

HOLLIS PARK PARTNERS LP
PART 2A OF FORM ADV: FIRM BROCHURE

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This brochure provides information about the qualifications and business practices of Hollis Park Partners LP (“Hollis Park” or the “Firm”). If you have any questions about the contents of this brochure, please contact Robert Coors, the Firm’s Chief Compliance Officer at 212-205-8100 or rcoors@hollisparkpartners.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

For “Registered Investment Advisers”: Any reference to Hollis Park as a registered investment adviser does not imply a certain level of skill or training.

Additional information about Hollis Park is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2: Material Changes

This is Hollis Park's Annual Amendment to Form ADV for the fiscal year ending December 31, 2020. Since the most recent Form ADV amendment filed on March 29, 2020, there are no material changes to disclose.

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Item 4: Advisory Business

Item 4.A.

Hollis Park Partners LP (“**Hollis Park**” or the “**Firm**”), a Delaware limited partnership, was formed in December 2013. T. Troy Dixon is the principal owner of the Firm, along with Joseph Valentine and Taranjit Sabharwal.

Item 4.B.

Hollis Park is an investment management firm that provides advisory services to high-net worth individuals and institutional clients through domestic and offshore privately offered pooled investment vehicles, (collectively, the “**Funds**”). Hollis Park Opportunities Fund LP (“**Onshore Opportunities Fund**”), a Delaware limited partnership, and Hollis Park Opportunities Fund Ltd. (“**Offshore Opportunities Fund**”), a Cayman exempted company, are feeder funds (collectively called the “**Opportunities Feeder Funds**”) in the master fund, Hollis Park Opportunities Master Fund Ltd (the “**Opportunities Master Fund**”), a Cayman exempted company. Hollis Park Value Fund LP (“**Onshore Value Fund**”), a Delaware limited partnership, and Hollis Park Value Offshore Fund LP (“**Offshore Value Fund**”), a Cayman exempted company, are feeder funds (collectively called the “**Value Feeder Funds**”) in the master fund, Hollis Park Value Master Fund LP (the “**Value Master Fund**”), a Cayman exempted company. Hollis Park Offshore Liquidity Fund Ltd. (“**Offshore Liquidity Fund**”), a Cayman exempted company, is the feeder fund in the master fund, Hollis Park Liquidity Master Fund Ltd. (“**Liquidity Master Fund**”), a Cayman exempted company (together with the Opportunities Master Fund and Value Master Fund, the “**Master Funds**”). Hollis Park also provides advisory services to a separately managed account (“**SMA**”), together with the Funds, collectively referred to as the “**Advisory Clients.**”

The Firm’s investment objective is to produce long-term risk-adjusted returns by taking long and short positions in both cash and synthetic instruments, including residential (agency and non-agency) and commercial mortgage backed securities (“**RMBS**” and “**CMBS**”), asset backed securities (“**ABS**”), collateralized debt obligations (“**CDOs**”), collateralized loan obligations (“**CLOs**”), equity-related instruments, derivatives, total return swaps and various other instruments correlated to return objectives. Hollis Park does not limit its investment advice to only certain types of investments.

Item 4.C.

The Firm’s investment management and advisory services to the Funds are provided pursuant to the terms of the private placement memorandum and investors in the Fund generally cannot obtain services tailored to their individual specific needs. Advisory services provided to SMAs are subject to the terms of the relevant investment management agreement.

Item 4.D.

Hollis Park does not participate in a wrap fee program.

Item 4.E.

As of December 31, 2020, Hollis Park manages approximately \$2,610,167,667 in regulatory assets under management on a discretionary basis. Hollis Park does not intend to manage any Advisory Client assets on a non-discretionary basis.

Item 5: Fees and Compensation

Item 5.A.

Generally, the Opportunities Master Fund will pay to Hollis Park a quarterly management fee in advance equal to 0.375% (1.5% per annum) of the net asset value of each investor's capital account as of the first day of each quarter without accrual of the incentive allocation, along with certain performance based fees.

Generally, the Value Master Fund will pay to Hollis Park a quarterly management fee in advance equal to a) 0.3125% (1.25% per annum) of the balance of each investor's capital account as of the last business day of each quarter during the Investment Period (as defined in the relevant fund's private placement memorandum), and b) 0.25% (1.00% per annum) of the balance of each investor's capital account as of the last day of the prior quarter after the end of the Investment Period, in each case without accrual of the incentive allocation, along with certain performance based fees.

The Offshore Liquidity Fund's shares will pay a management fee to Hollis Park that is calculated and accrued daily and payable monthly in arrears that is equal to an annualized rate of 0.75% of the opening daily net asset value of the shares. The management fee will generally be payable in respect of the shares as of the last day of each calendar month. The management fee is expected to incur at the feeder fund but may be incurred at the Liquidity Master Fund at the discretion of the Firm.

