

Part 2A of Form ADV: Firm Brochure

Item 1 - Cover Page

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This brochure provides information about the qualifications and business practices of Crawford Lake Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at 212-433-2087 or regulatory@crawfordlakecapital.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.

Additional information about Crawford Lake Capital Management, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

Any reference to Crawford Lake Capital Management, LLC as a “registered investment adviser” or as being “registered,” does not imply a certain level of skill or training.

Item 2 - Material Changes

This brochure, dated March 18, 2021, replaces the last brochure, dated March 27, 2020. The following are a list of material updates to our Form ADV Part 2A since our last filing:

- Item 4 was amended to update the Adviser's Regulatory Assets Under Management.
- Item 5 was amended to reflect a change of management fee terms.
- Item 8 was amended to add a disclosure of additional risk factors.

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Item 4 - Advisory Business

- A. Crawford Lake Capital Management, LLC (“Adviser,” “we,” “us” or “our”) is a New Jersey limited liability company that was formed in February 2013. We are principally owned by Isaac Markowitz and Jacob Herzka. Isaac Markowitz began managing Crawford Lake in 2006 as the sole partner and portfolio manager, and Jacob Herzka joined as partner and co-portfolio manager in 2008. Since 2008 was the first year of operation with both Isaac Markowitz and Jacob Herzka as co-portfolio managers, we consider that to be our year of inception. The firm’s initial management entity was Crawford Lake GP, LLC (“Crawford Lake GP”), in its capacity as general partner of the first vehicle to have been managed by the firm. As part of an ongoing institutionalization process, in 2013 the Adviser was formed to serve as the investment manager for all firm accounts. At that time, management responsibilities were transferred from Crawford Lake GP to the Adviser, though Crawford Lake GP continues to serve as general partner to limited partnerships under management by the firm. Reference to the operations of Crawford Lake before 2013 refer to those of Crawford Lake GP, and thereafter refer to the operations of both the Adviser and Crawford Lake GP. The Adviser and the General Partner changed their names to their current respective names in April 2015.
- B. We provide discretionary investment advice to the following private pooled investment funds: (i) Crawford Lake Onshore Partners, LP (the “Flagship Onshore Fund”); (ii) Crawford Lake Offshore Partners, Ltd. (the “Flagship Offshore Fund,” and together with Flagship Onshore Fund, the “Flagship Feeder Funds”); (iii) Crawford Lake Master Fund LP (the “Flagship Master Fund,” and together with the Flagship Feeder Funds, the “Flagship Fund”); (iv) Crawford Lake Enhanced Onshore Fund, LP (the “Enhanced Onshore Fund”); (v) Crawford Lake Enhanced Offshore Partners, Ltd. (the “Enhanced Offshore Fund,” and together with the Enhanced Onshore Fund, the “Enhanced Feeder Funds”); and (vi) Crawford Lake Enhanced Master Fund, LP (the “Enhanced Master Fund,” together with the Enhanced Onshore Fund and the Enhanced Offshore Fund, the “Enhanced Fund,” and together with the Flagship Fund, the “Funds”). The Enhanced Fund and the Flagship Fund generally pursue the same strategy, except that the Enhanced Fund expects to have gross exposure equal to approximately twice that of the Flagship Fund.
- In addition, we provide discretionary investment advice to certain separately managed accounts (the “Separate Vehicles” and together with the Funds, the “Crawford Lake Accounts”). We generally invest and trade on behalf of the Crawford Lake Accounts in a wide variety of publicly traded, domestic securities and financial instruments of all kinds and descriptions. Crawford Lake GP, our affiliate, is the general partner of the Flagship Onshore Fund, the Flagship Master Fund, the Enhanced Onshore Fund, and the Enhanced Master Fund.
- C. We generally do not permit investors in the Funds to impose limitations on the investment activities described in the offering documents or the governing documents of the applicable Crawford Lake Account. Under certain circumstances, we will contract with a Separate Vehicle to adhere to limited risk and/or operating guidelines imposed by such account. We negotiate such arrangements on a case by case basis. (*See Item 16 “Investment Discretion.”*)
- D. We do not participate in wrap fee programs.

- E. As of February 28, 2021, we managed approximately \$ 473,450,842 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

- A. Our fees and compensation are described in the advisory contracts we enter into with the Crawford Lake Accounts.

Generally, the Flagship Feeder Funds pay the Adviser a management fee in an amount equal to 0.375% (approximately 1.5% on an annualized basis) of the net asset value of each investor's capital account payable in advance and the Enhanced Feeder Funds pay the Adviser a management fee in an amount equal to 0.50% (approximately 2.0% on an annualized basis) of the net asset value of each investor's capital account payable in advance. In the event of a redemption other than at the end of a calendar quarter, the appropriate portion of the management fee for such quarter will be refunded. Certain of the Funds' investors are subject to a lower management fee. Additionally, subject to a high water mark provision, each of the Flagship Feeder Funds and Enhanced Feeder Funds are subject to a 20% annual performance-based allocation or fee calculated as defined in each Fund's offering documents. Certain of the Fund's investors are subject to a lower performance-based allocation or fee.

The Adviser's management fees and compensation with respect to each Separate Vehicle are negotiated with each such Separate Vehicle and are set forth in their respective governing agreements.

We or Crawford Lake GP may, in our discretion, waive all or any portion of these fees and allocations with respect to any investor without notice to, or the consent of, the other investors.

- B. We generally deduct our management fees from the Funds quarterly in advance. Generally, we or our affiliates receive performance-based fees or allocations from the Funds on an annual basis in arrears and upon redemptions or withdrawals by investors in the Funds. Investments in the Funds made as of times other than the first day of a calendar quarter are generally assessed a pro rata management fee at the time such investments are made. Management fees and performance-based fees or allocations with respect to each Separate Vehicle are negotiated with each such Separate Vehicle and are set forth in their respective governing agreements.
- C. The Funds generally bear their own operating and other expenses, including expenses related to the U.S. and international offering of the Funds' interests or shares and related filings and registrations (including expenses related to compliance with applicable U.S. and international anti-money laundering law requirements, expenses relating to the Funds' Swiss representative (as applicable), and related expenses of U.S. and non-U.S. legal counsel), investor reporting costs, administration and audit expenses, any and all fees for research (including investment conferences and on-line news and quotation services, Bloomberg service, etc., and related connectivity and maintenance costs) 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 (including the costs and expenses of the Funds'

governance committee), consulting fees, insurance costs (including, without limitation, directors' and officers' insurance, fidelity bonds and insurance relating to cybersecurity), borrowing charges on securities sold short, custodial fees, trustees fees, brokerage commissions, bank service fees, interest on loans and debit balances, fees and expenses of the Adviser incurred in connection with preparing and filing reports relating to the Funds' trading activities (including under investment advisory laws, such as Form PF), any taxes applicable to the Funds on account of their operations and/or investments, any expenses incurred in connection with FATCA and AEOI, and any and all expenses related to the management and operation of the Funds as well as the purchase, sale or transmittal of assets, as the Adviser determines in its discretion.

Generally, all expenses of the Funds will be borne by the applicable master fund, other than any expenses that we or Crawford Lake GP determine in our discretion should be allocated to a particular feeder fund. The expenses that are charged to Separate Vehicles are determined on a case by case basis. To the extent that any expenses are incurred jointly for the account of the Funds, any Separate Vehicles, and the Adviser, the Crawford Lake GP, or their affiliates, the Adviser or the Crawford Lake GP, as applicable, will be allocated a portion of such expense as the Adviser deems to be reasonable.

We may cause certain Crawford Lake Accounts to invest a portion of their capital in money market funds or exchange-traded funds or similar products. In addition to the fees and expenses discussed above, the applicable Crawford Lake Accounts will indirectly incur similar fees and expenses, as these funds and accounts in turn pay similar fees to their investment managers and other service providers. The applicable Crawford Lake Accounts will indirectly bear such fees regardless of whether they are profitable.

The Adviser shall have discretion to allocate expenses (i) among the Crawford Lake Accounts, and (ii) between the Crawford Lake Accounts and the Adviser and its affiliates. The Adviser may allocate such expenses among such entities and accounts in any manner it deems equitable, taking into account the Crawford Lake Accounts' respective governing documents and applicable facts and circumstances, including the relative size of the applicable entity or account, the nature or source of the product or service and the benefits derived from and the extent of use of the product or services. Nonetheless, the portion of an expense that the Adviser allocates to a Crawford Lake Account for a particular product or service might not reflect the relative benefit derived by such Crawford Lake Account from that product or service in any particular instance. The Adviser's expense allocations often depend on inherently subjective determinations, but the expense allocations made by the Adviser will be in good faith. There may be situations in which the appropriate allocation of expenses in the course of evaluating potential investments may not be clear (for example, if the Crawford Lake Accounts considered making an investment that was not consummated). Expenses will typically be allocated among the Crawford Lake Accounts participating in the relevant investment or potential investment. However, in all cases, subject to applicable legal, regulatory, contractual or similar restrictions, expense allocation decisions will be made by the Adviser in its discretion in good faith.

Investors in the Crawford Lake Funds should be aware that the Adviser and its personnel generally can be expected to receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of the Crawford Lake Accounts and their portfolio investments, including benefits and other discounts provided from service providers. For example, airline travel or hotel stays incurred as a Crawford Lake Account expense typically result in cash rebates, "miles," "points" or credit in

- loyalty/status programs, and such benefits and/or amounts will exclusively benefit the Adviser and/or such personnel even though the cost of the underlying service is borne by the Crawford Lake Accounts. The value of such benefits and perquisites will neither be subject to an offset against fees payable by the Crawford Lake Accounts nor will they otherwise be shared with the Crawford Lake Accounts.
- D. Management fees are generally paid quarterly in advance and the appropriate portion will be refunded if the advisory contract is cancelled prior to the end of a payment period.
- E. Neither we nor any of our supervised persons accepts compensation for the sale of securities of other investment products.

