; order of call; online access to computerized data regarding clients’ accounts; computerized trading systems; clearance; settlement; reputation; financial strength and stability; efficiency of execution and error resolution; the availability of stocks to borrow for short trades; confidentiality; custody; recordkeeping and similar services; and other matters involved in the receipt of brokerage services generally.

1. Research and Other Soft Dollar Benefits

In selecting brokers or dealers to execute transactions, Hawk Ridge need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. Hawk Ridge may select a broker-dealer in recognition of the value of various services or products, beyond transaction execution, that such broker-dealer provides where, considering all relevant factors, it believes the broker-dealer can provide best execution. The amount of compensation paid to such broker-dealer may be higher than what another, equally capable broker-dealer might charge. Selecting a broker-dealer in recognition of the provision of services or products other than transaction execution is known as paying for those services or products with “soft dollars.”

Hawk Ridge currently has soft dollar arrangements in place and may enter into other such arrangements in the future. The types of research and related services Hawk Ridge obtains with “soft dollars” includes, among other things, written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; financial publications; and discussions with research personnel and industry experts, including through the use of expert networks.

Pursuant to Section 28(e) of the Securities Exchange Act of 1934, as amended, Hawk Ridge may use soft dollars to acquire a variety of research and brokerage services and products from a broker-dealer, provided that the commissions paid are reasonable in light of the value of the brokerage and research products or services provided, as determined by Hawk Ridge in good faith. Hawk Ridge will generally limit the use of “soft dollars” to obtain research and brokerage services which constitute eligible research and brokerage within the meaning of Section 28(e). For these purposes, eligible “brokerage” services and products are those used to effect securities transactions for the Funds or to assist in effecting those transactions. Eligible “research” means services or products used to provide lawful and appropriate assistance to Hawk Ridge in making investment decisions for the Funds. Research services may involve research reports on particular industries and companies, economic surveys, securities recommendations, and other services providing lawful assistance to Hawk Ridge in making investment decisions.

In the event any products or services obtained by Hawk Ridge with client commissions have “mixed uses,” (*i.e.*, for research and non-research purposes), Hawk Ridge will make a good faith and reasonable allocation of the cost of the product according to its use, in accordance with the SEC’s interpretive guidance. Although Hawk Ridge will make a good faith and reasonable allocation of the eligible costs of the product or service for brokerage or research, the allocation determination itself poses a potential conflict of interest since Hawk Ridge may have an incentive to overestimate the soft dollar portion allocated to the “mixed use” product or service in order to avoid paying for such brokerage or research with hard dollars. Hawk Ridge has formed a Best Execution Committee which periodically evaluates the execution performance of broker-dealers to ensure that the services provided are consistent with best execution at least semi-annually.

Further, to assist in the payment of research expenses, Hawk Ridge has entered into arrangements commonly referred to as “client commission arrangements” or “commission sharing arrangements” (collectively “CSAs”). Hawk Ridge has established CSAs with various brokers. The commission credits generated through CSA trading for Hawk Ridge’s client accounts with participating brokers are collected in a centralized account at an aggregator or soft dollar administrator, which has established its own arrangements with the participating brokers to facilitate CSAs, including the aggregator’s receipt of fees from the brokers. Hawk Ridge uses the commission credits to obtain research products and services provided by third parties directly to Hawk Ridge. Hawk Ridge has determined the use of such CSAs and the aggregator provides a cost-effective brokerage credit administration system.

Although customary, these arrangements present potential conflicts of interest in allocating securities transactional business to broker-dealers in exchange for soft dollar benefits, including an incentive to select a broker-dealer based on Hawk Ridge’s interest in receiving research or other products or services, rather than on the Funds’ interest in receiving the most favorable execution. Commissions paid may vary throughout the year for purposes of obtaining soft dollar research. To the extent the commissions paid are higher during a portion of the year, investors who subscribe or redeem during a given year may consequently pay higher or lower average commissions than they would have paid if they had been invested for the entire year.