The management fees are generally not negotiable; however, the Firm, in its sole discretion, may waive or modify the fees for certain clients.

With respect to SMAs, Hollis Park currently charges an asset-based management fee along with certain performance based fees, pursuant to each such SMA client's Investment Management Agreement. Management and/or performance fees may be negotiated with clients, pursuant to Hollis Park's discretion.

Item 5.B.

Hollis Park will indirectly deduct management fees and incentive allocations from the Funds through the fund Administrator. SMAs will be separately invoiced as agreed in the relevant investment management agreement.

Item 5.C.

Each Advisory Client will bear its own direct expenses as specified within the relevant governing documents. This may include legal, accounting (including third-party accounting services), audit, other professional fees and expenses (including third-party pricing services), organizational expenses, research systems/IT expenses (including software used for evaluating the Funds' portfolio risk and preparing risk reports for investors), investment expenses such as commissions, custodial fees, bank service fees, insurance costs (including D&O and E&O insurance for Hollis Park and outside directorship liability), fees and expenses paid to the board of directors of the Funds, fees and expenses of an administrator, compliance expenses of the Advisory Client, including expenses associated with any regulatory filings attributable to the assets of the Advisory Client (e.g., Form PF), and other expenses related to the purchase, sale, preservation or transmittal of the Advisory Client's assets. Expenses paid by the Advisory Client, excluding any management fee, organizational expenses and certain extraordinary expenses, will not exceed any agreed upon cap or limitations.

Certain Advisory Clients may incur costs and expenses in support of services that are necessary for or beneficial to certain other Advisory Clients. Such costs are allocated among the Advisory Clients benefiting from such service according to a defined allocation methodology.

Item 5.D.

The Opportunities and Value Master Funds pay a quarterly management fee in advance as set forth in Item 5A above. Subject to the terms of the applicable offering documents, in the event an investor requests a redemption before the end of a quarter for which a fee has been paid, the investor may obtain a refund of the appropriate portion of such pre-paid fee, as applicable. If a refund is required, Hollis Park will pro-rate the management fee for the quarter up to the date of the redemption.

The Offshore Liquidity Fund pays a monthly management fee in arrears as set forth in Item 5A above.

SMA's are charged for Hollis Park's advisory services as set forth in their respective investment management agreements.

Item 5.E.

Not Applicable. Hollis Park or its supervised persons are not compensated for the purchase or sale of securities or other investment products.

Item 6: Performance-Based Fees and Side-by-Side Management

Generally, Hollis Park is entitled to receive an annual incentive allocation based upon any net gain allocated to each Fund investor's or SMA's capital account, as applicable, subject to a loss carry forward provision and adjusted for contributions and withdrawals. Neither the Offshore Liquidity Fund nor the Liquidity Master Fund will have a performance fee.

Performance-based compensation creates a potential conflict of interest in that it may create an incentive for the firm to make investments that are riskier or more speculative than in the absence of such performance-based compensation. Such fee arrangements also create an incentive to favor higher fee-paying Advisory Client over other Advisory Clients in the allocation of investment opportunities.

Each Advisory Client is managed pursuant to its specific investment mandate. As discussed in Item 12.B. below, Hollis Park has implemented investment allocation policies and procedures designed to treat Advisory Clients fairly and equitably.

Item 7: Types of Clients

Hollis Park provides discretionary investment management services to high-net worth individuals and institutional investors through privately offered pooled investment vehicles and via separately managed accounts, as described in Item 4.B.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Item 8.A.

The Firm believes that there is a significant opportunity within the structured products market to generate scalable returns as the U.S. government unwinds its mortgage positions and attempts to move mortgage underwriting from the public to the private sector. The Firm further believes that there are growing opportunities in connection with the future of the Federal National Mortgage Association (“**Fannie Mae**”) and the Federal Home Loan Mortgage Corporation (“**Freddie Mac**”), the potential U.S. government-led mass-refinancing effort, the potential sale of U.S. Federal Reserve mortgage positions, the re-emergence of non-agency origination and the evolution of whole loan products. Additionally, Hollis Park believes that the long-term effects of recent and continued regulation in the structured product sector will lead to growth and volatility. Hollis Park intends to pursue its investment opportunities primarily in the U.S. and European markets, but may look to other foreign markets for similarly structured product opportunities.

Hollis Park’s investment strategy relies on five primary components: (i) core cash flow analysis (and the shocking of assumptions underlying base case scenarios to understand value under various market movements); (ii) relative valuation based on pure cash flow comparison; (iii) active liquidity assessment based on overall asset and sector trading volume; (iv) technical measures analyzing the asset and surrounding sectors; and (v) a hedging strategy focused on seeking the most positive portfolio convexity.