It is very important that investors refer to their respective Fund's offering documents for a complete understanding of how Crawford Lake is compensated for its advisory services, eligible Fund expenses, and investor withdrawal and redemption rights. The information contained herein is a summary only and is qualified in its entirety by the relevant Fund offering documents.

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

We or our affiliates receive annual performance-based fees or allocations from the Crawford Lake Accounts, which are based on a percentage of the capital appreciation of client assets. We or Crawford Lake GP may, in our discretion, waive all or any portion of these fees and allocations with respect to any investor without notice to, or the consent of, the other investors.

The terms of the performance-based fees and allocations may differ among the various Crawford Lake Accounts creating a conflict of interest where we have an incentive to favor accounts with the highest performance-based fees. To mitigate this conflict, we generally allocate investment opportunities among the Crawford Lake Accounts on a *pari passu* basis. Our allocation policy, which does not take into account the performance-based fees and allocations to which such accounts are subject, is designed to avoid any potential conflicts when allocating opportunities among the Crawford Lake Accounts (some of which may have higher performance-based fees and allocations than others, and some of which may have no performance-based fees or allocations) (see Item 12, Section A.4, "Allocation of Investment Opportunities" below).

As the management fees and performance-based fees and allocations are based directly on the net asset value of the Crawford Lake Accounts, we have a conflict of interest in valuing the assets held in the accounts. We will follow our documented valuation policies and consult with the third-party administrator to the accounts in order to mitigate this risk.

Performance-based fees may create an incentive for Crawford Lake to make investments that are riskier or more speculative than would be the case in the absence of such fees. However, this incentive may be tempered somewhat by the fact that losses will reduce the account's performance and thus the fees earned. As performance-based fees are calculated on an annual basis, which includes unrealized appreciation of an account's assets, the fees may be greater than if based solely on realized gains. In addition, performance-based fees could be based on unrealized gains that accounts may never realize. Crawford Lake has implemented various procedures (including with respect to trade allocation and valuation of assets) to address the conflicts of interest arising due to charging performance-based fees.

Item 7 - Types of Clients

We primarily provide investment advice to clients who are private investment funds (either through a fund-vehicle or a separately managed account). Investors in the Crawford Lake Accounts 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). The minimum investment in the Funds is generally \$1,000,000. We will determine the minimum investment for a Separate Vehicle on a case by case basis, but it is generally expected to be at least \$50,000,000.

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss**A. Investment Objective**

The Crawford Lake Accounts’ objective is to maximize the overall risk adjusted return on its capital consistent with its investment strategies. The Crawford Lake Accounts may invest in all forms of securities transactions, including but not limited to, publicly traded and, subject to certain limitations, restricted United States securities, which we believe have the potential for significant capital gains. The Crawford Lake Accounts may also engage in derivative transactions, including options (e.g., purchasing and writing put and call options on equities and indices), that may be used to hedge investments, achieve directional exposure, and/or and to realize profits through the receipt of premiums. The Adviser seeks to balance the Crawford Lake Accounts’ portfolio of investments through diversification among industries, companies or types of securities. Generally, the Adviser intends that a single-name stock position will not make up more than 10% of the Flagship Funds’ equity or 20% of the Enhanced Fund’s equity, but such thresholds may be exceeded from time to time when deemed appropriate by the Adviser in its discretion. The Enhanced Fund and the Flagship Fund generally pursue the same strategy, except that the Enhanced Fund expects to have gross exposure equal to approximately twice that of the Flagship Fund.

Investment Methodology and Approach

The Adviser utilizes a hybrid approach to investing by combining both fundamental and technical analysis. The combination of these analyses is intended to produce superior risk adjusted returns, maintain a low volatility profile, and position the Crawford Lake Accounts to perform well regardless of market conditions.

Long/Short

The Adviser’s portfolio managers scour the market for investment opportunities using both fundamental and technical screens. The investment process focuses on names where technical indicators and corporate fundamentals are aligned such that the portfolio managers believe price action, either positive or negative, is sustainable. Potential candidates are reviewed to assess the extent of alignment of favorable fundamental and technical factors.

The focus of the fundamental analysis is on narrowing the universe of potential investments and assessing whether underlying fundamentals are sound and generally favorable (or negative in the case of a short sale). The focus of the technical analysis is to assess whether price action is sustainable based on market conditions (generally targeting approximately

10-30% return in 3 months or less. The Adviser also evaluates entry point and position sizing considerations.

Investing in securities involves risk of loss that clients and investors should be prepared to bear. The Crawford Lake Accounts' investment program entails substantial risks and there can be no assurance that their objectives will be achieved or that the Crawford Lake Accounts will not suffer substantial losses

B. Certain Risks Associated with Methods of Analysis and Investment Strategies

An investment in the Adviser's strategy involves substantial risks, and prospective investors should carefully consider, among other factors, the material risks described. These risk factors are not intended to be an exhaustive listing of all potential risks associated with an investment in the Adviser's strategy, and prospective investors in the Crawford Lake Accounts are urged to review the offering documents related to the applicable Crawford Lake Account.

Business Dependent Upon Key Individuals. Investors will have no authority to make decisions or to exercise business discretion on behalf of the Crawford Lake Accounts. The authority for all such decisions is delegated to Crawford Lake GP and the Adviser. The success of the Crawford Lake Accounts, therefore, are expected to be significantly dependent upon the expertise and efforts of the Adviser and, more particularly, of Mr. Isaac Markowitz, and Mr. Jacob Herzka. The prior performance of any Crawford Lake Account or any other entity or account managed by the General Partner or the Adviser, Mr. Isaac Markowitz or Mr. Jacob Herzka, or any other entity with which Mr. Isaac Markowitz or Mr. Jacob Herzka has been affiliated, should not be relied upon to predict the future performance of any Crawford Lake Account.

Absence of Regulatory Oversight. While each of the Crawford Lake Accounts may be considered similar to an investment company, none are registered as such under the Investment Company Act of 1940, as amended (the "1940 Act"), in reliance upon an exemption available to privately offered investment companies, and, accordingly, the provisions of the 1940 Act (which, among other things, require investment companies to have a majority of disinterested directors, require securities held in custody to be individually segregated at all times from the securities of any other person and to be marked to clearly identify such securities as the property of such investment company, and regulate the relationship between the adviser and the investment company) are not applicable. Because securities of the Crawford Lake Accounts held by brokers are generally not held in the Crawford Lake Accounts' names, a failure of any such broker is likely to have a greater adverse impact on the Crawford Lake Accounts than if such securities were registered in the Crawford Lake Accounts' names.

The Adviser is registered as an investment adviser with the SEC. It is anticipated that the activities of the Crawford Lake Accounts will be such that, under current regulations, neither the Adviser nor Crawford Lake GP will be (or will be required to be) registered under the U.S. Commodity Exchange Act as either a commodity pool operator or commodity trading advisor.

Limited Liquidity; No Secondary Market. An investment in the Crawford Lake Accounts is suitable only for sophisticated investors who have no need for current liquidity. An investment in the Funds provides limited liquidity since the Funds' interests or shares, as

applicable, are not freely transferable and investors generally may withdraw capital from the Funds corresponding to the interests or shares, as applicable, at only a designated number of particular times per year, subject to the discretion of the Adviser or Crawford Lake GP to allow withdrawals at any other date and subject to certain important limitations on withdrawals. Furthermore, the Adviser may invest a portion of Crawford Lake Accounts in illiquid securities. Crawford Lake 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. There is no secondary market for interests in Crawford Lake Accounts and none is likely to develop in the future.

Master-Feeder Risks. The Flagship Feeder Funds and Enhanced Flagship Feeder Funds are required to invest all of its investable assets in the Flagship Master Fund and Enhanced Master Fund, respectively, and could be adversely affected by the actions of other investors in the Flagship Master Fund and Enhanced Master Fund, respectively. For example, if a large investor or group of investors redeems from the Flagship Offshore Fund, the Flagship Master Fund may be forced to sell assets at distressed prices and the remaining investors in the Flagship Master Fund and the Flagship Feeder Funds may also experience higher pro-rata operating expenses, thereby resulting in lower returns. Similarly, in such a situation, the investments of the Flagship Master Fund may become less diverse and potentially more illiquid due to a large withdrawal of assets.

While the Adviser generally will not consider tax issues applicable to any particular investor, it generally will take into account the tax positions of the Crawford Lake Accounts. However, the use of a “master-feeder” structure may create a conflict of interest in that different tax considerations for the Crawford Lake Accounts may cause or result in the Adviser structuring or disposing of an investment in a manner or at a time that is more advantageous (or disadvantageous) for tax purposes to one feeder fund or its investors.

Cross-Class Liability. Although each class of the Funds’ interests or shares will be maintained by the applicable Fund separately with separate accounting records, each such Fund as a whole, including all of the separate classes of its interests or shares, is one legal entity. Thus, all of the assets of such Fund are available to meet all of the liabilities of such Fund, regardless of the class of interests or shares to which such assets or liabilities are attributable. In practice, cross-class liability will usually arise only where the assets attributable to one class of interests or shares are insufficient to meet all liabilities attributable to that class. In such a case, assets of the applicable Fund attributable to other classes of interests or shares will be available to creditors in respect of the excess liabilities of that class and the value of the contributing classes will be reduced as a result.