2. Brokerage for Client Referrals/Capital Introduction

Hawk Ridge may place transactions with a broker or dealer that (i) provides Hawk Ridge with the opportunity to participate in capital introduction events sponsored by the broker-dealer or (ii) refers investors to the Funds or other products advised by Hawk Ridge (or an affiliate), if otherwise consistent with seeking best execution. Although this may create a potential conflict of interest, capital introduction is not a consideration when selecting or retaining prime brokers or executing trades. While the meetings may be arranged by the brokers, there is no guarantee that the prospective investors will invest with Hawk Ridge. Other than the standard commission rates paid by Hawk Ridge's Funds and accounts, and customary prime brokerage fees, the brokers do not receive any compensation, directly or indirectly, for the meeting or the subsequent investments, if any. In other words, Hawk Ridge will not allocate Fund brokerage business to a referring broker unless Hawk Ridge determines in good faith that the commissions payable to such broker is consistent with seeking best execution.

3. Directed Brokerage

Hawk Ridge does not permit or require clients to direct brokerage. Hawk Ridge has complete discretion in deciding what brokers and dealers the Funds will use and in negotiating the rates of compensation the Funds will pay. As noted above, a prime brokerage relationship has been established on behalf of the Funds.

Hawk Ridge is not required to allocate either a stated dollar or stated percentage of transactions to any broker-dealer for any minimum time period and will review such relationships periodically. As outlined above, Hawk Ridge recognizes its duty to seek "best execution" in effecting transactions on behalf of the Funds.

4. Trade Errors

From time to time, trade errors may occur and result in losses to the Advisory Clients. Examples of trade errors include the purchase or sale of the wrong security, the purchase or sale of a security for the wrong account or the purchase or sale of the wrong quantity of a security (e.g., 500 shares are traded instead of 5,000 shares). Trade errors frequently result in losses but may, occasionally, result in gains. Hawk Ridge will endeavor to detect trade errors prior to settlement and correct and/or mitigate them in an expeditious manner. To the extent an error is caused by a third party, such as a broker, Hawk Ridge will strive to recover any losses associated with such error from such third party. Hawk Ridge treats trade errors that may occur on behalf of the Advisory Clients differently based on the value of the costs or losses that result from each trade error. A trade error that results in costs or losses having a value that is equal to or less than 5 basis points of the relevant Advisory Client's NAV at the time the error occurred are subject to Hawk Ridge's exculpation and indemnification provisions, so that such costs or losses will be borne by the Advisory Client. unless such errors are due to actions by Hawk Ridge for which Hawk Ridge would not be entitled to indemnification. Alternatively, Hawk Ridge shall be responsible, directly or indirectly through Hawk Ridge's insurance, for trade errors that result in losses or costs having a value in excess of 5 basis points of the value of the relevant Advisory Client's NAV at the time the trade error occurred. In determining whether a trade error should be borne by an Advisory Client, Hawk Ridge will have a conflict of interest.

B. Order Aggregation

At this time, Hawk Ridge's investments are generally conducted through a single master fund in a master- feeder structure, with investments generally made at the Master Fund level. Hawk Ridge or

its affiliates may in the future act as the investment adviser to investment entities and separate managed accounts with investment strategies and policies similar in many respects to, or very different from, those of the Funds.

At such time, as Hawk Ridge manages an additional account (and is therefore allocating investments among accounts), Hawk Ridge will allocate investments in a fair and equitable manner, as determined by Hawk Ridge, which may or may not be pro rata based upon assets under management. In addition, in the event that Hawk Ridge manages additional accounts, it may determine to buy or sell the same security on behalf of more than one account (based upon investment mandate). In such circumstances, Hawk Ridge may, but is not required to, aggregate purchase and sale orders of securities held by the Funds with similar orders being made simultaneously for other accounts if, in Hawk Ridge's reasonable judgment, such aggregation is reasonably likely to result in an overall economic benefit to the affected accounts. Such benefits may include better transaction prices, lower commissions or execution costs, beneficial timing of transactions, or a combination of these and other factors.

ITEM 13

REVIEW OF ACCOUNTS

A. Frequency and Nature of Review of Client Accounts or Financial Plans

The Funds' portfolios are under ongoing review by David Brown and Eric Wolff, Hawk Ridge's portfolio managers. The investment team reviews the portfolios on an ongoing basis to assure conformity with the Funds' objectives and guidelines. In addition, all portfolios are reviewed in light of emerging trends and developments as well as market volatility. Further, David Bradley, the Chief Compliance Officer, periodically reviews the firm's trading to ensure consistency with applicable laws and regulations. In addition, Hawk Ridge uses an independent third party to conduct annual financial audits of the accounts of the Funds.

