

## Sage Rock Capital Management LP

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This brochure (this “Brochure”) provides information about the qualifications and business practices of Sage Rock Capital Management LP. If you have any questions about the contents of this Brochure, please contact us at [IR@sagerockcapital.com](mailto:IR@sagerockcapital.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Registration as an investment adviser does not imply that Sage Rock Capital Management LP or any of its principals or employees possess a particular level of skill or training in the investment advisory business or any other business.

Additional information about Sage Rock Capital Management LP is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2. Material Changes**

Sage Rock Capital Management LP filed its last annual amendment Brochure on March 30, 2020. This Brochure has been updated to reflect, among other things, the following:

- Sage Rock Capital Management LP's change of address and new website.
- Additional information regarding Sage Rock Capital Management LP's Managing Partners' personal investments in private placements of securities with no secondary market, along with the potential conflicts of interests related to such investments and the steps taken by Sage Rock Capital Management LP to mitigate such potential conflicts.

There are no other material changes. Nonetheless, clients are encouraged to read this document in its entirety.

**Item 3. Table of Contents**

Item 1.	Cover Page.....	1
Item 2.	Material Changes .....	2
Item 3.	Table of Contents .....	3
Item 4.	Advisory Business .....	4
Item 5.	Fees and Compensation .....	4
Item 6.	Performance-Based Fees and Side-By-Side Management .....	6
Item 7.	Types of Clients .....	7
Item 8.	Methods of Analysis, Investment Strategies and Risk of Loss .....	7
Item 9.	Disciplinary Information .....	16
Item 10.	Other Financial Industry Activities and Affiliations .....	16
Item 11.	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	17
Item 12.	Brokerage Practices.....	18
Item 13.	Review of Accounts .....	19
Item 14.	Client Referrals and Other Compensation .....	20
Item 15.	Custody.....	20
Item 16.	Investment Discretion .....	20
Item 17.	Voting Client Securities .....	20
Item 18.	Financial Information .....	21
Item 19.	Requirements for State-Registered Advisers .....	21

**Item 4. Advisory Business**

Sage Rock Capital Management LP (“we” “us,” or “our”) is a Delaware limited partnership that was formed on June 5, 2013. We are principally owned by Atul Khanna (the “CIO”) and Raffiq Nathoo (together with the CIO, the “Managing Partners”).

We provide discretionary investment advice to Sage Rock Capital Fund LP (the “Feeder Fund”) and Sage Rock Capital Master Fund LP, a master fund through which the Feeder Fund invests (together with the Feeder Fund, the “Funds”). We also serve as a sub-adviser to the following funds and accounts (together, the “Separately Managed Accounts”): (i) an open-end mutual fund that is registered as an investment company under the Investment Company Act of 1940, as amended (the “Mutual Fund”) and (ii) a pooled investment vehicle that is authorized by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended (the “UCITS Fund”). References throughout this document to “clients” refer to the Funds, the Separately Managed Accounts and any investment vehicles that we may advise in the future.

Client accounts will be managed in accordance with their own investment and trading objectives, as described in their offering documents, governing agreements and investment advisory agreements, as applicable (collectively, the “Governing Documents”). We do not permit investors in the Funds to impose limitations on the investment activities described in the Funds’ Governing Documents. Under certain circumstances, we may contract with a Separately Managed Account to adhere to limited risk and/or operating guidelines imposed by that client. We negotiate such arrangements on a case-by-case basis. (See *Item 16 - Investment Discretion*)

Sage Rock Capital LLC (“Sage Rock GP”) serves as the general partner to the Funds.

We do not participate in wrap fee programs.

As of December 31, 2020, we managed \$637,372,720 of regulatory assets under management on a discretionary basis. We do not manage any assets on a non-discretionary basis.

**Item 5. Fees and Compensation**

Our fees and compensation are described in our clients’ Governing Documents.

*The Funds*

The Funds pay us a quarterly management fee of 0.375% (1.5% on an annualized basis), which would be subject to reduction for certain classes upon the Funds meeting certain asset thresholds. Management fees are paid in advance. Once paid, the management fee is non-refundable. We may, in our discretion, waive or reduce our management fee for certain investors without notice to, or the consent of, other investors.

Sage Rock GP, our affiliate, is also entitled to receive performance-based allocations from the Funds, as further described in *Item 6 – Performance-Based Fees and Side-By-Side Management*.

*Separately Managed Accounts*

Our compensation schedule with respect to each Separately Managed Account is contained in the sub-advisory agreement relating to such account. Each Separately Managed Account pays us an asset-based fee, which is paid quarterly in arrears. Such fees are neither invoiced nor debited, but are paid to us directly by each Separately Managed Account in accordance with sub-advisory agreement relating to such account. In addition, we are entitled to receive performance-based fees from the UCITS Fund on an annual basis.

Our compensation schedule with respect to any future client account will be contained in the Governing Documents relating to such account.

*Expenses Generally*

The Funds will generally be obligated to pay certain expenses pertaining to them, which are described in detail in their respective investment advisory agreements. As applicable, these expenses may include, without limitation, clients' operating expenses, including expenses related to the offering of their interests, filings, investor reporting costs, administration and audit expenses, any and all fees for research (including on-line news and quotation services, Bloomberg service, etc.) and due diligence, research materials and research-related travel, due diligence-related travel, trading systems and software, risk management systems and software, portfolio management systems, order management systems, interest on margin accounts, legal, accounting and professional fees, consulting fees, insurance costs, borrowing charges on securities sold short, custodial fees, trustees fees, brokerage commissions, bank service fees, interest on loans and debit balances, our fees and expenses incurred in connection with preparing and filing reports relating to clients' trading activities (including under investment advisory laws, such as Form PF) any taxes applicable to clients on account of their operations and/or investments, and any and all expenses related to the management and operation of clients as well as the purchase, sale or transmittal of assets, as we determine in our discretion.

