

## **HIDDEN LAKE ASSET MANAGEMENT LP**

**152 W 57<sup>TH</sup>  
STREET SUITE 920  
NEW YORK, NY 10019**

**September 2021**

This “**Brochure**” provides information about the qualifications and business practices of Hidden Lake Asset Management LP (hereinafter “**Hidden Lake**”, “**we**”, “**us**”, “**our**” or the “**Firm**”). If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer (“**CCO**”), Keith Brenner, by email at KBrenner@Hiddenlakecap.com. Information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

Hidden Lake is a Registered Investment Adviser with the SEC. Registration as an investment adviser does not imply that Hidden Lake or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

Additional information about Hidden Lake is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2: Material Changes**

---

This Brochure reflects Hidden Lake's other than annual amendment dated September 2021. Investors and prospective investors should carefully review the disclosure contained herein. Since Hidden Lake's last annual amendment filed in March 2021, Hidden Lake has moved its business location from 126 E 56<sup>th</sup> Street New York, NY 10022 to 152 W 57<sup>th</sup> Street New York, NY 10019. Hidden Lake relocated its offices on September 8, 2021. There are no other material changes to report to Hidden Lake's business at the date of this filing.

### Item 3: Table of Contents

---

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

**Item 4: Advisory Business**

---

Hidden Lake Asset Management LP (hereinafter “**Hidden Lake**”, “**we**”, “**us**”, “**our**” or the “**Firm**”) is organized as a Delaware limited partnership with a principal place of business New York, New York. The Firm is principally owned by Kevin Mok and Jonathan Rodriguez (the “**Principals**” and “**Co-Portfolio Managers**”). Hidden Lake also has an additional office location in Coral Gables, Florida.

Hidden Lake will provide discretionary investment management services to qualified investors through its private funds: Hidden Lake Master Fund LTD; Hidden Lake Offshore Fund LTD; Hidden Lake Onshore Fund LP and Hidden Lake SPV I LLC.

We serve as the investment adviser, with discretionary trading authority, to private, pooled investment vehicles, the securities of which are offered through a private placement memorandum to accredited investors, as defined under the Securities Act of 1933, as amended, and qualified purchasers, as defined under the Investment Company Act of 1940, as amended. We do not tailor our advisory services to the individual needs of any particular investor.

Hidden Lake manages the following private, pooled investment vehicles:

- Hidden Lake Offshore Fund LTD, a Cayman Islands exempted company (the “**Offshore Fund**”);
- Hidden Lake Onshore Fund LP, a Delaware limited partnership (the “**Onshore Fund**”); and
- Hidden Lake Master Fund LTD, a Cayman Islands exempted limited partnership (the “**Master Fund**”).
- Hidden Lake SPV I LLC, a Delaware limited liability company (the “**SPV**”)

The Master Fund, the Onshore Fund, the Offshore Fund and SPV are herein each referred to as a “**Fund**” or “**Client**”, and collectively referred to as the “**Funds**” or the “**Clients**”.

The Onshore Fund’s “**Limited Partners**”, the Offshore Fund’s “**Shareholders**” and the SPV’s “**Managing Members**” are hereafter collectively referred to as the “**Investors**” where appropriate.

Our investment decisions and advice with respect to the Funds are subject to each Fund’s investment objectives and guidelines, as set forth in its respective “**Offering Documents**.”

We do not currently participate in any Wrap Fee Programs.

As of December 31, 2020, we have \$493,928,168 regulatory assets under management. All of the assets we manage are done so on a discretionary basis.

## Item 5: Fees and Compensation

---

The fees applicable to each of the Funds are set forth in detail in the corresponding Offering Documents. A brief summary of such fees is provided below.

### ***Management Fee***

Hidden Lake is paid an investment management fee ("**Management Fee**") per annum of the net asset value of the Funds.

The Fee will range from 1.00% to 1.75% per annum.

Hidden Lake, in its sole discretion, may waive or modify the Management Fee for any Investor.