B. Factors Prompting Review of Client Accounts Other than a Periodic Review

In addition to reviews in the ordinary course of business, a review of an Advisory Client account may be triggered by any unusual activity or special circumstances, including, but not limited to: changes in market, economic, or legal or regulatory conditions, changes in information or other factors regarding a particular investment, purchase or sales of investments, and other similar developments and events.

C. Content and Frequency of Account Reports to Clients

With respect to the Funds, an independent third-party administrator conducts independent monthly verification of Hawk Ridge's pricing of its investments held by the Funds and prepares quarterly transparency reports to the Funds, that includes among other items, the percentage (if any) of the relevant Fund's investments for which the independent third party was unable to verify prices.

With respect to investors, the independent third-party administrators provide a monthly report to Investors in the Funds that confirms capital balances, net income and net returns for the month. Hawk Ridge also issues to Investors in the Funds audited financial statements concerning their respective Fund no later than 120 days after the end of such Fiscal year and may do so earlier, to the extent agreed upon with certain Investors. Hawk Ridge may also provide certain Investors with information on a more frequent and detailed basis if agreed to by Hawk Ridge.

Hawk Ridge also issues to Investors tax estimate reports prepared by our auditor upon request and Schedule K-1's within 120 days of the end of such Fund's fiscal year or as soon thereafter as is reasonably possible.

ITEM 14
CLIENT REFERRALS AND OTHER COMPENSATION

Neither Hawk Ridge nor any related person directly or indirectly compensates any person for referrals of clients to Hawk Ridge, as the only clients of Hawk Ridge are the Funds. Hawk Ridge has entered into arrangements with certain firms and individuals which provide for the payment of fees based upon the referral of investors who sign binding subscription agreements for the purchase of limited partnership interests in a Fund; however, as described above, investors in the Funds are not advisory clients of Hawk Ridge. All such agreements will be conducted in a manner that is consistent with relevant SEC guidance, including as applicable, the requirement that such firms and individuals maintain all required licenses and registrations. All fees paid to solicitors, if any, will be fully disclosed to investors consistent with applicable law.

Hawk Ridge may direct a portion of the Funds' portfolio brokerage business to broker-dealers who introduce investors to the Funds and may pay finders' fees or commissions at its own expense to such persons. Hawk Ridge may also share portions of the Management Fee and Performance Allocation with persons who refer investors to the Fund at its own expense.

ITEM 15 CUSTODY

Hawk Ridge is deemed to have custody of Advisory Client assets because Hawk Ridge (or an affiliate) acts as general partner of the Funds and in such capacity has legal ownership of, or access to, Advisory Client funds or securities.

The qualified custodians presently utilized for the Funds' cash and securities are:

Wells Fargo Securities LLC
600 California St # 1600
San Francisco, CA 94108

JP Morgan Securities LLC
383 Madison Avenue
New York, NY 10179

Northbrook Bank, a subsidiary of Wintrust Bank (Transaction Account for Subscriptions,
Redemptions, and Expenses)
1100 Waukegan Rd.
Northbrook, IL 60062

Northern Trust Co.
50 S La Salle St.
Chicago, IL 60603

To ensure compliance with Rule 206(4)-2 under the Advisers Act, Hawk Ridge will ensure that the Funds are subject to annual audit by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board in accordance with its rules and that the Funds' audited financial statements prepared in accordance with generally accepted accounting principles are distributed to all investors no later than 120 days after the end of each fiscal year, or earlier to the extent agreed upon with certain Investors. The Funds are also subject to audit upon liquidation and the audited financial statements are distributed to all investors promptly after the completion of such audit. Investors should carefully review such audited financial statements.

ITEM 16
INVESTMENT DISCRETION

Hawk Ridge has discretionary authority to manage the investment activities of the Funds, as set forth in the Governing Documents of each Fund and the investment management agreement between the Funds and Hawk Ridge. Hawk Ridge is authorized to make purchase and sale decisions for the Funds. Investors in the Funds do not have the ability to impose limitations on Hawk Ridge's discretionary authority.

Each Fund's investment strategy is set forth in detail in such Fund's offering memorandum (or similar document). Prospective investors are provided with an offering memorandum prior to their investment and are encouraged to carefully review the offering memorandum, along with all other relevant offering materials, to be sure that the proposed investment is consistent with their investment goals and tolerance for risk. Prospective investors should also consult with their legal, tax, or other advisors prior to making any investment. Prospective investors must also execute a subscription agreement, in which they make various representations, including representations regarding their suitability to invest in a high-risk investment.