The Separately Managed Accounts will bear their *pro rata* portion of costs related to their transactions, including interest on margin accounts and brokerage commissions. To the extent that the Separately Managed Accounts benefit from any items paid for by the Funds, we or the Separately Managed Accounts (and not the Funds) will bear the Separately Managed Accounts' equitable portion of such expense.

The expenses that would be charged to future clients would be determined on a case-by-case basis.

Certain investors in the Funds would also be subject to withdrawal fees, if withdrawals are made prior to the satisfaction of agreed-upon holding periods.

From time to time, we allocate a portion of certain clients' capital to money market funds or exchange-traded funds. In addition to the fees and expenses discussed above, clients will indirectly incur similar fees and expenses if we invest their capital in such funds, as these funds in turn pay similar fees and expenses to their investment managers and other service providers.

For a more detailed discussion of brokerage and transaction costs, see *Item 12 - Brokerage Practices*.

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

Sage Rock GP, our affiliate, is entitled to receive annual performance-based allocations from the Funds. Such performance-based allocation is equal to: (i) 15% of the capital appreciation of the Funds' assets with respect to certain classes of interests and (ii) 20% of the capital appreciation of the Funds' assets with respect to other classes of interests. Such performance-based allocation is subject to a loss carryforward mechanism.

In the event that an investor withdraws capital (in whole or in part) from a Fund other than at the end of a fiscal year, the deduction of the performance-based allocation will be made with respect to such investor as though it were being made at the end of a fiscal year.

We or our affiliates may, in our discretion, waive or reduce the Funds' performance-based allocation with respect to one or more investors without notice to, or the consent of, the other investors.

*Separately Managed Accounts*

Our compensation schedule with respect to each Separately Managed Account is contained in the sub-advisory agreement relating to such account. We are entitled to receive performance-based fees from the UCITS Fund on an annual basis, subject to a loss carryforward provision. The Mutual Fund is not subject to a performance-based compensation arrangement.

*Side-by-Side Management*

Performance-based compensation arrangements create an incentive for us to recommend investments that may be riskier or more speculative than those that would be recommended under a different compensation arrangement. Performance-based compensation arrangements also create an incentive for us to favor accounts with higher compensation rates over other accounts when allocating investments.

In light of the foregoing, we have adopted procedures designed and implemented to ensure that all clients are treated fairly and equitably, and to prevent such conflict from influencing the allocation of investment opportunities among our clients. When participation in a specific investment is deemed to be appropriate for more than one client account, we will seek to allocate such investment opportunities between such accounts on a fair and equitable basis under the circumstances existing at such time based upon a number of factors, including, but not limited to: (i) the intended objective and strategy of each participating client account and any applicable investment or risk restrictions or guidelines, including leverage constraints and position limits, (ii) legal, regulatory and tax considerations, (iii) our perception of the appropriate risk/reward ratio for each participating client account, taking into account, among other things, market exposure, anticipated volatility and diversification, (iv) the overall portfolio composition of each participating client account, (v) the relative amounts of capital in each participating client account available for new investments of the type at issue, (vi) the liquidity of each participating client account, (vii) the desire to avoid *de minimis* allocations and odd lots, and (viii) such other considerations as we believe are relevant at such time.

In addition, because our management fees and performance-based compensation from relevant client accounts are generally based on such accounts' net asset values, we have a conflict of interest in valuing

their assets. To mitigate this conflict, we will follow our documented valuation policies and periodically consult with auditors and the Funds' administrator (the "Administrator").

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

Investors in the Funds are generally high net worth individuals and institutional investors that qualify as "accredited investors" (as defined in Rule 501 under the Securities Act of 1933, as amended), and, if subject to performance-based compensation, "qualified clients" (as defined under the Investment Advisers Act of 1940, as amended (the "Advisers Act")). The minimum initial investment in the Funds is generally \$1,000,000. We may waive such minimum under certain circumstances.

If we determine to require a minimum investment for any Separately Managed Account, we will make that determination on a case-by-case basis.

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

##### *Methods of Analysis and Investment Strategies Generally*

##### The Funds

##### *Investment Objective*

The Funds' principal objective is to seek capital appreciation and attractive absolute investment returns by identifying mispriced investments or opportunities that exhibit a potential for value enhancement.

##### *Investment Strategy*

The Funds will focus primarily on event-driven and equity special situations investments. We expect that the majority of the Funds' assets will be invested in North America. We intend to employ a research-based investment approach to identify securities and other instruments that we believe to be mispriced or that otherwise exhibit a potential for value enhancement. We intend to select investments with the goal of achieving an attractive risk-adjusted rate of return based on analyses that take into account downside risk, upside potential, and the probabilities of these outcomes.

Most investment opportunities are expected to arise from non-fundamental market factors or fundamental mis-pricings and may possess catalysts to realize investment value. We will seek to generate favorable returns when we believe that the impact or timing of such events is not adequately reflected in the market price of a security or instrument, usually due to a range of structural, technical, fundamental, regulatory, legal, and liquidity-driven factors. Our strategy will focus primarily on opportunities that we believe have the below underlying elements.