The Firm will attempt to separate alpha from beta to provide a clear understanding of its investment process using macroeconomic movement and skew to dictate its percentage of alpha versus beta within the portfolio. In particular, Hollis Park will use agency-RMBS as its mainstay for alpha generation. The Firm, on behalf of the Funds, will trade in the entire suite of agency products (i.e., collateralized mortgage obligations (“**CMOs**”), interest-only securities (“**IOs**”), principal-only securities (“**POs**”), inverse interest-only securities (“**IIOs**”), and Fannie Mae, Freddie Mac and Government National Mortgage Association (“**Ginnie Mae**”) securities) and use relative value as the base case for trade idea creation. Hollis Park will invest in beta products using “deep dive analysis” as the basis for valuation.

The Firm will carry out the Funds’ investment process and risk control procedures by applying various valuation tools focused on capital preservation. In particular, Hollis Park will seek to minimize left tail risk by utilizing distinct rules instituted by a separate and independent risk manager. Simultaneously, the Firm will seek to manage right tail risk by actively monitoring relative value, changing trends and identifiable technical components. The Funds will overlay this process by using stress test metrics to calculate VAR.

Hollis Park will endeavor, but is not required to: (i) ensure that the investment portfolio of the Funds are not concentrated in any one asset accounting for more than 5% of the long or short exposure of the Funds; and (ii) limit outright long or short duration exposure by focusing on relative value between various assets.

Item 8.B. and Item 8.C.

Prospective investors should consider the Funds to be speculative investments, as they are not intended to be a complete investment program. The Funds are designed only for sophisticated persons who are able to bear the risk of the loss of their entire investment in the Funds. Prospective investors should carefully evaluate the following risks before making an investment in the Funds.

Nature of Investments. The Firm has broad discretion in making investments for the Funds. Investments will generally consist of securitized finance transactions that may be affected by business, financial market or legal uncertainties. There can be no assurance that the Firm 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 its investments. In addition, the value of the Funds’ portfolios may fluctuate as

the general level of interest rates fluctuates. No guarantee or representation is made that the Funds' investment objectives will be achieved.

Lack of Liquidity. Fund assets may, at any given time, include securities and other financial instruments or obligations that are thinly traded or for which no market exists and/or which are restricted as to their transferability under applicable securities laws. The sale of any such investments may be possible only at substantial discounts and it may be extremely difficult to readily and accurately value any such investments.

Structured Investments. The Funds may invest in entities organized and operated for the purpose of restructuring the investment characteristics of other debt securities. These investments will typically consist of equity or subordinated debt securities issued by a private investment fund that invests, on a leveraged basis, in debt instruments, including primarily senior loans and high-yield bonds and mortgage-backed securities and asset-backed securities, directly or through total rate of return swaps or other credit derivatives. The cash flow on the underlying instruments may be apportioned among the newly issued security to create securities with different investment characteristics such as varying maturities, payment priorities and interest rate provisions, and the extent of the payments made with respect to such securities is dependent on the extent of the cash flow on the underlying instruments. Because the Funds will not own these assets directly, they will not benefit from rights that holders of the assets have, including indemnification and voting rights.

Exposure to structured finance securities entails various risks: credit risks, liquidity risks, prepayment risks, interest rate risks, market risks, operations risks, structural risks, geographical concentration risks, basis risks and legal risks. Structured finance securities are also subject to the risk that the servicer fails to perform. Structured finance securities are subject to risks associated with their structure and execution, including the process by which principal and interest payments are allocated and distributed to investors, how credit losses affect the issuing vehicle and the return to investors in such structured finance securities, whether the collateral represents a fixed set of specific assets or accounts, whether the underlying collateral assets are revolving or closed-end, under what terms (including maturity of the structured finance instrument) any remaining balance in the accounts may revert to the issuing entity and the extent to which the entity that is the actual source of the collateral assets is obligated to provide support to the issuing vehicle or to the investors in such structured finance securities.

Commercial and Residential Mortgage-Backed Securities. Investing in commercial and residential mortgage-backed securities involves the general risks typically associated with investing in traditional fixed-income securities (including interest rate and credit risk) and certain additional risks and special considerations (including the risk of principal prepayment and the risk of investing in real estate). Mortgage-backed securities generally provide for the payment of interest or principal (or both) on the mortgage-backed securities on a frequent basis and there also exists the possibility, particularly with respect to residential mortgage-backed securities, that principal may be prepaid at any time due to, among other reasons, prepayments on the underlying mortgage loans or other assets. As a result of prepayments, the Funds may be required to reinvest assets at an inopportune time, which may expose the Funds to a lower rate of return. The rate of prepayments on underlying mortgages affects the price and volatility of a mortgage-backed security, and may have the effect of shortening or extending the effective maturity beyond what was anticipated. Further, different types of mortgage-backed securities are subject to varying degrees of prepayment risk. Finally, the risks of investing in such instruments reflect the risks of investing in real estate securing the underlying loans, including the effect of local and other economic conditions, the ability of tenants to make payments, and the ability to attract and retain tenants.