### ***Other Types of Fees or Expenses***

Hidden Lake is authorized to incur and pay in the name and on behalf of the Funds all expenses which they deem necessary or advisable.

Expenses paid by the Firm may generally be divided into two categories: (i) Operating Expenses and (ii) Organizational Expenses. While the Firm is responsible for these expenses, the Fund will pay these expenses with the Firm bearing its share of expenses through its investment in the Fund.

### ***Operating Expenses***

The Fund will bear all expenses relating to its ongoing structure and operation (including expenses of the Fund), including (a) the Management Fee; (b) all investment-related cost and expenses (i.e., expenses that, in the Firm's sole discretion, are related to the investment of the Fund's assets, whether or not such investments are consummated, including commissions and charges, interest on margin accounts and other indebtedness, expenses relating to short sales, clearing and settlement charges, option premiums and custodial and service fees, expenses relating to consultants, attorneys, brokers or other professionals or advisors who provide research, advice or due diligence services with regard to investments); (c) the Fund's legal, accounting, tax preparation and other tax-related expenses (including preparation costs of financial statements, tax returns and reports to Limited Partners), auditing, consulting and other professional expenses, third-party administration expenses (including any fees and expenses related to investor relations, tax preparation and related reporting, data extraction and other types of reporting and any audit or accounting services provided by a third-party administrator); (d) fees and expenses related to portfolio exposure and performance management systems, risk management services and software related to trade reconciliation, treasury, margin, financial and counterparty management, risk monitoring, performance reporting, valuation quotation services (e.g., Bloomberg terminals, historical and live financial data and other similar services and data feeds) and trade order management systems (including systems that facilitate trade compliance, commission management, stock locates and transaction cost analysis, and third party service providers used for implementation, custom reporting, updates, consultations, support, maintenance, monitoring and data extracts); (e) certain compliance and reporting expenses and expenses attributable to regulatory filings which are made with respect to the Firm or assets of the Firm (including Section 13, Section 16, Form PF, FATCA, anti-money laundering compliance, blue sky filings, general regulatory compliance and non-U.S. position reporting filings, if applicable); (f) the

Fund's pro rata share of Firm-related insurance costs (including the Fund's pro rata portion of director's and officer's insurance, errors and omissions insurance, fidelity insurance and other similar policies covering the General Partner); (g) research-related expenses (including research-related travel expenses); (h) any taxes (including but not limited to any withholding taxes, transfer taxes, stamp duties and other governmental or self-regulatory agency-related charges or duties); (i) all costs and expenses incurred in attempting to protect and enhance the value of a Fund investment; (j) any extraordinary expenses; (k) the Firm's pro rata portion of the Fund's expenses; (l) any fees and expenses related to the Firm's liquidation, if applicable, indemnification expenses; (m) fees paid to proxy and securities class action advisory firms; (n) expenses relating to the offer and sale of Interests and withdrawals and transfers thereof; (o) all fees and charges of custodians, clearing agencies and banks and (p) other reasonable expenses related to the purchase, sale, preservation or transmittal of the Firm's assets.

The Fund does not have its own separate employees or offices, and it does not reimburse the General Partner or Hidden Lake for salaries or office rent. As provided below under "Hidden Lake Expenses," the General Partner and Hidden Lake are responsible for all of their normal overhead expenses and other similar expenses.

#### *Organizational Expenses*

The Fund will bear all costs and expenses relating to the organization of the Fund and to the offering of Interests (including government filing fees, stamp duties or other taxes, legal and accounting fees, printing and mailing expenses, and any other organizational costs, if any). To the extent that the General Partner or Hidden Lake advances organizational expenses that should be borne by the Fund and does not waive reimbursement of such expenses, the General Partner or Hidden Lake will be reimbursed by the Fund.

Organizational expenses may be amortized over a period of up to 60 months from the date the Fund commences operations at the sole discretion of the General Partner. If a Limited Partner withdraws all or any portion of its Capital Account prior to the end of the period during which the Fund is amortizing expenses, the Fund may, but is not required to, accelerate a proportionate share of the unamortized expenses based upon the amount being withdrawn and reduce withdrawal proceeds by the amount of such accelerated expenses.