1. The presence of structural, technical, liquidity, and other non-fundamental factors, which create temporary mis-valuations, and certain misvalued, poorly understood situations. Examples include: (i) companies where value can be created through reconfiguration of assets, (ii) companies where value can be created through transformation of balance sheet, (iii) value creation through conversion of corporate form, (iv) misvalued or hidden assets within parent companies, (v) underfollowed or out-of-favor companies, (vi) announced corporate events, and (vii) extreme fundamental undervaluation.

2. The presence of potential value realization catalysts, which may be more or less well specified, even if the exact form and timing of the catalysts are not well-known. Examples of catalysts include: (i) contemplation, announcement and/or completion of restructuring, (ii) shareholder pressure/activism, (iii) legal outcomes, (iv) regulatory changes, (v) institutional sponsorship, (vi) relisting, and (vii) change of control.
3. The combination of these factors and catalysts should be present in a range of potential opportunities where investments may be made after careful and rigorous development of an investment thesis. Examples include: (i) spin-offs, (ii) special purpose acquisition companies (“SPACs”), (iii) broken initial public offerings (“IPOs”), (iv) liquidations, (v) post-reorganization equities, (vi) potential and announced mergers and acquisitions, (vii) potential and announced asset sales and acquisitions, (viii) embedded optionality, (ix) potential for regulatory change, (x) anticipated industry consolidation, (xi) contingent and deal-related securities, (xii) delisted securities, and (xiii) delinquent filers.

We believe that SPACs represent an attractive investment opportunity set. For the Funds, the strategy includes: (i) buying selected SPAC warrants in anticipation of the announcement and closing of a business combination, (ii) buying selected SPAC units and generally holding them until a business combination is successfully closed, and (iii) buying selected SPAC securities post business combination.

We believe that this approach will yield significant opportunities with attractive risk profiles. We believe that the Funds’ returns will be more a function of security selection than of movements in broad market averages.

#### *Investment Guidelines*

The Funds may take large positions in relatively few individual investments and, as a result, may have concentrated portfolios. We cannot determine in advance the relative weighting of the Funds’ portfolios among various types of investments. The Funds may invest a small portion of their assets (such portion generally not to exceed 10% of the Funds’ net asset value at the time of investment) in non-publicly traded securities, unless otherwise determined by us in limited circumstances.

The holding period and sizing of an investment generally will be determined by our view of the particular security’s or instrument’s changing risk/reward profile on an individual basis as well as relative to other investment opportunities for the Funds.

The Funds may use hedging techniques primarily to hedge unwanted exposures and severe market moves, rather than to maintain market and sector neutrality. This approach to hedging may lead to greater volatility in the Funds’ returns. The Funds may use leverage, including, without limitation, with the goal of enhancing the Funds’ returns, or for other reasons as determined in our sole discretion. The Funds may borrow funds in connection with their investments, including by borrowing money against their long positions (margin debt) in order to purchase additional long positions and by borrowing securities in connection with short positions. We believe that the increased risk exposure that accompanies the use of leverage is sufficiently mitigated by the disciplined use of short positions and diversification. The degree of leverage used in connection with short sales and margin debt will not be limited to any predetermined level but will be subject to any applicable legal and broker/counterparty-imposed leverage limitations.



*Risk Management*

Our approach to risk management with respect to the Funds takes into account the expected duration of the investment, the size of the investment, and a broad range of additional factors. We also consider a broad range of additional factors when evaluating the risk/reward profile of individual investments and the Funds' portfolios as a whole including, for example: (i) gross and net portfolio exposure on an absolute basis by industry, strategy and region, (ii) gross and net portfolio exposure on a beta-adjusted basis, (iii) downside potential of each position, (iv) exposure to specific markets and other factors (e.g., non-investment grade credit, warrants, new issue market, different event-types, catalyst timing), (v) size of each position as a percentage of net assets, and (vi) relative liquidity of each position and of the portfolio as a whole.

We may seek through hedging to mitigate macroeconomic risk (including market, regional, currency, political and/or industry sector risks) in order to focus on event and fundamental risks. However, there can be no guarantee that any hedging techniques employed by us will be successful in mitigating such risks.

*Separately Managed Accounts**Investment Objective*

The principal objective of each Separately Managed Account is to seek capital appreciation and attractive absolute investment returns by investing in a portfolio of SPAC securities or SPAC-related securities.

*Investment Strategy*

The strategy of the Separately Managed Accounts involves systematically buying positions in a broad range of outstanding SPAC units and SPAC unit IPOs, and generally holding the units and/or the associated common stock, warrants and rights until no later than the completion of a deal. We apply a discretionary overlay to eliminate some SPACs and trade SPAC units, common stock and warrants based on, among other things, expected internal rate of return, richness/cheapness, and evaluation of the SPAC sponsors. Additionally, we will hold associated SPAC securities post the closing of a SPAC deal.

*Investment Guidelines*

The Separately Managed Accounts may take large positions in relatively few individual investments and, as a result, may have concentrated portfolios. We cannot determine in advance the relative weighting of the Separately Managed Accounts' portfolios among various types of investments.

*Risk Management*

Our approach to risk management with respect to the Separately Managed Accounts takes into account the expected duration of the investment, the size of the investment, and a broad range of additional factors. We also consider a broad range of additional factors when evaluating the risk/reward profile of individual investments and the Separately Managed Accounts' portfolios as a whole including, for example: (i) portfolio exposure on an absolute basis by industry, (ii) aggregate exposure of post business combination securities, (iii) collective exposure of warrants, (iv) size of each position as a percentage of assets, and (v) size of each position as a percentage of its issue size.

Future Client Accounts

Client accounts that we manage in the future may pursue the same or similar strategies as those set forth above.