Asset-Backed Securities. Asset-backed securities are subject to interest rate risk and, to a lesser degree, prepayment risk. Asset-backed securities are subject to additional risks in that, unlike mortgage-backed securities, asset-backed securities generally do not have the benefit of a security interest in the related collateral. Each type of asset-backed security also entails unique risks depending on the type of assets involved and the legal structure used. For example, credit card receivables are generally unsecured and the

debtors are entitled to the protection of a number of state and federal consumer credit laws, many of which give debtors the right to set off certain amounts owed on the credit cards, thereby reducing the balance due. Asset-backed securities typically experience credit risk. For example, there is an increasing supply of subordinated securities rated lower than AA (down to B or first loss) and senior securities that may be rated lower than AAA, as well. There is also the possibility that recoveries on repossessed collateral may not, in some cases, be available to support payments on these securities because of the inability to perfect a security interest in such collateral.

Collateralized Debt Obligations. The Funds' portfolios will include investments in CDOs which are generally limited recourse obligations of the issuer payable solely from the underlying assets ("CDO Assets") of the issuer. Consequently, holders of interests in CDOs must rely solely on distributions on the CDO Assets or proceeds thereof for payment in respect thereof. In addition, interest payments on CDOs (other than the most senior tranche or tranches of a given issue) are generally subject to deferral. If distributions on the CDO Assets (or, in the case of market value CDOs, proceeds from the sale of the CDO Assets) are insufficient to make payments on the CDOs, no other assets will be available for payment of the deficiency and following realization of the underlying assets, the obligations of the issuer of the related CDO to pay such deficiency will be extinguished. Certain classes of debt and equity in CDOs (particularly subordinated classes) may provide that to the extent funds are not available to pay interest, such interest will be deferred or paid "in kind" and added to the outstanding principal balance of the related security. Generally, the failure by the issuer of a CDO to pay interest in cash does not constitute an event of default as long as a more senior class of securities of such issuer is outstanding and the holders of the securities that have failed to pay interest in cash (including the Funds) will not have available to them any associated default remedies.

The CDO Assets will themselves consist primarily of asset-backed and mortgage-backed securities which are subject to liquidity, credit, interest rate, and certain other risks. Such investments are normally considered speculative in nature. CDO Assets are typically actively managed by the Firm, and as a result the CDO Assets may be traded, subject to rating agency and other constraints, by such Firm. The aggregate return on the CDOs will depend in part upon the ability of each Firm to actively manage the related portfolio of CDO Assets.

The CDOs in which the Funds will invest may include mandatory auction calls after a certain period of time. Under the terms of such mandatory auction calls, the collateral of the CDO is put up for bid, and assuming that the highest bid represents an amount that will fully pay off all debt interests, then the bid must be accepted, the debt paid off, and the remainder distributed to the equity holders. In the event of a mandatory auction call, there is no guarantee that the equity holders will receive any payment, or that such payment will represent the amount of money represented by the difference between (i) the face amount of the collateral outstanding and (ii) the face amount of the bonds outstanding.

Collateralized Loan Obligations. The Funds' portfolios will include investments in CLOs, which involve the securitization of leveraged loans. CLOs are limited recourse obligations of the issuer payable solely from the cash flow obligations of the corporate issuer that represent the underlying assets. Consequently, holders of the notes must rely solely on distributions of cash flows for the payment of principal and interest on their particular notes. If distributions of cash flows are insufficient to make full payment on a particular note, no other assets are available from which to pay any deficiencies. If economic conditions are unfavorable, or a liquidity crisis persists, or there is not a sufficient volume of new CLO transactions or other sources of funding, the underlying loans may either be extended or the borrowers may default. This may negatively impact the value of existing CLOs, particularly lower-rated mezzanine tranches and subordinated tranches.

Commercial Loans and Loan Participations. The Funds may invest in corporate loans and interests in syndicated, commercial bank loans, whether acquired through assignment or participation. Under the agreements governing most syndicated loans, should the Funds, as holders of an interest in a syndicated

loan, wish to call a default or exercise remedies against a borrower, they could not do so without the agreement of at least a majority of the other lenders. Further, actions could be taken by a majority of the other lenders, or in some cases, a single agent bank, without the consent of the Funds. The Funds would, nevertheless, be liable to indemnify the agent bank for the Funds' ratable share of expenses or other liabilities incurred in such connection and, generally, with respect to the administration and any renegotiation or enforcement of the syndicated loans. Moreover, an assignee or participant in a loan may not be entitled to certain gross-up payments in respect of withholding taxes and other indemnities that otherwise might be available to the original holder of the loan.