Effect of Substantial Withdrawals. A number of events, including, without limitation, unsatisfactory performance of the Crawford Lake Accounts, a significant change in personnel or management of the Adviser, withdrawals by investors in the Crawford Lake Accounts that hold a significant percentage of the Crawford Lake Accounts’ net asset value, withdrawals by investors in other accounts managed by the Adviser pursuant to a substantially similar investment program as the Crawford Lake Accounts, investor reaction to withdrawals by other investors in the Crawford Lake Accounts, or legal or regulatory issues that investors perceive to have a bearing on the Crawford Lake Accounts or the Adviser, could trigger substantial withdrawals from the Crawford Lake Accounts. Substantial withdrawals by investors in the Crawford Lake Accounts within a short period of time could require the Crawford Lake Accounts to liquidate securities and other positions more rapidly than would otherwise be desirable, possibly reducing the value of

their assets and/or disrupting their investment strategy. The Crawford Lake Accounts may be forced to sell their more liquid positions, which may cause an imbalance in the portfolio that could have a material adverse effect on the remaining investors. Further, it may be impossible or impracticable to liquidate a sufficient amount of securities to meet withdrawals because a significant part of the portfolio at any given time may be invested in securities for which the market is or becomes illiquid. Substantial withdrawals could also significantly restrict the Crawford Lake Accounts' ability to obtain financing or transact with derivatives counterparties needed for their investment strategies, which would have a further material adverse effect on the Crawford Lake Accounts' performance. Investors generally will not be notified of a withdrawal by other investors, and, therefore, may not be able to make withdrawals in advance of, or contemporaneously with, withdrawals by such investors.

Certain Investors. Certain prospective investors may be subject to laws, rules and regulations which may regulate their participation in the Crawford Lake Accounts, or their engaging directly, or indirectly through an investment in the Crawford Lake Accounts, in investment strategies of the types which the Crawford Lake Accounts may utilize from time to time (*e.g.*, short sales of securities and the use of leverage). Prospective investors should consult with their own advisors as to the advisability and tax consequences of an investment in Crawford Lake Accounts.

Indemnification. Subject to applicable law, the governing agreements and service contracts of the Crawford Lake Accounts contain broad indemnification provisions that require the Crawford Lake Accounts to hold Crawford Lake GP, the Adviser, and certain service providers, as appropriate, harmless from any losses or costs incurred by such person (and certain other related persons) as a result of their service to the Crawford Lake Accounts and/or the Funds in such capacity, subject to certain limitations described in the respective agreements.

Side Letter Agreements. The Crawford Lake Accounts, Crawford Lake GP and/or the Adviser has entered into, and may in the future enter into, "side letter" agreements with certain investors pursuant to which they provide such investors with preferential terms with respect to their investment in the Crawford Lake Accounts, including, without limitation, with respect to Management Fees, Performance Fees, withdrawal terms (including the required notice periods) and/or transparency (including portfolio transparency and information about the Adviser and its personnel, including withdrawals made by them). As a result of the terms provided in such side letter agreements, certain investors may be better able to assess the prospects and performance of the Crawford Lake Accounts than other investors, and may be able to withdraw capital from the Crawford Lake Accounts at times when other investors may not. Subject to the applicable law and contractual obligations, none of the Crawford Lake Accounts, Crawford Lake GP or the Adviser will be obligated to disclose the terms of such side letter agreements or the identities of the investors that have entered into such agreements with the Crawford Lake Accounts, Crawford Lake GP and/or the Adviser.

Access to Information. The Adviser may provide certain additional information to any investor or prospective investor who requests such information. This information may be provided in response to questions and requests and in connection with due diligence meetings and other communications, but will not be distributed to other investors and prospective investors who do not request such information. Such information may affect a prospective investor's decision to invest in the Crawford Lake Accounts, and investors

(which may include personnel and affiliates of the Adviser) may be able to act on such additional information and withdraw capital from the Crawford Lake Accounts potentially at higher values than other investors. Any such withdrawals may result in reduced liquidity for other investors and, in order to meet larger or more frequent withdrawals, the Crawford Lake Accounts may need to maintain a greater amount of cash and cash-equivalent investments than it would otherwise maintain, which may reduce the overall performance of the Crawford Lake Accounts. Each investor is responsible for asking such questions that it believes are necessary in order to make its own investment decisions, must decide for itself whether the limited information provided by the Adviser is sufficient for its needs, and must accept the foregoing risks.

Investment and Trading Risks. All securities investments risk the loss of capital. No guarantee or representation is made that the Adviser's investment program will be successful or that the Crawford Lake Accounts will not incur substantial losses. In certain transactions, the Crawford Lake Accounts may not be "hedged" against market fluctuations. The Adviser will attempt to assess these risks, and others, in determining the extent of the position the Crawford Lake Accounts will take in the relevant securities and the price it is willing to pay for such securities. However, such risks cannot be eliminated. Past performance of the Crawford Lake Accounts or any other entity or account managed by Isaac Markowitz or Jacob Herzka is not necessarily indicative of the Crawford Lake Accounts' future results.

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 Crawford Lake Accounts 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 Crawford Lake Accounts' operations may be expected to fluctuate from period to period.

Herding Risk. The substantial growth of the hedge fund industry, including banks and investment banks trading large, highly-leveraged positions of the same nature as those held by hedge funds, has augmented herding risks. Even if the Adviser invests in companies that are not broadly followed by other funds or investment banks, such funds or investment banks may later discover opportunities in the same companies in which the Adviser has

already invested. Whatever the “fair price” of a security or a relationship, its trading price is sometimes radically altered or influenced by the market activity of traders executing parallel trading programs. This factor may provide surprising and sudden losses at unpredictable times, even after long periods of calm. The negative impact of herding is greatest when markets are under stress and traders holding large leveraged positions (a strategy not pursued by the Adviser) seek to liquidate or cover positions simultaneously.

Short Sales. The Adviser will engage in short sales on behalf of the Crawford Lake Accounts. A short sale involves the sale of a security that the Crawford Lake Accounts 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, the Crawford Lake Accounts must borrow the security and the Crawford Lake Accounts are obligated to return the security to the lender, which is accomplished by a later purchase of the security by the Crawford Lake Accounts. When the Crawford Lake Accounts make a short sale in the U.S., they must leave the proceeds thereof with the broker and they must also deposit with the broker an amount of cash or U.S. government or other securities sufficient under current margin regulations to collateralize their 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 the Adviser will engage in short sales on behalf of the Crawford Lake Accounts will depend upon its trading strategy and perception of market direction and the value of individual securities. The Adviser may engage in short sales as a hedge against potential market declines and/or based on its analysis of the subject securities.

Significant Positions. Portfolio companies in which the Crawford Lake Accounts may invest could have a relatively small aggregate number of outstanding shares, so that the Crawford Lake Accounts may acquire (i) more than five percent (5%) of a class of securities of a single issuer which would require the filing of a Schedule 13D or 13G statement with the SEC, or (ii) more than ten percent (10%) of a class of securities of a single issuer (which would impose certain limitations on the Crawford Lake Accounts’ ability to trade in such securities, including the restrictions contained in Section 16 of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”)). If Crawford Lake GP or another representative of the Crawford Lake Accounts serves as a director to a portfolio company, then similar restrictions under Section 16 of the Exchange Act will apply. The Crawford Lake Accounts may obtain a substantial position in any public or private company. The Crawford Lake Accounts may become subject to regulatory proceedings or other litigation.

No Control over Portfolio Companies. Although the Crawford Lake Accounts may from time to time acquire substantial positions in the securities of particular companies and representation on the board of directors, the Crawford Lake Accounts are not likely to obtain control over the management of most companies in which the Crawford Lake Accounts have invested. Despite efforts by the Adviser to influence the management of such portfolio companies, the success of each investment will depend on the ability and success of the management of the portfolio company, in addition to economic, market and regulatory factors.

Foreign Investments. The Crawford Lake Accounts may trade U.S. listed securities relating to non-U.S. companies. Such transactions require consideration of certain risks not typically associated with trading in securities relating to U.S. companies. 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.

REIT Qualification. The Crawford Lake Accounts may hold a portion of their investments through entities that intend to qualify as real estate investment trusts ("REIT") under the Code (each such subsidiary of a Crawford Lake Account that is intended to qualify as such, a "REITCO"). The REIT qualification rules are complex and may impact the Crawford Lake Accounts' investment strategy and their flexibility to make or dispose of certain investments generally, or at particular times during the life of the Crawford Lake Accounts. Failure of a REITCO in any taxable year to qualify as a REIT will render the REITCO subject to tax on its taxable income at regular corporate rates and distributions to stockholders in any non-qualifying year(s) will not be deductible by the REITCO nor eligible for the deduction for "qualified REIT dividends." A REITCO's compliance with the complex REIT qualification requirements may depend upon factors outside the control of the Crawford Lake Accounts and the REITCO. Thus, there can be no assurance that any REITCO will in fact qualify for taxation as a REIT. In seeking to comply with the requirements for taxation as a REIT and minimize any potential taxes payable by it, a REITCO may be required to limit or alter its activities, including by foregoing or delaying certain opportunities (including potential dispositions) that might otherwise be attractive on a pre-tax basis. Any REITCO will seek to operate in such a manner that the amount of U.S. federal income taxes incurred by it will not be substantial. However, a REITCO could nevertheless be subject to tax and, in certain circumstances, the amount of such taxes could be substantial. Furthermore, future legislation, new regulations, administrative interpretations or court decisions may significantly change the tax laws or the application of the tax laws with respect to qualification as a REIT. Any such change could adversely affect any REITCO's ability to qualify as a REIT or the federal income tax consequences of such qualification.