**Investing in securities involves risk of loss that clients and investors should be prepared to bear.**

Risk Factors

Our investment strategy involves significant risks. A discussion of the material risks is provided below. Prospective investors and clients are strongly urged to review the applicable offering memorandum or other Governing Documents carefully and consult with their own financial, legal and tax advisers before investing with us.

Risk Factors Applicable to Client Accounts Generally

*Investment and Trading Risks.* All securities investments risk the loss of capital. No guarantee or representation is made that our investment program will be successful or that client accounts will not incur substantial losses. In certain transactions, client accounts may not be “hedged” against market fluctuations. We will attempt to assess these risks, and others, in determining the extent of the positions client accounts will take in the relevant securities and the price they are willing to pay for such securities. However, such risks cannot be eliminated.

*Foreign Investments.* Client accounts will trade non-U.S. securities and other instruments denominated in non-U.S. currencies and/or traded outside of the U.S. Such transactions require consideration of certain risks not typically associated with trading in U.S. securities or other instruments. Such risks include unfavorable currency exchange rate developments, restrictions on repatriation of investment income and capital, imposition of exchange control regulation by the U.S. or foreign governments, confiscatory taxation and economic or political instability in foreign nations. In addition, there may be less publicly available information about certain non-U.S. companies than would be the case for comparable companies in the U.S., and certain non-U.S. companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of U.S. companies.

*Investments in Unregistered Securities.* Client accounts may invest in unregistered securities, including investments in new and early stage companies or companies undergoing operational or financial restructuring, which may involve a high degree of business and financial risk that can result in substantial losses. Because of the possible absence of a liquid trading market for these investments, it may take longer to liquidate these positions than would be the case for publicly traded securities, or it may not be possible to liquidate them at all. Although these securities may be resold in privately negotiated transactions, the prices realized on such sales could be substantially less than those originally paid by client accounts. Further, companies that have securities that are not publicly traded will generally not be subject to public disclosure and other investor protection requirements applicable to companies that have publicly traded securities.

*Investments in Special Purpose Acquisition Companies.* Client accounts will invest in SPACs. A SPAC is a development stage company that has no specific business plan or purpose or has indicated its business plan is to engage in a merger or acquisition with an unidentified company or companies, other entity, or person. Because SPACs have broad discretion to select potential business combinations (subject to industry, geographic or other limitations, if any), it is not possible for us to ascertain the merits or risks of

investing in a particular SPAC. A client account will be dependent upon the integrity, skill and judgment of the management team of each SPAC in which such client account invests. There is no guarantee that a SPAC we select for investment by a client account will be able to effect a well-received business combination with an operating entity. SPACs may encounter intense competition from other entities having similar business objectives, such as venture capital funds, leveraged buy-out funds and other private equity entities, as well as operating businesses competing for acquisitions. If a client account invests in a SPAC that is unable to effect a business combination, it will receive its share of the proceeds held in trust, subject to reduction if third party claims are made against the SPAC or escrow. If a client account does not want to participate in a SPAC's business combination, and instead redeems for the value of trust which is customarily higher than the client account's purchase price, the client account is also relying on the integrity of the custodian and trustee of the SPAC's escrow account. If a client account were to acquire warrants, that client account may lose the entire value of those warrants if a business combination cannot be effected by that SPAC or if the business combination is poorly-received by the markets. SPAC securities typically have less liquid trading markets than most other publicly traded equity securities.

*PIPE Trading.* Client accounts may make private investments in equities of publicly-traded companies ("PIPES"). In such conditions, not only is it easier to liquidate the equity acquired upon conversion of a client account's illiquid and restricted securities, but also the equity price may increase from the date of liquidation, increasing the profit of conversion. PIPE investing also involves making capital commitments to issuers without access to traditional capital markets in situations in which the bankruptcy of the issuer could result in a total loss of the investment. Analysis of the financial condition of each issuer is an important component of determining whether to make any such investment.

*Leverage.* Subject to applicable regulations, we will use leverage when we deem appropriate and the applicable client is eligible, including the use of borrowed funds and investments in certain types of derivatives and options, such as puts, calls and warrants, which may be purchased for a fraction of the price of the underlying securities while giving client accounts the full benefit of movement in the market of those underlying securities. While such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss. To the extent that a client account purchases securities with borrowed funds, its assets will tend to increase or decrease at a greater rate than if borrowed funds are not used. The level of interest rates generally, and the rates at which such funds may be borrowed in particular, could affect a client's returns. If the interest expense on borrowings were to exceed the net return on the portfolio securities purchased with borrowed funds, the use of leverage would result in a lower rate of return than if the client accounts were not leveraged.

*Derivatives Generally.* Derivative instruments, or "derivatives," include options, swaps, structured securities and other instruments and contracts that are derived from or the value of which is related to one or more underlying securities, financial benchmarks, currencies or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark currency or index at a fraction of the cost of investing in the underlying asset. Client accounts may seek to acquire derivatives for these or other reasons.

The value of a derivative is frequently difficult to determine and depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives are "leveraged," and thus provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively

small adverse market movement can not only result in the loss of the entire investment, but may also expose client accounts to the possibility of a loss exceeding the original amount invested. Over-the-counter derivatives generally are not assignable except by agreement between the parties concerned, and no party or purchaser has any obligation to permit such assignments. The over-the-counter market for derivatives is relatively illiquid.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) enables the Commodity Futures Trading Commission (the “CFTC”) and the SEC to enact new regulations on certain over-the-counter derivatives. Under the Dodd-Frank Act and rules promulgated thereunder, certain over-the-counter derivatives contracts are required to be traded on regulated trading platforms (*i.e.*, swap execution and facilities) and cleared through registered clearing organizations subject to regulation by the SEC and the CFTC. Such contracts are traded more like futures and options contracts, and parties to such transactions trade standardized contracts and face clearing organizations as contractual counterparties, rather than facing the credit risk of counterparties under individually negotiated bilateral over-the-counter agreements.