ITEM 17

VOTING CLIENT SECURITIES

A. Proxy Voting

Hawk Ridge provides investment advisory services to its Advisory Clients, and invests Advisory Client assets, both long and short, in publicly-traded equity securities primarily in the United States and other developed markets. Hawk Ridge has authority to vote proxies relating to such securities on behalf of Advisory Clients.

Hawk Ridge understands and appreciates the importance of proxy voting. To the extent that Hawk Ridge has discretion to vote proxies on behalf of Advisory Clients, Hawk Ridge's policy is to vote any such proxies in a manner that serves the best interests of the Advisory Clients, as determined by Hawk Ridge in its discretion, and taking into account relevant factors, including, but not limited to:

- the proxy's economic effect on shareholder value;
- the threat that the proxy poses to existing rights of shareholders;
- the dilution of existing shares that would result from the proposal;
- the effect of the proxy on management or director accountability to shareholders; and
- if the proxy is a shareholder initiative, whether it wastes time and resources of the company or reflects the grievance of one individual.

Certain of the Manager's proxy voting guidelines are summarized below:

- The Manager generally votes for: uncontested director nominees recommended by management; the election of auditors recommended by management, unless a dispute exists over policies; limiting directors' liability; and eliminating preemptive rights.
- The Manager generally votes against proposals to: entrench the board or adopt anti-takeover measures; proposals to provide cumulative voting rights; and social issues.

In evaluating proxy issues, Hawk Ridge will use information gathered as a result of the in-depth research and ongoing company analyses performed by Hawk Ridge's investment team in making buy, sell and hold decisions for Advisory Client portfolios. This process includes periodic meetings with senior management of portfolio companies. Hawk Ridge may also consider information from other sources, including the management of a company presenting a proposal, shareholder groups, and other independent proxy research services. Unless a particular proposal or the particular circumstances of a company suggest otherwise, proposals regarding routine matters (such as the election or re-election of board members, changes in capitalization, and the approval of auditors) generally shall be voted in accordance with voting guidelines that have been formulated by our investment team. Non-routine matters may be reviewed and voted by Hawk Ridge on a case-by-case basis. Investors are not able to direct the Advisory Clients' proxy votes.

Proxies for securities on loan through securities lending programs (for example, securities borrowed to facilitate a short sale) will generally not be voted, unless Hawk Ridge can obtain these securities in advance of the relevant record date.

Prior to voting any proxies, Hawk Ridge will determine if there are any conflicts of interest related to the proxy in question. If a conflict is identified, the Chief Compliance Officer will then make a determination (which may be in consultation with outside legal counsel) as to whether the conflict is material or not. If no material conflict is identified pursuant to its set procedures, the Chief Compliance

Officer will make a decision on how to vote the proxy in question, occasionally receiving input from members of the investment team if necessary. In cases where a conflict of interest has been identified and deemed “material,” Hawk Ridge will determine how to proceed in the best interests of the affected Advisory Clients (which may include abstaining from voting or utilizing an independent third party to vote such proxies).

Hawk Ridge keeps a record of its proxy voting policies and procedures, proxy statements received, votes cast, all communications received, and internal documents created that were material to voting decisions and each client request for proxy voting records and Hawk Ridge’s response for the previous five years.

B. Class Actions

Hawk Ridge is authorized to direct the Fund’s participation in any class action litigation through which it may be entitled to any recovered funds or other remedy. Hawk Ridge has engaged a third party to assist in determining whether the Fund should (a) participate in the recovery sought by a class action or (b) opt out of the class action and separately pursue its own remedy. For its services to the Fund, the third party receives a percentage of the Fund’s recovery less certain costs associated with its services. Hawk Ridge oversees the submission of the proof of claim forms and any other documents to the claim administrator and the receipt of any recovered funds on behalf of the Fund. Hawk Ridge will maintain any documents associated with the Fund’s participation in any class action litigation.

If you have any questions about Hawk Ridge’s proxy policy, its proxy record-keeping procedures, if you would like any detailed information about how proxies were actually voted, or if you have question about Hawk Ridge’s class action policy, please call Hawk Ridge’s Chief Compliance Officer at (310) 594-7350.

ITEM 18
FINANCIAL INFORMATION

Hawk Ridge has never filed for bankruptcy and is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its Advisory Clients.