In addition, to comply with the 90% distribution requirement applicable to REITs and to avoid the nondeductible excise tax, each REITCO must make distributions to its stockholders. Although the Adviser does not anticipate any inability to satisfy the REIT distribution requirement, from time to time, a REITCO may not have sufficient cash or other liquid assets to do so. For example, timing differences between the actual receipt of income and actual payment of deductible expenses, on the one hand, and the inclusion of that income and deduction of those expenses in arriving at our taxable income, on the other hand, or non-deductible expenses such as principal amortization, repayments of debt, or capital expenditures in excess of non-cash deductions may cause a REITCO to fail to have sufficient cash or liquid assets to enable it to satisfy the 90% distribution requirement.

In the event that timing differences occur or a REITCO decides to retain cash or to distribute such greater amount as may be necessary to avoid income and excise taxation, such REITCO may, if possible, borrow funds, issue consent dividends, distribute other property or securities or engage in a transaction intended to enable us to meet the REIT distribution requirements. Any of these actions may require the Crawford Lake Accounts to raise additional capital to meet a REITCO's obligations; however, limitations on the Crawford Lake Accounts' ability to access capital could have an adverse effect on their

ability to meet debt payments, make distributions to investors or make future investments necessary to implement the Crawford Lake Accounts' business strategy.

Investments in Unregistered Securities. The Crawford Lake 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 the Crawford Lake 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.

Leverage. Subject to applicable regulations, the Adviser may use leverage when the Adviser deems appropriate, 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 the Crawford Lake 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 the Crawford Lake Accounts purchase securities with borrowed funds, the Crawford Lake Accounts' 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 the return of the Crawford Lake Accounts. 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 accounts were not leveraged.

Convertible Securities. The Crawford Lake Accounts may trade in convertible securities. The market value of convertible securities, as with all fixed income securities, tends to decline as interest rates increase and, conversely, to increase as interest rates decline. However, when the market price of the common stock underlying a convertible security exceeds the conversion price, the convertible security tends to reflect the market price of the underlying common stock. As the market price of the underlying common stock declines, the convertible security tends to trade increasingly on a yield basis and thus, may not decline in price to the same extent as the underlying common stock. If a convertible security held by the Crawford Lake Accounts is called for redemption, the Adviser will be required to permit the issuer to redeem the security, convert it into the underlying stock or sell it to a third party. Any of these actions could have an adverse effect on the Adviser's ability to achieve the Crawford Lake Accounts' trading objective.

Fixed Income Securities. The Crawford Lake Accounts may trade in bonds or other fixed income securities of U.S. and non-U.S. issuers, including, without limitation, bonds, notes and debentures issued by corporations, or debt securities issued or guaranteed by a sovereign government or one of its agencies or instrumentalities. Fixed income securities pay fixed, variable or floating rates of interest. The value of fixed income securities will change in response to fluctuations in interest rates. In addition, the value of certain fixed income securities can fluctuate in response to perceptions of credit worthiness, political

stability or soundness of economic policies. Fixed income securities are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (*i.e.*, credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (*i.e.*, market risk).

The Crawford Lake Accounts may trade in fixed-income securities which are not protected by financial covenants or limitations on additional indebtedness. In addition, evaluating credit risk for foreign debt involves greater uncertainty because credit rating agencies throughout the world have different standards, making comparisons across countries difficult.

Derivatives Generally. Derivative instruments, or "derivatives," include options, futures, structured securities, caps, floors, collars and other instruments and contracts that are derived from, or the value of which is related to, one or more underlying securities, financial benchmarks, financial assets, currencies or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark, financial asset, currency or index at a fraction of the cost of investing in the underlying asset. There is no assurance that derivatives that the Crawford Lake Accounts wish to acquire will be available at any particular times upon satisfactory terms or at all.

The value of a derivative is frequently difficult to determine and depends largely upon price movements of the underlying asset. Therefore, many of the risks applicable to trading an 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 in the underlying asset can not only result in the loss of the entire investment, but may also expose the Crawford Lake Accounts to the possibility of a loss exceeding the original amount invested. Over-the-counter ("OTC") 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 OTC market for derivatives is relatively illiquid. In the case of OTC derivatives contracts, the Crawford Lake Accounts are subject to the credit risk of the counterparty.

The Crawford Lake Accounts may take advantage of opportunities with respect to certain other derivative instruments that are not presently contemplated for use or that are currently not available, but that may be developed, to the extent such opportunities are both consistent with the trading objective of the Crawford Lake Accounts and legally permissible. Special risks may apply to instruments that are invested in by the Crawford Lake Accounts in the future that cannot be determined at this time or until such instruments are developed or invested in by the Crawford Lake Accounts.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") enables the Commodity Futures Trading Commission ("CFTC") and the SEC to enact new regulations on certain over-the-counter derivatives. Under the Dodd-Frank Act and rules promulgated thereunder, certain OTC derivatives contracts are required to be traded on regulated trading platforms 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 OTC 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) are subject to regulatory oversight and requirements with respect to OTC 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.

While the CFTC has finalized the majority of its required rulemakings under the Dodd-Frank Act, there are still a number of rules that have not been finalized by 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, and none of the Adviser, Crawford Lake GP, or the Crawford Lake Accounts undertakes to update investors upon such changes or upon finalization of any CFTC or SEC regulations promulgated under the Dodd-Frank Act.

Options. The Crawford Lake Accounts may 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 the Crawford Lake Accounts was permitted to expire without being sold or exercised, its premium would be lost by the Crawford Lake Accounts. 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 the Crawford Lake Accounts 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.

Stock Index Options. The Crawford Lake Accounts may purchase and sell call and put options on stock indices listed on securities exchanges or traded in the over-the-counter market. A stock index fluctuates with changes in the market values of the stocks included in the index. Because the value of an index option depends upon movements in the level of the index rather than the price of a particular stock, whether the Crawford Lake Accounts will realize gains or losses from the purchase or writing of options on indices depends upon movements in the level of stock prices in the stock market generally or, in the case of certain indices, in an industry or market segment, rather than movements in the price of

particular stocks. Accordingly, successful use by the Crawford Lake Accounts of options on stock indices will be subject to the Adviser's ability to correctly predict movements in the direction of the stock market generally or of particular industries or market segments. This requires different skills and techniques than predicting changes in the price of individual stocks.

Repurchase Agreements. The Crawford Lake Accounts may enter into repurchase agreements, which may be viewed as a type of secured lending or borrowing by the Crawford Lake Accounts. In a repurchase agreement, the Crawford Lake Accounts purchases a debt security from a seller which undertakes to repurchase the security at a specified resale price on an agreed future date. The resale price generally exceeds the purchase price by an amount which reflects an agreed-upon market interest rate for the term of the repurchase agreement. If the seller defaults, the Crawford Lake Accounts could suffer a loss to the extent the proceeds from the sale of the underlying securities and other collateral held by the Crawford Lake Accounts in connection with the related repurchase agreement are less than the repurchase price. If the Crawford Lake Accounts is the seller in a repurchase transaction, it would not receive the benefit of the agreed-upon market interest rate, and may not be able to reacquire the security sold to the counterparty in such transaction.

Futures Contracts. From time to time, the Crawford Lake Accounts may trade in futures. The value of futures depends upon the price of the financial instruments, such as commodities, underlying them. The prices of futures are highly volatile, and price movements of futures contracts can be 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. In addition, investments in futures are also subject to the risk of the failure of any of the exchanges on which the Crawford Lake Accounts' positions trade or of their clearing houses or counterparties.

Moreover, commodity exchanges limit fluctuations in commodity futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." During a single trading day, no trades may be executed at prices beyond the daily limit. Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. Commodity futures prices have occasionally moved the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent the Crawford Lake Accounts from promptly liquidating unfavorable positions and subject them to substantial losses. In addition, the Dodd-Frank Act significantly expands the CFTC's authority to impose broader aggregate position limits.

Options on Futures. Trading options on futures involves a high degree of risk. The risks of trading options on futures are similar to the risks of trading securities options, but often involve even greater leverage and risks. In addition, if the purchaser of an option on a futures contract exercises the option, the holder will, in effect, be buying or selling the underlying futures contract, and will then be subject to the same risks as are attendant to futures trading.

Market Volatility; Changes to Companies. The securities markets are subject to volatility and may 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 the Adviser to accurately predict price movements. The Crawford Lake Accounts may not be “hedged” against such market fluctuations.

In addition, entities in which the Crawford Lake Accounts invests (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 the Adviser may not actually be achieved and the Crawford Lake Accounts could sustain losses.

Equity Securities. The Crawford Lake Accounts will invest in equity and equity-related securities. Equity securities fluctuate in value in response to many factors, including the activities, results of operations, and financial condition of individual companies, the business market in which individual companies compete, industry market conditions, interest rates and general economic environments. In addition, events such as political instability, terrorism, and natural disasters may be unforeseeable and contribute to market volatility in ways that may adversely affect the Crawford Lake Accounts’ positions.

Small Cap Companies. At any given time, the Crawford Lake Accounts may 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.

Risks of Investing in Money Market and other Liquid Instruments. The Crawford Lake Accounts may invest, for defensive purposes or otherwise, some or all of its assets in money market instruments, and money market mutual funds, or hold cash or cash equivalents in such amounts as the Adviser may deem appropriate under the circumstances. Money market instruments are high quality, short-term fixed income obligations (including floating rate obligations), which generally have remaining maturities of one year or less, and may include U.S. Government securities, certificates of deposit, commercial paper, bankers’ acceptances issued by domestic branches of United States banks that are members of the Federal Deposit Insurance Corporation, and repurchase agreements. The investment objectives of such money market instruments may not be achieved during any time in which investable assets are not substantially invested in accordance with these primary investment strategies. In addition, although money market instruments seek to maintain a stable net asset value, the market value of such investments may decline as a result of, among other things, changing interest rates, changes in the credit quality of the issuers, changes in credit ratings of the securities, and general market conditions.