In addition, swap dealers and major swap participants (entities that are not swap dealers, but are subject to rules governing dealers due to their levels of activity and exposure) are subject to regulatory oversight and requirements with respect to over-the-counter derivatives, which will include business conduct requirements, such as know-your-customer rules, increased risk disclosure and rules requiring trades to be documented and confirmed within certain timeframes. Derivative contracts, whether cleared or uncleared, will have to be reported to trade data repositories registered with the CFTC and/or the SEC.

As a result, the effect that the foregoing regulatory changes will have on the price of derivative contracts, liquidity and administrative costs, among other things, remains unclear. In addition, there is speculation that some or all of the Dodd-Frank Act may be repealed and/or changed. Depending upon such changes, there may be significant differences in the future with respect to the risks associated with derivatives trading. The impact of any such changes is currently unknown.

*Market Volatility; Changes to Companies.* The securities markets are subject to volatility and will be influenced by various factors, including without limitation, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events. The volatility of the securities markets makes it difficult for us to accurately predict price movements. Clients may not be “hedged” against such market fluctuations.

In addition, entities in which client accounts invest (via the securities of such entities or debt instruments issued by or relating to such entities) will be subject to changes in economic climate, technology and competition, as well as other operating risks. For these and other reasons, capital appreciation sought by us may not actually be achieved and clients could sustain losses.

*Small Cap Companies.* At any given time, a client account will invest in smaller sized companies of a less seasoned nature. While smaller companies generally have potential for rapid growth, they often involve higher risks because they may lack the management experience, financial resources, product diversification, and the competitive strength of larger companies. In addition, in many instances, the frequency and volume of their trading may be substantially less than is typical of larger companies.

*Concentration of Investments.* Client accounts’ capital will, at times, be concentrated in the securities of relatively few issuers. In addition, client accounts are not restricted in the amount of its capital that they

may commit to any industry sector or geographical region. Losses incurred in connection with those investments could have a material adverse effect on a client's overall financial condition. This is because the value of each client account's investment portfolio will be more susceptible to any single occurrence affecting one or more of those issuers or industry sectors or geographical regions than would be the case with a more diversified investment portfolio.

*Risk of Default or Bankruptcy of Third Parties.* We intend to engage in transactions for client accounts in securities and financial instruments that involve counterparties. Under certain conditions, client accounts could suffer losses if a counterparty to a transaction were to default or if the market for certain securities and/or financial instruments were to become illiquid. In addition, client accounts could suffer losses if there were a default or bankruptcy by certain other third parties, including brokerage firms and banks with which we do business, or to which securities have been entrusted for custodial purposes. For example, if a client account's prime brokers or custodians were to become insolvent or file for bankruptcy, such account could suffer significant losses with respect to any securities held by such firm.

*Competition.* The securities industry and the varied strategies and techniques to be engaged in by us are extremely competitive and each involves a degree of risk. We will compete with firms, including many of the larger securities firms, which have substantially greater financial resources and research staffs.

*Illiquid Securities.* We will invest a portion of client accounts' assets in illiquid securities. Client accounts may not be able to readily dispose of such illiquid securities and, in some cases, may be contractually prohibited from disposing of such securities for a specified period of time.

*Changes and Uncertainty in U.S. and International Regulation.* Client accounts may be adversely affected by uncertainties such as international and domestic political developments, changes in government policies, taxation, currency fluctuations and other developments in the laws and regulations of the countries to which client assets are exposed through their investments or investor base. The tax and regulatory environment for hedge funds is evolving, and changes in the regulation or tax treatment of hedge funds and their investments may adversely affect the value of investments held by client accounts, and may impair their ability to pursue their trading strategies. During this period of uncertainty, market participants may react quickly to unconfirmed reports or information and as a result there may be increased market volatility. This unpredictability could cause us to alter investment and trading plans, including the holding period of positions and the nature of instruments used to achieve client trading objectives.

In the United States, we and client accounts may be adversely affected as a result of new or revised legislation or regulations imposed by the SEC, the Financial Stability Oversight Council, and other U.S. governmental regulatory authorities or self-regulatory organizations that supervise the financial markets. In addition, the securities and futures markets are subject to comprehensive statutes and regulations including margin requirements. Regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The Dodd-Frank Act and the rules promulgated thereunder could result in additional regulatory compliance burdens and trade reporting, which may add significant cost to clients. The Dodd-Frank Act endows the SEC, the CFTC, and other regulators with discretionary authority to write and interpret new rules. The ultimate impact of the Dodd-Frank Act on us and our clients is unclear and will depend in large part on the regulations that the CFTC and SEC promulgate.

*Operational and Information Security Risk from Cyberattacks.* We, our clients and our respective service providers may be subject to operational and information security risks resulting from cyberattacks. Cyberattacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial of service attacks on websites, the unauthorized release of confidential information or various other forms of cybersecurity breaches. Cyberattacks affecting us or our service providers may adversely impact our clients. For instance, cyberattacks may interfere with the processing of investor transactions, impact the ability to calculate client accounts' net asset value, cause the release of private investor information or other confidential information, impede trading, subject us, our clients and our respective service providers to regulatory fines or financial losses, and cause reputational damage. Similar types of cybersecurity risks are also present for other market participants, which may have material adverse consequences for our clients, and may cause our clients' investments to lose value. Client accounts and their service providers may incur additional costs relating to cybersecurity preparations, and such preparations, though taken in good faith, may be inadequate. Cyberattacks are viewed as an emerging risk and the scope of the risk and related mitigation techniques are not yet fully understood and are subject to continuing change.