In purchasing participations, the Funds will usually have a contractual relationship only with the selling institution, and not the borrower. The Funds generally will have no right directly to enforce compliance by the borrower with the terms of the loan agreement, nor any rights of set-off against the borrower, nor will it have the right to object to certain changes to the loan agreement agreed to by the selling institution. The Funds may not directly benefit from the collateral supporting the related secured loan and may not be subject to any rights of set-off the borrower has against the selling institution. Further, in most cases, the holder of a participation will be bound by the actions or omissions of the selling institution and will be liable to indemnify the selling institution against expenses and liabilities allocable to the portion of the loan represented by the participation.

In addition, in the event of the insolvency of the selling institution, under the laws of the United States and the states thereof, the Funds may be treated as general creditors of such selling institution, and may not have any exclusive or senior claim with respect to the selling institution's interest in, or the collateral with respect to, the secured loan. Consequently, the Funds may be subject to the credit risk of the selling institution as well as of the borrower. Certain loans or loan participations may be governed by the laws of a jurisdiction other than a United States jurisdiction, which may present additional risks as regards the characterization under such laws of such participation in the event of the insolvency of the selling institution or the borrower.

Subordinated Securities. The Funds may invest in subordinated or residual ("first loss securities" or "equity tranches") securities of certain RMBS, ABS, CDOs and CLOs. These instruments, while offering significant return potential, involve greater credit risk of default than the senior classes of the issue or series. Certain subordinated securities ("first loss securities") absorb all losses from default before any other class of securities is at risk, particularly if such securities have been issued with little or no credit enhancement or equity. Such securities therefore possess some of the attributes typically associated with equity investments and can add greater volatility to the Funds' returns than if the Funds did not invest in such instruments.

Credit Derivatives. Credit derivatives are contracts that transfer price, spread and/or default risks of debt and other instruments from one party to another. Such instruments may include one or more debtors. Payments under credit derivatives may be made during the exercise period of the contracts. Payments under many credit derivatives are triggered by credit events such as bankruptcy, default, restructuring, failure to pay, cross default or acceleration, etc. Such payments may be for notional amounts, actual losses or amounts determined by formula.

The market for credit derivatives is somewhat illiquid and there are considerable risks that it may be difficult to either buy or sell the contracts as needed or at reasonable prices. Sellers of credit derivatives carry the inherent price, spread and default risks of the debt instruments covered by the derivative instruments. Buyers of credit derivatives carry the risk of non-performance by the seller due to inability to pay. There are also risks with respect to credit derivatives in determining whether an event will trigger payment under the derivative and whether such payment will offset the loss or payment due under another instrument. In the past, buyers and sellers of credit derivatives have found that a trigger event in one contract may not match the trigger event in another contract, exposing the buyer or the seller to further risk.

Credit Default Swap Agreements. The buyer of a credit default contract is obligated to pay the seller either a lump sum payment or a periodic stream of payments over the term of the contract in return for a contingent payment upon the occurrence of a credit event with respect to an underlying reference obligation or entity. Generally, a credit event means bankruptcy, failure to pay, cross default/acceleration, obligation acceleration, repudiation/moratorium, restructuring, or rating decline. The Funds may be either the buyers or sellers in a transaction. If the Funds are buyers and no credit event occurs, the Funds will have made fixed payments and received nothing. However, if a credit event occurs, the Funds, as buyers, typically will receive full notional value for a reference obligation that may have little or no value although the Funds also assume the risk of non-performance by the seller of the credit default swap. In certain circumstances, the buyer can receive the notional value of a credit default swap only by delivering a physical security to the seller, and is at risk if deliverable security is unavailable or illiquid. As a seller, the Funds receive a fixed rate of income throughout the term of the contract, provided that no credit event occurs. If a credit event occurs, the Funds will be obligated to pay the buyer the full notional value of the reference obligation, which may have little, or no value and result in a loss for the Funds.

In addition to general market risks, credit default swaps are subject to liquidity risk and credit risk by counterparties. Many swap contracts are not currently traded on exchanges and are not comprehensively regulated, and as a consequence investors in such contracts do not benefit from regulatory protections. The selling of credit default swaps involves greater risks than if the Funds had invested in the reference obligation directly.

Interest Rate Risk. The Funds are subject to interest rate 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. The Funds may attempt to minimize the exposure of the portfolios to interest rate changes through the use of interest rate swaps, interest rate futures and/or interest rate options. However, there can be no guarantee that such hedges will be implemented and, if implemented, will be successful in mitigating the impact of interest rate changes on the portfolios.