Purchasing Securities of Initial Public Offerings. The Crawford Lake Accounts may purchase securities of companies during their initial public offerings or shortly thereafter. Special risks associated with these securities may include a limited number of shares available for trading, unseasoned trading, lack of investor knowledge of the companies and limited operating histories. These factors may contribute to substantial price volatility for the shares of these companies. The limited number of shares available for trading in some initial public offerings may make it more difficult for the Crawford Lake Accounts to buy or sell significant amounts of shares without an unfavorable impact on prevailing market

prices. In addition, some companies engaged in initial public offerings are involved in relatively new industries or lines of business, which may not be widely understood by investors. Some of these companies may be undercapitalized or regarded as developmental stage companies, without revenues or operating income, or the near-term prospects of achieving them.

Price Risk. For reasons not necessarily attributable to any of the risks set forth herein (for example, supply/demand imbalances or other market forces), the prices of the securities in which the Crawford Lake Accounts invest may decline or rise substantially. In particular, purchasing assets at prices that may appear to be “undervalued” is no guarantee that such assets will not be trading at even more “undervalued” levels at the time of valuation or at the time of sale. Similarly, shorting assets at prices that may appear to be “overvalued” is no guarantee that such assets will not be trading at even more “overvalued” levels at the time of valuation or at the time of sale.

Investment Analysis. When assessing investment opportunities, the Adviser relies on resources that may have limited or incomplete information. In particular, the Adviser relies on publicly available information and data filed with various government regulators or made directly available to the Adviser by the issuers of securities or through sources other than the issuers. Although the Adviser expects that it will evaluate information and data as it deems appropriate and will seek independent corroboration when reasonably available, the Adviser will not evaluate all publicly available information and data and is not in a position to confirm the completeness, genuineness, or accuracy of the information and data that it evaluates.

As a result, there can be no assurance that the due diligence exercise carried out by the Adviser will reveal or highlight all relevant facts that may be necessary or helpful in evaluating investment opportunities. Any failure to have identified the relevant facts may result in an inappropriate investment decision, which may have a material adverse effect on the value of any investment in the Crawford Lake Accounts.

Concentration of Investments. The Crawford Lake Accounts’ capital may be concentrated in the securities of relatively few issuers. In addition, Crawford Lake Accounts are not restricted in the amount of their 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 the Crawford Lake Accounts’ overall financial condition. This is because the value of the Crawford Lake Accounts’ 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. The Adviser intends to engage in transactions for the Crawford Lake Accounts in securities and financial instruments that involve counterparties. Under certain conditions, the Crawford Lake 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, the Crawford Lake Accounts could suffer losses if there were a default or bankruptcy by certain other third parties, including brokerage firms and banks with which the Adviser does business, or to which securities have been entrusted for custodial purposes. For example, if one of the 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.

Additionally, under CFTC regulations, “futures commission merchants” (“FCMs”), such as the Crawford Lake Accounts’ prime brokers, are required to maintain customers’ assets in a segregated account. If an FCM of the Crawford Lake Accounts fails to do so, under certain circumstances, such as the inability of another customer of the FCM or the FCM itself to satisfy substantial deficiencies in the other customer’s account, the Crawford Lake Accounts may be subject to a risk of loss of their assets on deposit with such FCM. In the case of any bankruptcy or customer loss, the Crawford Lake Accounts might recover, even with respect to property specifically traceable to the Crawford Lake Accounts, only a pro rata share of all property available for distribution to all of the FCM’s customers.

Counterparty Risk. The Crawford Lake Accounts may effect transactions in markets that are “over-the-counter” or “interdealer” markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of “exchange based” markets. This exposes the Crawford Lake Accounts to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Crawford Lake Accounts to suffer a loss. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Crawford Lake Accounts have concentrated their transactions with a single or small group of counterparties. The Adviser is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. The ability of the Crawford Lake Accounts to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties’ financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Crawford Lake Accounts.

The Crawford Lake Accounts’ investment strategy may make use of transactions that can expose the Crawford Lake Accounts to the credit of its counterparties, and vice versa. For example, the Crawford Lake Accounts may seek to borrow against long positions, to borrow securities intending to sell them short and to enter into long and short derivative positions. All of these transactions, and transactions similar to them, are governed by documents, industry standards, market custom and practice, the parties’ prior course of dealing and by the covenant of good faith and fair dealing. At times, and especially in times of market stress, these credit exposures may come under stress, normal business conduct may be interrupted and normal legal protections may prove inadequate or may fail to provide timely relief. Should it become necessary to remove or reduce exposure to a particular counterparty, there can be no guarantee that a satisfactory alternative will be available, or even if one is available, that the Crawford Lake Accounts will be able to avail themselves of that alternative. As a consequence, it is possible that any unwinding of the credit exposure may prove costly and thereby damage the Crawford Lake Accounts.

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

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.

Multi-Level Fees. The Crawford Lake Accounts pay and/or reimburse fees and expenses to Crawford Lake GP, the Adviser and other service providers. In addition, the Crawford Lake Accounts will indirectly incur similar fees and expenses if the Crawford Lake Accounts invest in money market funds or exchange-traded funds or similar products (including management fees), as these funds and accounts in turn pay similar fees to their Advisers and other service providers. The Crawford Lake Accounts will pay such fees regardless of whether the Crawford Lake Accounts are profitable.

Enforcement of Legal Rights. Certain Crawford Lake Accounts were established under the laws of the Cayman Islands. As a result, it may not be possible for purchasers to effect service of process within their jurisdiction upon such Crawford Lake Accounts or certain of their directors. All or a substantial portion of the assets of the foregoing persons may be located outside of the jurisdiction of the purchaser and, as a result, it may not be possible to satisfy a judgment against any of such persons in the purchaser's jurisdiction or to enforce a judgment obtained in the purchaser's jurisdiction against such persons.

In-Kind Distributions. Although the Adviser expects to liquidate all of the Crawford Lake Accounts' investments prior to the termination of the Crawford Lake Accounts and allow the Crawford Lake Accounts to distribute only cash to the investors, there can be no assurance that the Adviser will meet this objective. In addition, if significant withdrawals are requested, the Adviser may be unable to liquidate the Crawford Lake Accounts' investments at the time such withdrawals are requested or may be able to do so only at prices which the Adviser believes 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. The Adviser, in consultation with Crawford Lake GP, 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 the Crawford Lake Accounts' 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 Crawford Lake Accounts in trust for the investor, for an indefinite period of time.

Performance Fee. The calculation of the Performance Fee is based directly on the Crawford Lake Accounts' net capital appreciation for a particular calendar year, and therefore may create an incentive for the Adviser to cause the Crawford Lake Accounts to make investments that are riskier or more speculative than would be the case if this allocation were not made. Since the Performance Fee is calculated separately with respect to each capital account or series of shares, as applicable, it is possible that the Performance Fee may be made to the Adviser with respect to one or more capital accounts or series of shares held by an investor for a period of time during which such investor experienced an aggregate loss with respect to its overall investment in the Crawford Lake Accounts. In addition, since the Performance Fee is calculated on a basis which includes unrealized appreciation of the Crawford Lake Accounts' assets, it may be greater than if such calculation were based solely on realized gains. The Performance Fee was set by the Adviser and Crawford Lake GP without negotiations with any third party.

Valuation. To the extent that the Crawford Lake Accounts invest in securities or instruments for which market quotations are not readily available, the valuation of such securities and instruments will be determined by the Adviser, in consultation with the Administrator, in accordance with the Adviser's valuation policies and procedures. The

Adviser's determination will be final and conclusive as to all parties. The Adviser may, but is not required to, obtain independent market quotations for or appraisals of such assets. As the Performance Fee payable to the Adviser is based on the Crawford Lake Accounts' net asset value, the Adviser will have a conflict of interest in valuing these securities.

Inside Information. From time to time, the Adviser and its affiliates may come into possession of inside information concerning specific companies. Under applicable securities laws, this may limit the Crawford Lake Accounts' ability to buy or sell securities issued by such companies. If the Crawford Lake Accounts hold the securities of a company with respect to which the Adviser is in possession of inside information, the Crawford Lake Accounts may be restricted from trading the securities of such company for an indefinite period of time, which could result in losses to the Crawford Lake Accounts.

Soft Wind-Down. If Crawford Lake GP and/or the Adviser, decides that the investment strategy is no longer viable or cannot effectively be implemented by the Adviser, it may resolve that a Crawford Lake Account be managed with the objective of realizing assets in an orderly manner and distributing the proceeds to investors in such manner as it determines to be in the best interests of such Crawford Lake Accounts, in accordance with the terms of the governing documents of such Crawford Lake Account, including, without limitation, requiring any investor to fully or partially withdraw from such Crawford Lake Account, paying any withdrawal proceeds in-kind and/or declaring a suspension of withdrawals while assets are realized. This process is integral to the business of the Crawford Lake Accounts and may be carried out without recourse to a formal liquidation under any bankruptcy or insolvency regime.

Subscription Monies. Where a subscription for interests or shares of a Fund is accepted, the interests or shares will be treated as having been issued with effect from the relevant subscription date, notwithstanding that the subscriber for those interests or shares may not be entered in the applicable Fund's books and records until after the relevant subscription date. The subscription monies paid by a subscriber for interests or shares will accordingly be subject to investment risk in the Fund from the relevant subscription date.