*Risk Factors Applicable to the Funds Only*

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

*Distressed Securities and Special Situation Positions.* The Funds will invest in distressed securities and special situations. This strategy involves engaging in transactions in securities and other obligations of companies that are experiencing significant financial or business distress, including companies involved in bankruptcy or other reorganizations and liquidation proceedings. Although such transactions may produce significant returns to the Funds, they involve a high degree of risk over a potentially lengthy period of time, as well as less liquidity than many other investments. Trading in these types of securities requires sophisticated analysis (and it is often difficult to obtain information) and there can be no assurance that we will accurately predict various factors that could affect the prospects of a successful restructuring. Many of these positions remain stagnant until the company reorganizes and/or emerges from bankruptcy proceedings, and, as a result, may have to be held for an extended period of time.



In liquidations, bankruptcies, recapitalizations and other forms of corporate reorganization, there exists the risk that the reorganization either will be unsuccessful (for example, for failure to obtain requisite approvals), will be delayed (for example, until various liabilities, actual or contingent, have been satisfied) or will result in a distribution of cash or a new security the value of which will be less than the purchase price of the security in respect of which such distribution was made.

These types of securities require active monitoring and may, at times, require participation in bankruptcy or reorganization proceedings by us. To the extent that we become involved in such proceedings, the Funds may have a more active participation in the affairs of the issuer than that assumed generally by an investor. In addition, our participation in such proceedings may restrict or limit the Funds' ability to trade securities of the subject company.

The Dodd-Frank Act established the Orderly Liquidation Authority (the "OLA"), an insolvency regime for large, interconnected financial companies, including broker-dealers, the failure of which would pose a significant risk to the financial stability of the United States. The Funds may invest in, or transact with, such large, interconnected financial companies and therefore may face losses if such financial companies are put into receivership and are then liquidated or reorganized upon a determination by the U.S. Federal Deposit Insurance Corporation and the board of governors of the U.S. Federal Reserve. If a financial company becomes liquidated or reorganized by the OLA, the Funds' investments in such a financial company could be adversely affected. Compared to bankruptcy proceedings, creditors, shareholders and contract counterparties will have little or no input into or advance notice about the liquidation or reorganization of the applicable financial company. Many of the procedural rules for the OLA have not yet been written, and it is unclear how financial companies that become subject to liquidation proceedings or reorganizations by the OLA will ultimately be affected.

*Short Sales.* We will engage in short sales on behalf of the Funds. A short sale involves the sale of a security that the Funds do not own in the expectation of purchasing the same security (or a security exchangeable therefor) at a later date at a lower price. To make delivery to the buyer, a Fund must borrow the security and the Fund is obligated to return the security to the lender, which is accomplished by a later purchase of the security by the Fund. When a Fund makes a short sale in the U.S., it must leave the proceeds thereof with the broker and it must also deposit with the broker an amount of cash or U.S. government or other securities sufficient under current margin regulations to collateralize its obligation to replace the borrowed securities that have been sold. If short sales are effected on a foreign exchange, such transactions will be governed by local law. A short sale involves the risk of a theoretically unlimited increase in the market price of the security that would result in a theoretically unlimited loss. The extent to which we will engage in short sales on behalf of the Funds will depend upon its trading strategy and perception of market direction and the value of individual securities. We will engage in short sales as a hedge against potential market declines and/or based on our analysis of the subject securities.

*Hedging Transactions.* Hedging strategies in general are usually intended to limit or reduce investment risk, but can also be expected to limit or reduce the potential for profit. No assurance can be given that any particular hedging strategy will be successful.

*Options.* Client accounts will use a number of option strategies. Put options and call options typically have similar structural characteristics and operational mechanics regardless of the underlying instrument on which they are purchased or sold. A put option gives the purchaser of the option, upon payment of a premium, the right to sell, and the writer the obligation to buy, the underlying security, commodity, index, currency or other instrument at the exercise price. A call option, upon payment of a premium, gives the

purchaser of the option the right to buy, and the seller the obligation to sell, the underlying instrument at the exercise price.

If a put or call option purchased by a client account was permitted to expire without being sold or exercised, its premium would be lost by the client account. The risk involved in writing a put option is that there could be a decrease in the market value of the underlying security. If this occurred, the option could be exercised and the underlying security would then be sold to a client account at a higher price than its current market value. The risk involved in writing a call option is that there could be an increase in the market value of the underlying security. If this occurred, the option could be exercised and the underlying security would then be sold at a lower price than its current market value. Purchasing and writing put and call options and, in particular, writing “uncovered” options are highly specialized activities and entail greater than ordinary investment risks.

*Valuation.* To the extent that a Fund invests in securities or instruments for which market quotations are not readily available, the valuation of such securities and instruments will be determined by us, in consultation with the Administrator, in accordance with our valuation policies and procedures. Our determination will be final and conclusive as to all parties. We may, but are not required to, obtain independent market quotations for or appraisals of such assets. As the performance compensation received by us or our related persons from the Funds is based on their net asset values, we will have a conflict of interest in valuing these securities.