#### *Firm Expenses*

The Firm is responsible for its overhead expenses of an ordinary and recurring nature, such as rent, supplies, secretarial expenses, its direct compliance expenses, stationery, charges for furniture and fixtures, salaries and bonuses of its employees, employee insurance, employee benefits and payroll taxes.

### **Item 6: Performance-Based Fees and Side-By-Side Management**

We and our affiliates are entitled to a performance-based compensation. As a result, we and our affiliates do not face certain conflicts of interest that may arise when an investment adviser accepts performance-based fees from some clients, but not from other clients.

Performance-based allocation arrangements may create an incentive for us to recommend investments which may be riskier or more speculative than those which we would recommend under a different arrangement.

**Item 7: Types of Clients**

---

Our clients are the Funds, as described in Item 4 above, and the Funds are generally open to, among others, institutions, pension plans, endowments, high net-worth individuals, financially sophisticated individuals, and other sophisticated investors.

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

---

The descriptions set forth in this Brochure of specific advisory services that we offer to Clients, and investment strategies pursued and investments made by us on behalf of our Clients, should not be understood to limit in any way our investment activities. We may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that we consider appropriate, subject to each Client's investment objectives and guidelines as set forth in the Offering Documents. The investment strategies we pursue are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any Client will be achieved.

***Investment Objective***

The Firm's investment objective is to achieve long term capital appreciation at superior rates of return over the duration of the Firm through investments primarily in publicly- traded equity securities of global companies within technology, media, telecommunications, consumer, and business services.

In seeking to achieve the Firm's objective, the Firm employs a research-driven, fundamentally-oriented strategy. Through a combination of intensive research and financial analysis and the conducting of company and management visits, the Firm attempts to uncover both undervalued and overvalued securities.

Compelling long traits include market leaders with improving competitive advantages; issuers that trade at a deep discount to asset or strategic value, with a high potential to close that discount through corporate actions (asset sales, mergers, share repurchases); shareholder-friendly management teams; and issuers that have high short interest or poor investor sentiment, with identifiable catalysts to prove the bear thesis wrong.

Compelling short traits include issuers with overhyped investment themes, an investor base made up primarily of retail investors, lack of investment into the business, and business models that are not recurring in nature.

While the Firm's portfolio will generally be characterized as having a long-term holding period, there may be several positions that are held for much shorter holding periods where the stocks are subject to short-term moves driven by events, announcements of fundamental data, and market sentiment.

The Firm is not subject to any restrictions on its investments. Securities that the Firm may trade in its portfolio include, but are not limited to, equities, equity options, exchange-traded funds, warrants, corporate bonds, futures, options on futures, swaps, and other derivatives. The Firm's portfolio will generally be market neutral to + or - 25%, but could have a significant long or short net exposure to the equity markets. The Firm expects to keep leverage within 300%, but reserves the right to take on more a more significant amount of leverage (including delta- adjusted options exposure) without notice to investors.

***Risk Management***

The Firm's approach to risk management is a focus on portfolio risk and risk reporting systems to monitor risk. Enfusion Integrata has built in risk reporting, as well as Morgan Stanley Fund Services portal (Matrix). Hidden Lake maintains models in excel on all Ideas when determining position sizing, and risk.

***Risk of Loss Factors***

The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in the clients advised by us. These risk factors include only those risks we believe to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis employed by us.

An investment involves significant risks, and is suitable only for those persons who can bear the economic risk of the loss of their entire investment, who have limited need for liquidity in their investment, and who have met the conditions set forth in the Offering Documents. There can be no assurances that we will achieve our investment objectives. An investment carries with it the inherent risks associated with investments in publicly-traded stocks and bonds, options, and related instruments, including, without limitation, the risks described below. Each prospective investor should carefully review the Offering Documents and the documents referred to herein before deciding to invest with Hidden Lake.