Contingency Reserves. The Crawford Lake Accounts, at any time, in the discretion of Crawford Lake GP or the Adviser may establish holdbacks for liabilities and reserves for contingencies, whether or not required by U.S. GAAP. The establishment of such reserves or holdbacks will not insulate any portion of the Crawford Lake Accounts' assets from being at risk, and such assets may still be traded by the Crawford Lake Accounts. A pro rata portion of any holdback or reserve may be withheld from distribution to a withdrawing investor.

Changes and Uncertainty in U.S. and International Regulation. The Crawford Lake Accounts may be adversely affected by uncertainties such as international and domestic political developments, changes in government policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of the countries to which the Crawford Lake Accounts 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 the Crawford Lake Accounts, and may impair their ability to pursue their trading strategy. 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

the Adviser to alter investment and trading plans, including the holding period of positions and the nature of instruments used to achieve the Crawford Lake Accounts' trading objective.

In the United States, the Crawford Lake Accounts and the Adviser 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 the Crawford Lake Accounts, the Adviser and Crawford Lake GP becoming subject to additional regulatory compliance burdens and trade reporting, which may add significant cost to the Crawford Lake Accounts. 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 the Crawford Lake Accounts, the Adviser and Crawford Lake GP is unclear and will depend in large part on the regulations that the CFTC and SEC promulgate, as well as any legislative changes that may be made. There is speculation that some of the provisions of the Dodd-Frank Act and rules and regulations promulgated thereunder may be revised, repealed or amended. The impact of any such changes is unknown. None of the Crawford Lake Accounts, the Adviser or Crawford Lake GP undertakes to update the investors upon such changes or finalization of any such regulations.

Systems Risk. The Crawford Lake Accounts depend on the Adviser to develop and implement appropriate systems for its activities. The Adviser relies heavily on computer programs and systems (and may rely on new systems and technology in the future) for various purposes in connection with its activities on behalf of investors in the Crawford Lake Accounts, including, without limitation, to trade, clear and settle transactions, to evaluate certain financial instruments, to monitor its portfolio and net capital, and to generate risk management and other reports that are critical to oversight of such activities. Certain of the Adviser's and the Crawford Lake Accounts' activities will be dependent upon systems operated by third party service providers, and the Adviser may not be in a position to verify the risks or reliability of such third-party systems. The failure, corruption or breach of one or more systems (including as a result of the occurrence of a disaster such as a cyberattack, a natural catastrophe, an industrial accident, a terrorist attack or war, events unanticipated in the Adviser's disaster recovery systems, or a support failure from external providers) or the inability of such systems to satisfy the Adviser's needs may have a material adverse effect on the Adviser's ability to conduct business and thus, the Crawford Lake Accounts, particularly if those events affect the Adviser's computer-based data processing, transmission, storage and retrieval systems or destroy the Adviser's data. If a significant number of the Adviser's personnel were to be unavailable in the event of a disaster, the Adviser's ability to effectively conduct the Crawford Lake Accounts' business could be severely compromised.

Operational and Information Security Risk from Cyberattacks; Cyber-Fraud. The Crawford Lake Accounts, the Adviser, Crawford Lake GP, and their 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. Cybersecurity attacks affecting the Crawford Lake Accounts, the Adviser, Crawford Lake GP, or their respective service providers may adversely impact the Crawford Lake Accounts. For instance, cyberattacks may interfere with the processing of investor transactions, impact the ability to calculate Crawford Lake Accounts' net asset value, cause the release of private investor information or other confidential information, impede trading, subject the Adviser, Crawford Lake GP, the Crawford Lake Accounts and their 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 the Crawford Lake Accounts, and may cause the Crawford Lake Accounts' investments to lose value. Crawford Lake Accounts may also be a target of cyber-fraud that could result in the theft of asset, especially as computer malware, viruses and computer hacking, fraudulent use attempts and phishing and spoofing attacks have become more prevalent. In the hedge fund industry, these attacks have included third party actors submitting fraudulent withdrawal and transfer requests, resulting in the theft of the rightful investor's assets. The Crawford Lake 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.

Coronavirus and Global Health Events. Epidemics, pandemics and other widespread public health problems could adversely affect the Crawford Lake Accounts' performance. For example, in late 2019, a novel virus started causing a disease ("COVID-19") with severe acute respiratory syndromes in humans, at times with serious health complications that sometimes result in death. What began as a local outbreak in Wuhan, China, spread globally over the course of weeks, stressing advanced healthcare systems of Western countries and resulting in financial disruptions of an extent that remains unclear. On March 11, 2020, the World Health Organization assessed that the outbreak can be characterized as a pandemic. Many countries imposed restrictions on travel and strict measures of social distancing.

As the potential impact on global markets from COVID-19, or future epidemics, pandemics or other health crisis, is impossible to predict, the extent to which any such crisis may negatively affect the Crawford Lake Accounts' performance or the duration of any potential business disruption is uncertain. Precautions or restrictions imposed by governmental authorities and public health departments related to this pandemic are expected to result in indeterminate periods of decreased economic activity throughout the U.S. and globally, including reduced or ceased business operations, decline in international trade and shortages of supplies, goods and services. An outbreak such as COVID-19, and the reactions to such an outbreak, are expected to cause uncertainty in the markets and businesses and are generally expected to adversely affect the performance of the U.S. and global economy, including due to market volatility, market and business uncertainty and closures, supply chain and travel interruptions, the need for employees to work at external locations and extensive medical absences among the workforce. As a reaction to such an outbreak, it is possible that governmental fiscal and economic measures will lead to an increase in spending and other forms of financial stimuli, and it is difficult to predict what effect such measures will have on the U.S. and the global economy.

The impact that pandemics and other public health events will have on the performance of the Crawford Lake Accounts in particular is uncertain, and it will depend

to a large extent on future developments and new information that may emerge regarding the duration and severity of the coronavirus or other health crisis, and the actions taken by authorities and other entities to contain such crisis or treat its impact, particularly in the United States, all of which are beyond the Adviser's control.

Business Continuity. Various force majeure events, including natural disasters such as fire, flood or earthquakes, wars, terrorist acts, outbreaks of infectious disease, epidemics, pandemics or other serious public health concerns, cyber-attacks, technology and/or power failures, labor strikes, or geopolitical or other extraordinary, or other unforeseen circumstances or events, may materially disrupt the Adviser's business and operations, or the business and operations of any counterparty or service provider to the Adviser or the Crawford Lake Accounts, and the Crawford Lake Accounts may be adversely affected thereby. For example, if a significant number of the Adviser's personnel were to be unavailable in a force majeure event (such as war, terror attack or an outbreak of infectious disease), the Adviser's ability to effectively conduct the Crawford Lake Accounts' business could be severely compromised. In addition, the cost to the Crawford Lake Accounts, the Adviser or its affiliates of repairing or replacing damaged assets or systems resulting from such force majeure event could be considerable. While the Adviser has adopted certain policies and procedures designed to restore and/or continue its business and operations in such situations, there is no guarantee that such policies and procedures will be effective in any of such situations or will be implemented in time, and the Crawford Lake Accounts may be adversely affected thereby.

Accounting for Uncertainty in Income Taxes. ASC 740, "Income Taxes" (in part formerly known as "FIN 48"), which is part of GAAP, provides guidance on the recognition of uncertain tax positions. ASC 740 may require an entity reporting in accordance with GAAP to reserve a liability for income taxes on its books. ASC 740 prescribes the minimum recognition threshold that a tax position is required to meet before being recognized in an entity's financial statements. It also provides guidance on recognition, measurement, classification and interest and penalties with respect to tax positions. A prospective investor should be aware that, among other things, ASC 740 could have a material adverse effect on the periodic calculations of the net asset value of the Crawford Lake Accounts, including reducing the net asset value of the Crawford Lake Accounts to reflect reserves for income taxes that may be payable in respect of current and/or prior periods by the Crawford Lake Accounts. This could cause benefits or detriments to certain investors, depending upon the timing of their entry and exit from the Crawford Lake Accounts.

FATCA and Other Similar Laws. The Foreign Account Tax Compliance Act ("FATCA") provisions of the United States Hiring Incentives to Restore Employment Act of 2010 and guidance issued thereunder provide that a 30% withholding tax is imposed on payments to the Crawford Lake Accounts of U.S. source income, unless the Crawford Lake Accounts (i) registers with the U.S. Internal Revenue Service (the "Service") and obtain a global intermediary identification number (a "GIIN") and (ii)(A) enter into an agreement with the Service to disclose the name, address and taxpayer identification number of certain United States persons that own, directly or indirectly, an interest in the Crawford Lake Accounts and provides such information to the Service, or (B) complies with the U.S. IGA (as defined below).

The Cayman Islands has signed an inter-governmental agreement to improve international tax compliance and the exchange of information with the United States (the "U.S. IGA"). The Cayman Islands has also signed, along with over 100 other countries, a multilateral

competent authority agreement to implement the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard (“CRS” and together with the U.S. IGA, “AEOI”).

Although each of the Crawford Lake Accounts will attempt to satisfy any obligations imposed on it to avoid the imposition of withholding tax under or to have any withholding impact those who caused that withholding, no assurance can be given that the Crawford Lake Accounts will be able to satisfy these obligations. If the Crawford Lake Accounts becomes subject to a withholding tax as a result of FATCA, AEOI, or similar laws or obligations in other relevant jurisdictions, the return of all investors may be materially affected. In certain circumstances, the Crawford Lake Accounts may compulsorily withdraw some or all of an investor’s interest in a Crawford Lake Account and apply the proceeds thereof towards any corresponding withholding tax or other costs due to non-compliance, may reduce the withdrawal proceeds in respect of any investor and apply such amounts towards the withholding tax and/or other costs due to non-compliance, and/or may take other actions available to it to cause any withholding tax and costs due to non-compliance to be borne by the investor(s) who caused the imposition of the withholding tax and/or such others costs on the Crawford Lake Accounts and to enable the Crawford Lake Accounts to comply with such laws. There remain significant uncertainties in how these provisions are applied.