Distressed Investments. The Funds may invest in debt and equity securities, accounts and notes payable, loans, private claims and other financial instruments and obligations of troubled companies that may result in significant returns to the Funds, but which involve a substantial degree of risk. The Funds may lose their entire investment in a troubled company, may be required to accept cash or securities with a value less than the Funds' investment and may be prohibited from exercising certain rights with respect to such investment. Troubled company investments may not show any returns for a considerable period of time. Funding a plan of reorganization involves additional risks, including risks associated with equity ownership in the reorganized entity. Troubled company investments may be adversely affected by state and federal laws relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims. Investments in securities and private claims of troubled companies made in connection with an attempt to influence a restructuring proposal or plan of reorganization in a bankruptcy case may also involve substantial litigation.

The Funds may have significant investments in companies involved in (or the target of) acquisition attempts or tender offers or companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. In any investment opportunity involving any such type of business enterprise, there exists the risk that the transaction in which such business enterprise is involved either will be unsuccessful, take considerable time or 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, or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Funds may be required to sell their investments at a loss. Because there is substantial uncertainty concerning the outcome

of transactions involving financially troubled companies in which the Funds may invest, there is a potential risk of loss by the Funds of their entire investment in such companies.

High Yield Securities. The Funds 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 of 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.

Leverage. The Funds may utilize leverage. Leverage increases returns to investors if the Funds earn a greater return on leveraged investments than the Funds' cost of such leverage. However, the use of leverage exposes the Funds to additional levels of risk including (i) greater losses from investments than would otherwise have been the case had the Funds not borrowed to make the investments, (ii) margin calls or changes in margin requirements may force premature liquidations of investment positions, (iii) losses on investments where the investment fails to earn a return that equals or exceeds the Funds' cost of leverage related to such investments and (iv) fluctuations in interest rates on the Funds' borrowings, which may have a negative effect on the Funds' profitability. In case of a sudden, precipitous drop in the value of the Funds' assets, the Funds might not be able to liquidate assets quickly enough to repay their borrowings, further magnifying the losses incurred by the Funds.

The Firm may find it difficult to obtain leverage on acceptable terms. Since leveraging its assets is part of the investment strategy of the Funds, in such event, the Firm could find it difficult to fully implement its strategy. In addition, any leverage obtained, if terminated on short notice by the lender, could result in the Firm being forced to unwind positions quickly and at prices below what the Firm deems to be fair value for the positions.

Concentrated Portfolio. At times, the Funds may have concentrated portfolios. Accordingly, the Funds' portfolio may not be diversified among a wide range of issuers, industries, geographic areas, capitalizations or types of securities and may have relatively significant, concentrated positions. As a result, the investment portfolios of the Funds may be subject to more rapid changes in value than would be the case if the Funds were required to maintain wide diversification among issuers, industries, geographic areas, capitalizations or types of securities.

Short Sales. Short selling, or the sale of securities not owned by the Funds, necessarily involves certain additional risks. Such transactions expose the Funds to the risk of losses in amounts greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed by the Funds in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, wherein the Funds might be compelled, at the most disadvantageous time, to replace borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

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, either to 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.

U.S. Government Securities. The Funds may invest in U.S. Government securities. Generally, these securities include U.S. Treasury obligations and obligations issued or guaranteed by U.S. Government agencies, instrumentalities or sponsored enterprises. U.S. Government securities also include Treasury receipts and other stripped U.S. Government securities, where the interest and principal components of stripped U.S. Government securities are traded independently. These securities are subject to market and interest rate risk. The Funds may also invest in zero coupon U.S. Treasury securities and in zero coupon securities issued by financial institutions, which represent a proportionate interest in underlying U.S. Treasury securities. A zero coupon security pays no interest to its holder during its life, and its value consists of the difference between its face value at maturity and its cost. The market prices of zero coupon securities generally are more volatile than the market prices of securities that pay interest periodically.

Non-U.S. Securities. Investing in securities of foreign governments and companies that are generally denominated in currencies other than the U.S. dollar, and utilization of foreign currency forward contracts and options on foreign currencies involve certain considerations comprising both risks and opportunities not typically associated with investing in securities of United States issuers. 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 are generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

Currency Risks. The Funds' 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 and capital appreciation and political developments.

Highly Volatile Markets. The prices of financial instruments in which the Funds may invest can be highly volatile. Price movements of forward and other derivative contracts in which the Funds' assets may be invested are influenced by, among other things, 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 and policies. The Funds are subject to the risk of failure of any of the exchanges on which its positions trade and of the clearinghouses on which the positions are carried.

Counterparty and Settlement Risk. To the extent the Funds invest in swaps, derivatives or "synthetic" instruments, repurchase agreements, other over-the-counter transactions or non-U.S. securities or engages in securities lending, the Funds may take a credit risk with regard to parties with which it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions, which generally are backed by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default. Any such default by a trading counterparty could result in losses to the Funds due to the delay of settlement of a transaction, loss of market gains or, in certain circumstances, loss of a portion or the full amount of the notional value of the transaction.