*In-Kind Distributions.* Although we expect to liquidate all of the Funds’ investments prior to the termination of the Funds and allow the Funds to distribute only cash to investors, there can be no assurance that we will meet this objective. In addition, if significant withdrawals are requested, we may be unable to liquidate the Funds’ investments at the time such withdrawals are requested or may be able to do so only at prices which we believe do not reflect the true value of such investments and which would adversely affect investors. Under the foregoing circumstances, investors may receive in-kind distributions, if permitted by law or by contract. We will select the securities and/or other assets to be distributed to withdrawing investors, and it is possible that such securities will not represent a *pro rata* portion of each position in each Fund’s overall portfolio. Such distribution may also be made in the form of interests in a liquidating entity or trust or similar vehicle. Such securities and instruments may not be readily marketable or saleable and may have to be held by the investor, or by the Funds in trust for the investor, for an indefinite period of time.

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

There are no legal or disciplinary events that are material to a client’s or prospective client’s evaluation of our advisory business or our management.

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

As noted above, Sage Rock GP will serve as the general partner to the Funds.

The management of multiple client account results in a potential conflict of interests when we and our related persons allocate time and investment opportunities among such accounts. For example, certain of our employees, officers and/or other related persons have a greater portion of their personal assets invested in certain of our client accounts than in others. In addition, the compensation we and our affiliates earn from each client account is expected to differ from the compensation earned from other client accounts. In order to mitigate associated conflicts, we will generally follow documented procedures



in allocating investment opportunities among our clients. (*See Item 6 – Performance-Based Fees and Side-By-Side Management*)

Subject to applicable law, we may effect transactions among client accounts (including the Funds) in which one client account will purchase securities from or sell or participate securities to another client account (including client accounts in which we or our related persons may have a significant interest). In order to mitigate any associated conflicts of interests, we effect such transactions only when we believe that such transactions are in the best interests of the applicable clients. In the event that a client account purchases securities from, or sells securities to, another client account, such transactions will be done through third-party broker-dealers or other institutions and will generally be effected for cash consideration at the closing price of the particular security on such day. No brokerage commission or transfer fee will be paid to us or our related persons in connection with any such transaction.

Our Managing Partners intend to invest in the “at risk capital” (also known as “founders shares”) of certain SPACs for their own accounts subject to our Code of Ethics. At risk capital is purchased in a private placement of SPAC warrants and/or units. There is no secondary market to sell at risk capital investments.

While the Funds and Separately Managed Accounts invest in liquid SPAC securities, at risk capital investments are illiquid and are therefore not part of the mandate of the Funds or Separately Managed Accounts. Furthermore, in order to mitigate against potential conflicts of interest, we will not invest the assets of the Funds or Separately Managed Accounts in the securities of SPACs in which our Managing Partners invest in the at risk capital. While this avoids a potential direct conflict of interest, it also limits the universe of potential investment opportunities in SPACs for the Funds and Separately Managed Accounts, and, as a result, may adversely affect their performance.

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

##### *Code of Ethics Overview*

We have adopted a Code of Ethics, which is designed to help ensure that we conduct our business in accordance with all applicable laws and regulations and in an ethical and professional manner. In addition, our Code of Ethics sets forth standards of conduct for our employees to ensure that they conduct their business on our behalf in a manner that enables us to fulfill our fiduciary duty to our clients.

Among other things, our Code of Ethics: (i) governs personal trading by our employees, (ii) contains our policies with respect to gifts and entertainment, (iii) contains our policies regarding certain outside activities of our employees, (iv) sets forth our policies and procedures relating to insider trading, and (v) sets forth the manner in which employees may report violations of law or our policies and procedures. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

##### *Personal Trading Policy*

Employees are generally required to obtain the prior written consent of our Chief Compliance Officer (the “CCO”) in order to engage in personal transactions, except for transactions in exchange-traded funds and money market funds. Prohibitions relating to personal trading will also generally apply to an employee’s spouse or minor child, or an immediate family member of an employee living in the same household as such employee.

*Participation or Interest in Client Transactions*

We make available to qualified prospective investors the opportunity to invest in the Funds. Certain of our employees, officers and/or other related persons have significant personal investments in the Funds. In addition, we and our affiliates are entitled to receive performance-based compensation from certain of our clients.

We do not currently expect to engage in principal transactions. We will not engage in a principal transaction unless we receive prior client consent and such transaction complies with applicable law.

**Item 12. Brokerage Practices***Selection of Brokers*

We have an obligation to seek to obtain “best execution” for our clients with respect to their trading activity. While not defined by statute or regulation, “best execution” generally means the execution of client trades at the best net price considering all relevant circumstances. We will seek best execution with respect to all types of client transactions, taking into account the following factors: price, the ability of the brokers to effect the transactions, the brokers’ facilities, reliability and financial responsibility and the provision or payment (or the rebate to clients for payment) of the costs of property or services (e.g., short-term custodial services, research services and publications).

On a quarterly basis, our CIO and CCO will meet to evaluate, among other things, the execution that we are receiving from broker-dealers. During such meeting, they may consider the factors listed above among others, and will review gifts and entertainment received, and any known conflicts of interests (e.g., directing commissions to a broker-dealer that a family member is employed).

*Research and Other Soft Dollar Benefits*

We do not currently have any formal soft dollar arrangements, but we may enter into such arrangements in the future. Nonetheless, we execute transactions on behalf of our clients with brokers that provide us with access to bundled services, including access to proprietary research reports (such as standard investment research and credit reports). To the best of our knowledge, these services are generally made available to all institutional investors doing business with such broker. These bundled services are made available to us on an unsolicited basis and without regard to the rates of commissions charged or paid by client accounts or the volume of business that we direct to such brokers. If we engage in soft dollar transactions in the future, we intend to comply with the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended.