All prospective investors and investors should consult with their own tax advisors regarding the possible implications of FATCA on their investments in the Crawford Lake Accounts.

Tax Audit Risk. To the extent applicable, Crawford Lake GP will be the “Partnership Representative” under partnership audit rules effective for audits of partnerships for taxable years beginning on or after January 1, 2018, and will have all the powers and authority thereof. Under the rules, the Crawford Lake Accounts may be liable for taxes on adjustments in respect of previous taxable years. Accordingly, such adjustments (1) may be economically borne by investors that were not investors during the period to which the audit relates, and (2) may be subject to tax in a manner different from how they would be taxed if such items were passed through to the investors. There is significant uncertainty as to how these partnership audit rules may be applied.

Handling of Mail. Mail addressed to the Crawford Lake Accounts and received at its registered office will be forwarded unopened to the forwarding address supplied by the Adviser to be dealt with. None of the Crawford Lake Accounts, Crawford Lake GP, the Adviser or any of their officers, advisers or service providers (including the organization which provides registered office services in the Cayman Islands) will bear any responsibility for any delay howsoever caused in mail reaching the forwarding address.

C. Not applicable.

Item 9 - Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to an investor or potential investor’s evaluation of Crawford Lake or the integrity of Crawford Lake’s management. Crawford Lake has no disciplinary information to disclose.

Item 10 - Other Financial Industry Activities and Affiliations

A. *Not applicable.*

B. *Not applicable.*

C. Describe any relationship or arrangement that is material to your advisory business or to your clients that you or any of your management persons have with any related *person* listed below. Identify the related person and if the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how you address it.

1. **broker-dealer, municipal securities dealer, or government securities dealer or broker**

Not applicable.

2. **investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)**

As indicated above, we and our related persons manage a number of pooled investment vehicles which are deemed to be our related persons. These vehicles include the Crawford Lake Accounts.

The management of multiple pooled investment vehicles may result in conflicts of interests when we and our related persons allocate our time and investment opportunities among the Crawford Lake Accounts and other clients. In addition, the compensation earned by us and our related persons from each of the Crawford Lake Accounts may differ from one another and other clients. We and our related persons will generally follow documented procedures in allocating trades among such Crawford Lake Accounts and other clients (*see Item 12, Section A.4, “Allocation of Investment Opportunities” below*).

Our principals (and/or other related persons) may have a greater portion of their personal assets invested in certain of the Funds than in the others. We generally allocate investment opportunities among the Crawford Lake Accounts on a *pari passu* basis. Our allocation policy, which does not take into account our principals’ personal investments in the Funds, is designed to avoid any potential conflicts when allocating opportunities among the Crawford Lake Accounts (some of which may have higher performance-based fees and allocations than others, and some of which may have no performance-based fees or allocations) (*See Item 12, Section A.4 “Allocation of Investment Opportunities” below*.)

3. **other investment adviser or financial planner**

Crawford Lake GP is the general partner of the Flagship Onshore Fund, the Flagship Master Fund, Enhanced Onshore Fund and the Enhanced Master Fund. There are no material conflicts of interest resulting from the relationship between us and Crawford Lake GP other than any conflicts described in Item 10, section C.2 above.

4. **futures commission merchant, commodity pool operator, or commodity trading advisor**

Not applicable.

5. **banking or thrift institution**

Not applicable.

6. **accountant or accounting firm**

Not applicable.

7. **lawyer or law firm**

Not applicable.

8. **insurance company or agency**

Not applicable.

9. **pension consultant**

Not applicable.

10. **real estate broker or dealer**

Not applicable.

11. **sponsor or syndicator of limited partnerships.**

Not applicable.

D. *Not applicable.*

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

- A. We have adopted a Code of Ethics (the "Code of Ethics") which provides that we are committed to conducting our business in accordance with all applicable laws and regulations and in an ethical and professional manner. In addition, we recognize that we have a fiduciary duty to the investors in the private investment funds and other accounts we manage, and that all of our employees must conduct their business on our behalf in a manner that enables us to fulfill this fiduciary duty. In this regard, we have developed policies and procedures in our Code of Ethics that are premised on fundamental principles of openness, integrity, honesty and trust. In addition, among other things, our Code of Ethics governs all personal securities transactions by our employees, our policies with respect to gifts and entertainment, compliance with applicable federal securities laws, the manner in which violations of our Code of Ethics are to be reported, and certain other outside activities of our employees. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

- B. We recommend that prospective clients invest in the private investment funds we manage. Our principals and other management persons have significant personal investments in certain of these funds. In addition, we and our affiliates receive performance-based fees and allocations from these funds.
- C. Under the Code of Ethics, our personnel are prohibited from engaging in trading covered securities (other than ETFs) in any personal accounts without the prior written consent of our Chief Compliance Officer who shall adhere to certain guidelines in exercising their discretion to grant or reject proposed transactions, including that our personnel may not trade in (i) individual stocks, (ii) securities of issuers on the "Restricted List" maintained by the Adviser, or (iii) a security that is purchased or sold by a client within five days after the purchase or sale of such security by such client account. Investments in direct obligations of the U.S. government, money market funds, open-ended mutual funds are not considered covered securities for this purpose.
- D. We may buy or sell securities for one client at the same time that we or our related persons buy or sell the same security for one or more other clients (including the Funds which are our related persons). This will typically happen when more than one client is capable of purchasing or selling a particular (long or short) security based on investment objectives, available cash and other factors. This may create a conflict of interest if one account may benefit from making the trade before or after the other account. To address such conflict, we will follow our documented allocation and aggregation procedures discussed herein (see *Item 12, Section B "Aggregation of Orders"* and *Item 12, Section A.4 "Allocation of Investment Opportunities"*).

Item 12 - Brokerage Practices

A. Selection of Brokers

In placing portfolio transactions for our clients, we seek to obtain the best execution for clients' accounts, taking into account the following factors, among others: execution capability, execution quality, commission rate, financial responsibility and financial services offered, willingness and ability to commit capital, confidentiality, trading expertise, facilities, reputation and integrity, reliability in keeping records, responsiveness, and with respect to a particular trade, the timing and size of the order, available liquidity, market conditions, and provision of (or payment for) research and related products or services.

Brokers sometimes suggest a level of business they would like to receive in return for the various services they provide. We will not commit to provide any level of brokerage business to any broker, and actual brokerage business received by any broker may be less than the suggested allocations, but can (and often does) exceed the suggestions, because total brokerage is allocated on the basis of all the considerations described above.

On at least an annual basis, the CCO, in coordination with our Brokerage Committee, systematically evaluates the execution performance of the broker-dealers we use to execute client transactions. In conducting such review, the CCO and the Brokerage Committee also evaluates, and seeks to resolve, any conflicts of interest that we may have in selecting brokers to execute client transactions.

The Adviser may be subject to conflicts relating to its selection of brokers, dealers and counterparties on behalf of the Crawford Lake Accounts. Portfolio transactions for the Crawford Lake Accounts will be allocated to brokers, dealers and counterparties on the basis of numerous factors and not necessarily lowest pricing. Brokers, dealers and counterparties may provide other services that are beneficial to the Adviser, but not necessarily beneficial to the Crawford Lake Accounts.

1. Research and Other Soft Dollar Benefits

We enter into soft dollar arrangements with brokers. Soft dollar arrangements arise when an investment adviser obtains products and services, other than securities execution, from a broker in return for directing client securities transactions to the broker. Soft dollar arrangements pose a conflict of interest for us in that such arrangements allow us to pay with client commissions expenses that would otherwise be borne by us. When we use client brokerage commissions (or markups or markdowns) to obtain research or other products or services, we receive a benefit because we do not have to produce or pay for the research, products or services. We may have an incentive to select a broker based on our interest in receiving the research or other products or services offered by such broker, rather than on our clients' interests in receiving most favorable execution.

We intend to limit the use of soft dollars in a manner that will comply with the safe harbor requirements of Section 28(e) of the Securities Exchange Act of 1934, as amended. Under this provision, in exercising our discretionary authority to select or arrange for the selection of brokers for execution of transactions for our clients, and, subject to our duty to obtain best execution, we may consider the value of research and brokerage products and services (collectively, "Research") provided by such brokers. Research may include, among other things, proprietary research from brokers, which may be written or oral. Research products may include, among other things, databases and quotation services. Research services may include, among other things, research concerning market, economic and financial data, a particular aspect of economics or on the economy in general, statistical information, pricing data and availability of securities, financial publications, electronic market quotations, performance measurement services, analyses concerning specific securities, companies, industries or sectors, market, economic and financial studies and forecasts, appraisal services, and invitations to attend conferences or meetings with management or industry consultants. Accordingly, if we determine in good faith that the amount of commissions charged by a broker is reasonable in relation to the value of the brokerage and products or services provided by such broker, a client may pay commissions to such broker in an amount greater than the amount another broker might charge.

Research provided by such brokers may be used to service all client accounts and not exclusively in connection with the management of the client account that generated the particular soft dollar credits.

Where a product or service obtained with client commission dollars provides both research and non-research assistance to us, we will make a reasonable allocation of the cost which may be paid for with client commission dollars.

Our prime broker(s) provide us with front and back office services, including trading, securities lending, clearing, reporting, and settlement for equities and

options, among others. Subject to applicable law, our prime brokers may also provide us with capital introduction services.