The Funds' assets may be held in one or more accounts maintained for the Funds by counterparties, including its prime brokers, and some of the markets in which the Funds trade are "over-the-counter," such

as derivatives, repurchase transactions and certain short positions. This exposes the Funds to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem or a counterparty insolvency, thus causing the Funds to suffer a loss.

To the extent that swaps or repurchase, forwards or other transactions are cleared, the Funds will be exposed to the credit risk of its futures commission merchant or carrying broker, as applicable, and the related clearinghouse.

Limited Operating History. Although the principal of the Firm has significant experience in the securities industry, some of the Funds are early stage entities and have limited operating history upon which investors can evaluate such Funds' likely performance. Accordingly, an investment in said Funds entails a significant degree of risk.

Item 9: Disciplinary Information

Hollis Park and its supervised persons have no reportable disciplinary events to disclose.

Item 10: Other Financial Industry Activities and Affiliations

Item 10.A.

Not Applicable. As of now, Hollis Park is not applying to register as a broker-dealer and does not intend to do so.

Item 10.B.

Hollis Park is currently registered as a commodity trading advisor and commodity pool operator with the U.S. Commodities Futures Trading Association ("CFTC") and is a member of the National Futures Association ("NFA"). In addition, certain of Hollis Park's personnel are considered associated persons and/or principals of the Firm.

Item 10.C.

Hollis Park Partners GP LLC serves as the General Partner to the Onshore Opportunities Fund, Hollis Park Partners Value Fund GP LLC is the General Partner to the Value Master Fund and the Onshore Value Feeder, and Hollis Park Value Offshore Fund GP LLC is the General Partner to the Offshore Value Fund.

Item 10.D.

Not Applicable. Hollis Park and its supervised persons do not participate in the sale of securities or other related investment products.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Item 11.A.

Employees of Hollis Park may only purchase and sell securities in accordance with the Firm's Code of Ethics to which all employees are subject. This policy is monitored by the Chief Compliance Officer. Employees are permitted to maintain personal brokerage accounts, subject to the Code of Ethics and personal trading policy.

The Code of Ethics includes the following:

- Statement of the standard of business conduct
- Limits on gifts and entertainment
- Limits on political contributions
- Limits in transacting, directly or indirectly, in the securities within the asset of classes of securities traded by the Firm on behalf of the Funds
- Requirements to pre-clear certain purchases or sales of securities through the Chief Compliance Officer for personal accounts
- Requirements regarding the reporting of personal holdings
- Requirement to acknowledge, in writing, having received and read a copy of the Code of Ethics
- Requirement of prior approval of the Chief Compliance Officer for any exceptions to stated Firm policies

A copy of the Firm's Code of Ethics is available to investors and prospective investors upon request.

Item 11.B through Item 11.D.

Hollis Park, as a fiduciary, endeavors to always make decisions in the best interest of the Advisory Clients if a conflict of interest arises.

Item 12: Brokerage Practices

Item 12.A.1.

Hollis Park is solely responsible for choosing the broker or brokers used for each securities transaction on behalf of the Advisory Clients. In negotiating commission rates and selecting broker/dealers, Hollis Park will take into account the financial stability and reputation of the particular broker/dealer, the ability to achieve prompt and reliable executions at favorable prices, the operational efficiency with which transactions are effected, and the brokerage and research services provided by such broker/dealer, among other factors. It is noted that since commission rates are generally negotiable, selecting brokers on the basis of considerations which are not limited to applicable commission rates may at times result in higher transaction costs than would otherwise be obtainable.

The Firm believes that valuable brokerage and research services can be provided to the Advisory Clients by brokerage firms effecting such transactions. Accordingly, Hollis Park does not intend to seek lower brokerage commissions to the extent that doing so might detract from the provision of such brokerage and research services. Brokerage and research services may either be obtained from brokerage firms or obtained from third parties and paid for by the Firm and subsequently charged to the Advisory Clients pro rata based on their relative capital balances. Brokerage and research services may include, but are not limited to: (i) written (including electronic) information and analyses concerning specific securities, companies, or sectors; news, quotation, statistics, and pricing services, as well as discussions with research personnel and consultants; and (ii) hardware, software, databases, and other technical and telecommunications services and equipment utilized in the investment management process and consulting fees. Research services,

whether obtained by the use of commissions arising from the Advisory Client's portfolio transactions or paid for by the Firm and charged to the Advisory Clients as described above.

It is Hollis Park's policy not to use commission dollars generated by client trades. However, if the Firm chooses to do so in the future, Hollis Park will use soft dollars to pay for research and brokerage services that provide lawful and appropriate assistance to the Firm in carrying out its investment decision-making responsibilities, as permitted under the safe harbor of Section 28(e) of the Securities and Exchange Act of 1934, as amended.

Item 12.A.2.

Hollis Park does not participate in selecting or recommending broker-dealers in exchange for client referrals.

Item 12.A.3.