**Nature of Investments**

The Firm has broad discretion in making investments for the Firm. Investments will generally consist of equity and equity-related instruments and other assets that may be affected by business, financial market or legal uncertainties. There can be no assurance that Hidden Lake will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investments. Prices of investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Firm's activities and the value of its investments.

In addition, the value of the Firm's portfolio may fluctuate as the general level of interest rates fluctuates. No guarantee or representation is made that the Firm's investment objective will be achieved.

**Concentration of Investments; Lack of Diversification**

The Firm may have a relatively concentrated portfolio. Accordingly, the Firm's portfolio may consist of a few, relatively large (in relation to its capital) securities positions. A loss in any such position could have a material adverse impact on the Firm.



In addition, although the Firm has no investment restrictions with respect to types of securities or countries, the Firm's portfolio may not be as diversified as other investment vehicles. Accordingly, the Firm's portfolio may be subject to more rapid change in value than would be the case if the Firm were required to maintain a wide diversification.

### **Technology Industry Related Risks**

A significant portion of the Firm's assets may be invested in technology and technology-related markets (e.g., media and telecommunications). Certain technology and technology-related companies allocate, or may have allocated, greater than usual amounts to research and product development. The securities of such companies may experience above-average price movements associated with the perceived prospects of success of the research and development programs. In addition, companies in which the Firm invests could be adversely affected by lack of commercial acceptance of a new product or products or by technological change and obsolescence. Some of these companies may have limited operating histories. As a result, these companies may have inexperienced management, face undeveloped or limited markets, have limited products, have no proven profit-making history, may operate at a loss or with substantial variations in operating results from period to period, have limited access to capital and/or be in the developmental stages of their businesses.

Further, many companies with proprietary technology rely on a combination of patent, copyright, trademark and trade secret protection and non-disclosure agreements to establish and protect their proprietary rights, which may be essential to the growth and profitability of the company. There can be no assurance that a particular company will be able to protect these rights or will have the financial resources to do so, or that competitors will not develop or patent technologies that are substantially equivalent or superior to the technology of a company in which the Firm invests. Conversely, other companies may make infringement claims against a company in which the Firm invests, which could have a material adverse effect on such company.

In addition, the markets in which many technology and technology-related companies operate are extremely competitive. New technologies and improved products and services are continually being developed, rendering older technologies, products and services obsolete. Moreover, competition can result in significant downward pressure on pricing. There can be no assurance that companies in which the Firm invests will successfully penetrate their markets or establish or maintain competitive advantages.

### **High Growth Industry Related Risks**

The Firm may have investments in the securities of high growth companies. These securities may be very volatile. In addition, these companies may face undeveloped or limited markets, have limited products, have no proven profit-making history, may operate at a loss or with substantial variations in operating results from period to period, have limited access to capital and/or be in the developmental stages of their businesses, have

limited ability to protect their rights to certain patents, copyrights, trademarks and other trade secrets, or be otherwise adversely affected by the extremely competitive markets in which many of their competitors operate.

### **Telecommunications Companies**

The Firm plans to invest its assets in the cable and the telecommunications industry. Certain telecommunications and related companies in which the Firm will invest face significant risks, including but not limited to, regulatory, operational, technological, and competitive risks.

Telecommunications services are subject to regulation at the federal level by the Federal Communications Commission ("FCC") and at the state level by public utilities commissions.

Additionally, a significant portion of the media industry is subject to regulation by the FCC under federal laws and regulations, including the Communications Act of 1934 and the Telecommunications Act of 1996. FCC rules and regulations have been subject to numerous appeals to both the courts and to the United States Congress and it remains difficult to accurately predict the impact of any potential new legislation or court action on any company within the telecommunications, media and technology industries.