We execute securities transactions on behalf of client accounts with broker-dealers that provide us with access to proprietary research reports (such as standard investment research and credit reports). To our knowledge, these services are generally made available to all institutional investors doing business with such broker-dealers. 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 broker-dealers.

During our last fiscal year, we acquired with client brokerage commissions (or markups or markdowns) (i) research, such as proprietary research from brokers, which may have been written and/or oral; (ii) research products, such as databases and quotation services; and (iii) research services, such as research concerning market, economic and financial data; a particular aspect of economics or on the economy in general; statistical information; pricing data and availability of securities; financial publications; electronic market quotations; performance measurement services; analyses concerning specific securities, companies, industries or sectors; market, economic and financial studies and forecasts; appraisal services; and invitations to attend conferences or meetings with management or industry consultants.

During our last fiscal year, we have taken into account the quality, comprehensiveness and frequency of available research services and products considered to be of value provided by brokers when directing client transactions to a particular broker. We directed transactions to such brokers only consistent with best execution. Brokers sometimes suggest a level of business they would like to receive in return for the research services and products they provide, however we have not committed to provide any level of brokerage business to any broker.

2. Brokerage for Client Referrals

Subject to applicable law, we may direct some client brokerage business to brokers who refer prospective investors to Funds, consistent with best execution. Because such referrals, if any, are likely to benefit us but will provide an insignificant (if any) benefit to our clients, we have a conflict of interest with our clients when allocating client brokerage business to a broker who has referred investors to us. To prevent client brokerage commissions from being used to pay investor referral fees, we will not allocate client brokerage business to a referring broker unless we determine in good faith that the commissions payable to such broker are not materially higher than those available from non-referring brokers offering services of substantially equal value to the client account.

3. Directed Brokerage.

We do not engage in directed brokerage.

B. Aggregation of Orders

We will generally aggregate client trades, subject to best execution. 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 is capable of purchasing or selling a particular security based on investment objectives, available cash and other factors. In such event, securities purchased or sold will generally be allocated among client accounts on an average price basis. When an aggregated order is only partially filled, we will generally allocate the investment opportunity on a pro rata basis to the client accounts participating in the investment based on applicable criteria.

We may also aggregate subsequent orders for the same security entered during the same day with any previously filled orders. This determination may take into consideration changes in the market price of the security and differences in allocations among accounts.

If the Adviser determines that the purchase or sale of a security is appropriate with regard to multiple Crawford Lake Accounts, the Adviser may, but is not obligated to, purchase or sell such a security on behalf of such accounts with an aggregated order, for the purpose of reducing transaction costs, to the extent permitted by applicable law. When an aggregated order is filled through multiple trades at different prices on the same day, each participating account will receive the average price, with transaction costs generally allocated pro rata based on the size of each account's participation in the order (or allocation in the event of a partial fill), as determined by the Adviser. In the event of a partial fill, allocations may be modified on a basis that the Adviser deems to be appropriate, including, for example, in order to avoid odd lots or de minimis allocations. When orders are not aggregated, trades generally will be processed in the order that they are placed with the broker or counterparty selected by the Adviser. As a result, certain trades in the same security for one account (including an account in which the Adviser and its personnel may have a direct or indirect interest) may receive more or less favorable prices or terms than another account, and orders placed later may not be filled entirely or at all, based upon the prevailing market prices at the time of the order or trade. In addition, some opportunities for reduced transaction costs and economies of scale may not be achieved.

Item 13 - Review of Accounts

- A. Client portfolios are reviewed daily, and their performance analyzed, by our investment professionals, including, but not limited to, Isaac Markowitz and Jacob Herzka. Client portfolios are also reviewed by members of our operations team to monitor compliance with the applicable trading mandate and any applicable risk and/or operating guidelines. The Chief Compliance Officer is also involved in the review of trading activity and account allocations.
- B. *Not applicable.*
- C. We may, in our discretion, furnish investors in the Crawford Lake Accounts with periodic written unaudited performance reports on a monthly basis. On an annual basis, investors receive a copy of the relevant Fund's annual audited financial statements and, where applicable, a statement of taxable income (form K-1).

We may provide certain investors access to more frequent and/or more detailed information regarding the private investment funds' securities positions, performance, finances, and management and/or other information about the private investment funds or us (including, notification of the commencement of certain disciplinary actions, legal proceedings, investigations or similar matters against a fund, us and/or our personnel, or of redemptions

from a fund by us and/or our personnel), possibly enabling such investors to better assess the prospects and performance of the Crawford Lake Accounts.

We provide the owners of the Separate Vehicles with periodic unaudited reports at such times as the owners of such accounts and we agree. The custodians of such Separate Vehicles send account statements to the owners of such Separate Vehicles no less frequently than monthly. In addition, since a Separate Vehicle investor directly owns the positions in its separately managed account, such investor may have full, real-time transparency as to all transactions and holdings in such account, and may be better able to assess the future prospects of a portfolio that is substantially similar to the portfolios of the Funds. The investors in such Separate Vehicles may have the right to withdraw all or a portion of their capital from such Separate Vehicles on shorter notice and/or with more frequency than the terms applicable to an investment in the Funds.

Within 120 days after the end of each fiscal year, an annual report containing audited financial statements is delivered to each of the investors in the Funds.

Item 14 - Client Referrals and Other Compensation

We enter into soft dollar arrangements with brokers pursuant to which we obtain certain research and brokerage products and services in return for directing client securities transactions to the broker (*see Item 12, Section A "Selection of Brokers"*).

We or our affiliates have entered and may in future enter into arrangements with one or more third parties who are compensated for referring investors to the Crawford Lake Accounts. Typically, we will pay these third parties a portion of the management fees and/or performance-based compensation that we receive from the investors introduced to it by those third parties. Any such arrangements will be on a fully-disclosed basis and in accordance with all applicable laws.

Crawford Lake does not receive any economic benefit from anyone other than its Funds or other clients for providing investment advice or other advisory services.

Item 15 - Custody

As noted above in Item 13, Section C, owners of the Separate Vehicles will receive account statements no less frequently than monthly from the custodians of such accounts. Clients should carefully review these statements that are received from the custodians of such accounts.

As an adviser with custody, Crawford Lake requires that the Funds be audited by an independent public accountant that is both registered with and subject to regular inspection by the Public company Accounting Oversight Board. Copies of these audits are provided to each underlying investor within 120 days of the end of each fiscal year.

Item 16 - Investment Discretion

We have discretionary authority to manage securities accounts on behalf of the Crawford Lake Accounts. The investors in the Funds generally may not place any limits on our authority beyond the limitations set forth in the offering and governing documents of such Funds. On a case by case basis, owners of the Separate Vehicles may negotiate certain risk and/or operating guidelines that we will adhere to when exercising our discretionary authority over such accounts.

Item 17 - Voting Client Securities

We generally have voting discretion over securities held in clients' accounts. Clients are generally not able to direct their votes in a particular situation. We will exercise our discretion in the best interests of our clients. In fulfilling our obligations to our clients, we will act in a prudent and diligent manner intended to enhance the economic value of the securities. In light of the Adviser's trading strategies, its investment decisions are unlikely to be affected by a company's proxy voting activities, and it is therefore anticipated that the Adviser will abstain from all proxy votes. However, the Adviser will make a good faith assessment of each proxy received and, in the rare situation where the Adviser sees a benefit to its trading strategy and/or position with a given proxy vote, it will employ the following procedures summarized below.

Our "Proxy Coordinator" will be responsible for determining how to vote all proxy statements received by us with respect to securities held by the Crawford Lake Accounts. The Proxy Coordinator may designate other appropriate employees to assist him or her in reviewing proxy statements and preparing necessary records. The Proxy Coordinator may also retain a third party to assist him or her in coordinating and delivering proxies. The Proxy Coordinator will be responsible for monitoring any such employees and third parties to assure that all client securities are being properly voted and appropriate records are being retained. Isaac Markowitz is currently our Proxy Coordinator.

In the absence of specific voting guidelines from the client or conflicts of interest (see below), we will vote all proxies in the manner that our Proxy Coordinator determines is in the best interests of each Crawford Lake Account, which may result in different voting results for proxies for the same issuer. In addition, the Proxy Coordinator may determine to abstain from voting a proxy if he or she believes that such action is in the best interests of a particular Crawford Lake Account. If the Proxy Coordinator deems that the issue being voted upon is not material for the Adviser or its clients, the Adviser will not be obligated to vote on such matter.

If our Chief Compliance Officer believes that a material conflict exists between us and any of the Crawford Lake Accounts, we will rely exclusively in making our voting decision on the recommendation of an independent third party who is experienced in advising investment managers regarding proxy voting decisions. In the event that we seek recommendation from an independent third party we will ensure that (i) reasonable due diligence is conducted on the third party; (ii) any reasonable conflicts regarding the third party are identified and addressed; and (iii) full and fair disclosure is made regarding the relationship to ensure that we fulfill our fiduciary duty.

Special considerations may apply in cases of conflicts of interest involving ERISA clients. The Chief Compliance Officer will confer with appropriate ERISA counsel in such cases.

To the extent applicable, we may also take into account environmental, social, and governance ("ESG") considerations when making a proxy voting decision. This may include considerations regarding efforts to reduce climate change, workplace policies and practices impacting employees, and independence and/or diversity within membership of corporate management teams and boards of directors.

Upon the request by a Crawford Lake Account, we will disclose to such account how we voted securities owned by such account. We will make a copy of our proxy voting procedures available to any investor in a Crawford Lake Account who so requests.

Item 18 - Financial Information

Not applicable.

Item 19 - Requirements for State-Registered Advisers

Not applicable