Hollis Park does not engage in directed brokerage on behalf of its client.

Item 12.B.

It is Hollis Park's policy to endeavor to, if and when appropriate, aggregate trades in a block trade in order to reduce transaction costs and to ensure equal price across the client accounts.

In general, when any investment opportunity is suitable for two or more Advisory Clients, Hollis Park will endeavor to allocate the opportunity equitably as part of the Firm's effort to provide such Advisory Clients with access to the appropriate quality and quantity of investment opportunities. In determining such allocations, Hollis Park will consider a variety of factors and principles, including, but not limited to each relevant Advisory Client's relative assets under management, legal and regulatory restrictions, liquidity, financing facilities, competing investment opportunities, investment mandates and restrictions, immaterial or odd lot transactions that would create excessive or disproportionate transaction costs and portfolio rebalancing.

See also "Performance-Based Fees and Side-by-Side Management" (Item 6).

Item 13: Review of Accounts

Items 13.A. and 13.B.

The Portfolio Manager will review the portfolio assets in the Advisory Client accounts on a continuous basis. Additionally, the Firm has established an Investment Committee to satisfy its fiduciary obligation to evaluate its investment program and each portfolio in accordance with set guidelines. The Investment Committee meets as needed to discuss adherence to investment mandate(s), performance, risk measurement/management, and new investment ideas. **Item 13.C.**

The Administrator sends monthly capital statements to investors in the Opportunities Feeder Funds and Offshore Liquidity Fund as well as quarterly capital statement to investors in the Value Feeder Funds identifying opening and closing balances for the period, net income, and capital contributions and withdrawals. Investors may also receive periodic management letters which may describe recent performance of the Fund and updates on the Firm.

SMA clients are generally responsible for retaining certain service providers, such as administrators and brokers, to service the account. Generally, these service providers will produce statements for SMA clients, as negotiated. Furthermore, SMA clients may receive reports from Hollis Park as described in the investment management agreement with the client.

Item 14: Client Referrals and Other Compensation

Item 14.A.

Not applicable. Hollis Park is not provided an economic benefit in consideration for investment advice or other advisory services, other than the management and/or performance fees described in Item 5 above.

Item 14.B.

Hollis Park does not currently compensate any party for client referrals.

Item 15: Custody

To ensure compliance with Rule 206(4)-2 under the Investment Advisers Act of 1940, as amended, Hollis Park has retained a qualified custodian to maintain Advisory Client assets. Hollis Park has also appointed an independent certified public accounting firm that is both registered with, and subject to regular inspection by, the Public Companies Accounting Oversight Board to audit the Funds annually. Financial statements of the Funds are prepared in accordance with U.S. Generally Accepted Accounting Principles (“GAAP”) and delivered to investors in the respective funds within 120 days of fiscal year-end. These reports are in written form and clients should carefully review those statements.

Hollis Park does not maintain custody of the assets associated with the SMA. Hollis Park has a reasonable belief the custodian provides account statements to the SMA at least monthly.

Item 16: Investment Discretion

Hollis Park has full discretion to manage the Advisory Clients. This authority is granted pursuant to an Investment Management Agreement (“IMA”) between Hollis Park and its Advisory Clients. Individual investors grant authority to the Funds to enter into an IMA with Hollis Park by signing a subscription agreement.

Item 17: Voting Client Securities

Generally, Hollis Park does not intend to purchase equities securities as part of its strategy, thereby proxy voting will largely be inapplicable. In the event the Firm does invest in a security that issues a proxy, as a matter of policy and as a fiduciary to its Advisory Clients, Hollis Park is responsible for voting proxies for portfolio securities consistent with the best economic interests of its clients. The Firm will vote all proxies in the best interests of its clients and investors (as applicable) and in accordance with the procedures

outlined below (as applicable), unless otherwise mandated by an investment management agreement or applicable law (e.g. ERISA).

- All proxies sent to clients that are received by any employee (to vote on behalf of the clients) are given to a Portfolio Management team member covering the subject portfolio security.
- Prior to voting any proxies, the Chief Compliance Officer 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 these procedures, the Principals responsible for covering the subject security will make a decision regarding how to vote the proxy in question in accordance with the guidelines put forth below.

Voting Guidelines: In the absence of specific voting guidelines mandated by a particular Advisory Client, Hollis Park will endeavor to vote proxies in the best interests of each Advisory Client.

Advisory Clients that wish to obtain a record of the Firm's proxy voting policy or proxy voting history may contact the Chief Compliance Officer.

Item 18: Financial Information

Item 18.A.

Not Applicable.

Item 18.B.

There are no conditions that impair Hollis Park's ability to meet its contractual and fiduciary commitment to the client accounts.

Item 18.C.

Not Applicable. Hollis Park has not been the subject of a bankruptcy petition at any time during the past ten years.