The telecommunications industry is experiencing significant technological change, including improvements in the capacity and quality of currently deployed technology. This causes uncertainty about future customer demand for products and services and the prices that the companies will be able to charge for these services. The rapid change in technology may lead to the development of alternative products and services that consumers prefer over existing offerings. Certain of the telecommunications and telecommunication-related companies in which the Firm invests may allocate, or may have allocated, greater than usual amounts to research and product development. The securities of such companies could experience above-average price movements associated with the perceived prospects of success of the research and development investments. In addition, companies in which the Firm invests could be adversely affected by lack of commercial acceptance of a new product or services or by technological change and obsolescence.

Many telecommunications companies with proprietary technology rely on a combination of patent, copyright, trademark and trade secret protection and non-disclosure agreements to establish and protect their proprietary rights, which may be essential to the growth and profitability of the company. There can be no assurance that a particular company will be able to protect these rights or will have the financial resources to do so, or that competitors will not develop or patent technologies that are substantially equivalent or superior to the technology of a company in which the Firm invests. Conversely, other companies may make infringement claims against a company in which the Firm invests, which could have a material adverse effect on such company.

The markets in which many telecommunications companies operate are extremely competitive. New technologies and improved products and services are continually being developed, rendering older technologies, products and services obsolete. Moreover, competition can result in significant downward pressure on pricing. Current and potential competitors in telecommunications include long distance companies, local telephone companies, cable companies, wireless operators, broadcast networks, cable networks, television stations, radio broadcasters, publishers, videogame developers and distributors, advertising companies, entertainment and leisure companies, Internet service providers, electric utilities and other companies that offer network services and media content and delivery. Many of these companies have a strong market presence, brand recognition and existing customer relationships, all of which contribute to intensifying competition and may affect the growth prospects of the telecommunications industry.

The competition is likely to intensify as a result of the entrance of new competitors and the rapid development of new technologies, products, and services. There can be no assurance that companies in which the Firm may invest will be able to successfully predict which of many possible future technologies, products, or services will be important to maintain a competitive position or what expenditures will be required to develop and provide these technologies, products or services. Each company's ability to compete successfully will depend on marketing, sales and service delivery, and on the company's ability to anticipate and respond to various competitive factors affecting the industry, including new services that may be introduced, changes in consumer preferences, demographic trends, economic conditions, and discount pricing and other strategies deployed by the many industry participants. To the extent that a company in which the Firm invests does not keep pace with technological advances or fails to timely respond to changes in competitive factors in the industry, the company could lose market share or experience a decline in revenue and net income.

#### **Consumer Discretionary Sector Risk**

The success of consumer product manufacturers and retailers is tied closely to the performance of domestic and international economies, interest rates, exchange rates, competition, consumer confidence, changes in demographics and consumer preferences. Issuers in the consumer discretionary sector depend heavily on disposable household income and consumer spending, and may be strongly affected by social trends and marketing campaigns. These issuers may be subject to severe competition, which may have an adverse impact on their profitability.

#### **Consumer Goods Industry Risk**

Issuers in the consumer goods industry may be strongly affected by social trends, marketing campaigns and other factors affecting consumer demand. The consumer goods industry may be affected by the strength of the U.S. economy and factors out of the U.S. government's control, such as global oil prices. Many consumer goods in the U.S. may also be marketed globally, and such consumer goods companies may be affected by the demand and market conditions in non-U.S. countries.

**Use of Leverage**

The Firm may utilize leverage which could result in the Firm controlling more assets than the Firm has equity. Leverage increases the Firm's returns if the Firm earns a greater return on investments purchased with borrowed funds than the Firm's cost of borrowing such funds. However, the use of leverage exposes the Firm to additional levels of risk, including (i) greater losses from investments than would otherwise have been the case had the Firm not borrowed to make the investments; (ii) margin calls or interim margin requirements which may force premature liquidations of investment positions; and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the Firm's cost of borrowing such funds. In the event of a sudden, precipitous drop in value of the Firm's assets, the Firm might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying its losses.

In an unsettled credit environment, the Firm may find it difficult or impossible to obtain leverage for the Firm. In such event, the Firm could find it difficult to implement its strategy. In addition, any leverage obtained, if terminated on short notice by the lender, could result in the Investment Manager being forced to unwind the Firm's positions quickly and at prices below what Hidden Lake deems to be fair value for such positions.