During our last fiscal year, we acquired research (such as proprietary research from brokers) with client brokerage commissions (or markups or markdowns).

*Brokerage for Client Referrals*

Subject to applicable law, we will direct client brokerage business to brokers that refer prospective investors to us. Because such referrals, if any, are likely to benefit us but may not provide a benefit to our clients, we would have a conflict of interest with our clients when allocating brokerage business to such brokers. To mitigate this potential conflict, we will not allocate brokerage business to a referring broker unless we determine that such allocation is consistent with our best execution duties.

*Trade Errors*

We may on occasion experience errors with respect to trades made on behalf of client accounts. We will reimburse each client account for net losses resulting from trade errors in accordance with the terms of such client's Governing Documents.

*Aggregation of Orders*

Aggregation, or "bunching," describes a procedure whereby an investment adviser combines the orders of two or more clients into a single order for the purpose of obtaining better prices and lower execution costs. Aggregation opportunities for us generally arise when more than one client account is capable of purchasing or selling a particular security.

To the extent that a security is purchased or sold for more than one client, we will generally aggregate orders for such security unless aggregation is not consistent with our duty to seek best execution or the terms of the investment guidelines and restrictions applicable to client accounts. Each client that participates in an aggregated order will participate at the average price for all of our transactions in that security on a given business day, with transaction costs shared *pro rata* based on each client's participation in the transaction. When an aggregated order is only partially filled, we will allocate the investment opportunity *pro rata* in accordance with our intended allocation, as described in Item 6 above.

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

Our clients' portfolios are reviewed, and their performance analyzed, by our CIO on a continuous basis. In addition, our CIO will regularly review our clients' portfolios to determine that the securities held by them remain consistent with their investment strategies, objectives and guidelines. Client portfolios are also periodically reviewed by our CCO.

*Reporting*

In addition to the information and reports described below, investors or clients may be provided with information (including position level information) about us and the accounts that we manage in response to questions and requests, and/or in connection with due diligence meetings and other communications, but such information will not be distributed to other investors/clients and prospective investors/clients who do not request such information. Each investor and client is responsible for asking such questions as it believes are necessary in order to make its own investment decisions and must decide for itself whether the limited information provided by us is sufficient for its needs.

*The Funds*

We furnish investors in the Funds with monthly unaudited reporting regarding the Funds' performance and quarterly investor letters. In addition, on an annual basis, we provide investors with a copy of the Funds' annual audited financial statements and a statement of taxable income (Schedule K-1).

*Separately Managed Accounts*

We provide the adviser of each Separately Managed Accounts with periodic unaudited reports at such times as have been agreed upon with such adviser. Each such adviser receives account statements from the relevant account's custodian on such periodic basis as is agreed to between such adviser and custodian. In addition, the adviser to each Separately Managed Account will have full, real-time transparency as to all transactions and holdings in such account. Each such adviser has the right to withdraw all or a portion of the relevant account's capital on shorter notice and/or with more frequency than the terms applicable to an investment in the Funds.

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

Other than the products and services that we receive from broker-dealers (described above in *Item 12*), we do not receive any economic benefits from third parties in connection with the provision of investment advice to our clients.

We do not compensate any third-party marketers for introductions to potential investors or clients.

**Item 15. Custody**

For purposes of Rule 206(4)-2 under the Advisers Act (the "Custody Rule"), we are deemed to have custody over the Funds' assets. In accordance with the Custody Rule, a qualified custodian is not required to deliver quarterly account statements to the Funds or their respective investors as long as: (i) each Fund is audited by an independent public accountant that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board, (ii) each Fund's audited financial statements are prepared in accordance with U.S. generally accepted accounting principles, and (iii) we deliver such annual audited financial statements to investors within 120 days after the end of each Fund's fiscal year.

We do not have custody over the Separately Managed Accounts' assets. As noted above in Item 13, the adviser of each such account will periodically receive account statements from the custodian of such account. The adviser of each such account should carefully review these statements.

**Item 16. Investment Discretion**

We have discretionary authority to manage securities accounts on behalf of our clients. The investors in the Funds generally may not place any limits on our authority beyond the limitations set forth in their respective Governing Documents. Under certain circumstances, we may contract with a Separately Managed Account to adhere to limited risk and/or operating guidelines imposed by that client. We negotiate such arrangements on a case-by-case basis.

**Item 17. Voting Client Securities**

We generally will have voting discretion over securities held in our clients' accounts and clients are not able to direct their votes in a particular situation. We will have adopted proxy voting policies and procedures, which are summarized below.

In the absence of specific voting guidelines from the client or conflicts of interest, we will vote all proxies in the best interests of each client, which may result in different voting results for proxies for the same issuer. In addition, we may determine to abstain from voting a proxy if we believe that such action is in

the best interests of a particular client. We may take into account the following factors, among others, in determining if a specific proposal is in the best interests of a particular client: (i) management of the issuer's views and recommendations on such proposal, (ii) whether the proposal may have the effect of entrenching existing management and/or making management less responsive to shareholders' concerns (e.g., instituting or removing a poison pill, classified board of directors and/or other anti-takeover measure), and (iii) whether we believe that the proposal will fairly compensate management for its and/or the issuer's performance. If we deem that the issue being voted upon is not material for us and our clients, we will not be obligated to vote on such matter.

Upon request by a client, we will disclose to such client how we voted proxies for securities owned by such client. We will also provide a copy of our proxy voting policies and procedures to clients upon request.

**Item 18. Financial Information**

We are not required to include our balance sheet for our most recent fiscal year with this Brochure.

**Item 19. Requirements for State-Registered Advisers**

We are not a state-registered adviser.