**Options**

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

**Futures Contracts**

The use of futures is a specialized activity that involves investment strategies and risks different from those associated with ordinary portfolio securities transactions, and there can be no guarantee that their use will increase the Firm's return or not cause the Firm to sustain large losses. While the use of these instruments by the Firm may reduce certain risks associated with portfolio positions, these techniques themselves entail certain other risks. The Firm could experience losses if the values of its futures positions were poorly correlated with its other investments, or if it could not close out its positions because of an illiquid market. In addition, the Firm will incur transaction costs, including trading commissions, in connection with its futures transactions and these transactions could significantly increase the Firm's investment turnover rate. There is no assurance that a liquid secondary market will exist for futures contracts or options purchased or sold, and the Firm may be required to maintain a position until exercise or expiration, which could

result in losses. Many futures exchanges limit the amount of fluctuation permitted in contract prices during a single trading day. Once the daily limit has been reached in a particular contract, no trades may be made that day at a price beyond that limit. Contract prices could move to the daily limit for several consecutive trading days permitting little or no trading, thereby preventing prompt liquidation of futures and options positions and potentially subjecting the Firm to substantial losses.

### **Derivative**

To the extent that the Firm invests in swaps, derivative or synthetic instruments, repurchase agreements or other over-the-counter transactions or, in certain circumstances, non-U.S. securities, the Firm may take a credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions that generally are backed by clearing organization guarantees, daily mark-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default. It is expected that all securities and other assets deposited with custodians or brokers will be clearly identified as being assets (directly or indirectly) of the Firm, and hence the Firm should not be exposed to a credit risk with regard to such parties. However, it may not always be possible to achieve this segregation, and there may be practical or time problems associated with enforcing rights to its assets in the case of an insolvency of any such party.

### **Swap Agreements**

The Firm may enter into swap agreements. Swap agreements are two party contracts entered into primarily by institutional investors for periods ranging from a few weeks to more than a year. In a standard "swap" transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realized on particular predetermined investments or instruments. The gross returns to be exchanged or "swapped" between the parties are calculated with respect to a "notional amount" (i.e., the return on or increase in value of a particular dollar amount invested at a particular interest rate, in a particular foreign currency or security, or in a "basket" of securities representing a particular index). The "notional amount" of the swap agreement is only a fictive basis on which to calculate the obligations that the parties to a swap agreement have agreed to exchange. Most swap agreements entered into by the Firm would calculate the obligations of the parties to the agreement on a "net" basis. Consequently, the Firm's obligations (or rights) under a swap agreement will generally be equal only to the net amount to be paid or received under the agreement based on the relative values of the positions held by each party to the agreement (the "net amount").

Whether the Firm's use of swap agreements, if any, will be successful in furthering its investment objective will depend on Hidden Lake's ability to correctly predict whether certain types of investments are likely to produce greater returns than other investments. The Firm will bear the risk of loss of the amount expected to be received under a swap agreement in the event of the default or bankruptcy of a swap counterparty. The swaps

market is a relatively new market and it is largely unregulated. It is possible that developments in the swaps market, including potential government regulation, could adversely affect the Firm's ability to terminate existing swap agreements or to realize amounts to be received under such agreements.

### **Non-U.S. Securities**

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

### **Hedging Transactions**

The Firm may utilize a variety of financial instruments such as derivatives, options, interest rate swaps, caps and floors, futures and forward contracts for both risk management and general investment and speculation purposes. With respect to the Firm's risk management and hedging transactions, there can be no assurance that a particular hedge is appropriate, or that a certain risk is measured properly. Further, while the Firm may enter into hedging transactions to seek to reduce risk, such transactions may result in poorer overall performance and increased (rather than reduced) risk for the Firm than if it did not engage in any such hedging transactions. Moreover, the Firm will always be exposed to certain risks that cannot be hedged, such as credit risk (relating both to particular securities and counterparties). In addition, the Firm may choose not to enter into hedging transactions with respect to some or all of its positions.

### **Currency Risks**

The investments of the Firm that are denominated in non-U.S. currencies are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. From time to time, Hidden Lake may try to hedge these risks by investing in currencies and options thereon, forward currency exchange contracts, or any combination thereof, but there can be no assurance that such strategies will be implemented or, if implemented, will be effective. The Firm may also invest in currencies for speculative purposes.

**Risk Control Framework**

No risk control system is fail-safe, and no assurance can be given that any risk control framework employed by Hidden Lake will achieve its objective. Target risk limits developed by Hidden Lake may be based upon historical trading patterns for the securities and financial instruments in which the Firm invests. No assurance can be given that such historical trading patterns will accurately predict future trading patterns.

**Cybersecurity Risk**

The Firm, Hidden Lake and their service providers, including banks, broker dealers, custodians and their affiliates, may be subject to operational and information security risks resulting from cyber-attacks. Cyber-attacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial of service attacks on websites, the unauthorized release of confidential information, unauthorized asset transfers, and various other forms of cybersecurity breaches. Cyber- attacks affecting the Firm, Hidden Lake, or their service providers may adversely impact the Firm. For instance, cyber-attacks may interfere with the processing or execution of Firm transactions, cause the release of confidential information, including private information about Limited Partners, subject the Firm, Hidden Lake or their affiliates to regulatory fines or financial losses, or cause reputational damage. Additionally, cyber-attacks or security breaches (e.g., hacking or the unlawful withdrawal or transfer of funds), affecting any of the Firm's key service providers, such as the Investment Manager, banks, broker dealers, custodians, or other counterparties holding assets of the Firm, may cause significant harm to the Firm, including the loss of capital. Similar types of cybersecurity risks are also present for issuers of securities in which the Firm may invest. These risks could result in material adverse consequences for such issuers, and may cause the Firm's investments in such issuers to lose value. While the Investment Manager has instituted specific policies and has engaged specialized vendors to manage cybersecurity risk and disaster recovery, there is no assurance that these policies and vendors will mitigate risks associated with cybersecurity.

**Lack of Liquidity of Firm Investments**

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

**Incentive Allocation**

The payment by the Fund of a percentage of the Fund's net profits to the General Partner from the Limited Partners may create an incentive for the General Partner to cause the Firm to make investments that are riskier or more speculative than would be the case if this payment were not made. Since the Incentive Allocation is calculated on a basis that includes unrealized appreciation of assets, such fee may be greater than if it were based solely on

realized gains. Further, since the Incentive Allocation is determined separately with respect to each capital contribution, depending on the timing of a capital contribution for a series of Interests, a Limited Partner may still be subject to the Incentive Allocation with respect to a particular capital contribution and the sub-capital account attributable thereto even though the value of such Limited Partner's aggregate Capital Accounts are in a net loss position for the relevant fiscal year.

In addition, in the event that a Limited Partner makes a complete or partial withdrawal from its Capital Account, or is required to retire at any time other than at the end of a fiscal year, the Incentive Allocation may be computed and charged to such Partner as though the date of such Limited Partner's withdrawal of capital or retirement was the last day of a fiscal year. This may result in the Limited Partner being charged an Incentive Allocation during the year even though the Limited Partner does not have net profits based on the entire year's performance (i.e., due to losses that occur after the withdrawal).

#### **Reliance on the Managing Members**

The Firm relies heavily on the expertise and efforts of Mr. Mok and Mr. Rodriguez, the Managing Members of the General Partner and the general partners of the Investment Manager. Mr. Mok and Mr. Rodriguez are responsible for all of the major decisions affecting the Firm. Should Mr. Mok or Mr. Rodriguez determine to discontinue managing the affairs of, or withdraw from, Hidden Lake or should Mr. Mok or Mr. Rodriguez die, be incapacitated or, for some other reason, be unable to effectively manage the affairs of Hidden Lake, the business and results of the operations of the Firm may be adversely affected.

#### **Absence of Regulatory Oversight**

While the Firm may be considered similar to an investment company, it does not intend to register as such under the Investment Company Act of 1940, as amended (the "Investment Company Act") in reliance upon an exemption available to privately offered investment companies, and, accordingly, the provisions of the Investment Company Act (which, among other matters, require investment companies to have disinterested directors, require securities held in custody to at all times be individually segregated from the securities of any other person and marked to clearly identify such securities as the property of such investment company and regulate the relationship between the adviser and the investment company) will not be afforded to the Firm or the Limited Partners.

#### **No Separate Counsel; No Responsibility or Independent Verification**

Seward & Kissel LLP represents the General Partner, Hidden Lake, the Firm and the Fund (collectively, the "Parties") as U.S. counsel. Walkers acts as Cayman Islands counsel to the Fund. Neither Seward & Kissel LLP nor Walkers represent investors in the Firm and no independent counsel has been retained to act on behalf of the Limited Partners. Neither Seward & Kissel LLP nor Walkers is responsible for any acts or omissions of the Parties (including their compliance with any guidelines, policies, restrictions or applicable laws, or the selection, suitability or advisability of their investment activities) or any administrator,



accountant, custodian/prime brokers or other service providers to the Parties. Seward & Kissel LLP's and Walkers' representation of the Parties is limited to specific matters as to which they have been consulted by the applicable Party. There may exist other matters that could have a bearing on a Party as to which Seward & Kissel LLP and Walkers have not been consulted. In connection with the preparation of this Memorandum, Walkers' responsibility is limited to matters of Cayman Islands law and Walkers does not accept responsibility in relation to any other matters referred to or disclosed in this Memorandum. This Memorandum was prepared based on information furnished by the General Partner and Hidden Lake; neither Seward & Kissel LLP nor Walkers have independently verified such information.

### **Regulatory Risk**

It is possible that changes in applicable laws and regulations may affect the Firm's operations. In addition, a number of substantial regulatory changes are pending or in the process of changing in certain markets. In addition, securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. Regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The regulation of derivative transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial actions. Any such regulatory change may affect the value of investments held by the Firm and the ability of the Firm to obtain the leverage it might otherwise obtain or to pursue its trading strategies. However, the consequences of additional regulation on the liquidity and the functioning of the markets in which the Firm trades cannot be predicted and may materially diminish the profitability of investment opportunities for the Firm. The effect of any future regulatory change on the Firm could be substantial and adverse.

### **Item 9: Disciplinary Information**

---

To the best of our knowledge, there are no legal or disciplinary events that are material to an Investor's or prospective investor's evaluation of our advisory business or the integrity of our management.

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

---

Neither we nor our management persons are registered as broker-dealers, and neither of us has any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer, respectively.

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

---

#### ***Code of Ethics***

Hidden Lake has adopted a "**Code of Ethics**" that establishes the high standard of conduct that we expect of our employees and procedures regarding our employees' personal trading of securities. Our employees are required to certify their adherence to the terms set forth in the Code of Ethics upon commencement of employment and annually thereafter. Employees also

are required to provide quarterly certifications of compliance with certain Code of Ethics provisions.

The foundation of our Code of Ethics is based upon the following underlying fiduciary principles:

- Employees must at all times place the interests of the Funds and Investors first;
- Employees must ensure that all personal securities transactions are conducted consistent with the Code of Ethics' Employee Personal Investment Policy (described below); and
- Employees should not take inappropriate advantage of their position at the Firm.

Employees are not permitted to maintain personal brokerage accounts for the purpose of trading "**Reportable Securities**" (as defined in the Code of Ethics, and which includes a wide variety of investments such as stocks, bonds, fixed income, options, warrants, futures, and derivatives) except for the purpose of holding or liquidating any such holdings after the commencement of employment. Employees may purchase or sell exchange-traded funds and exchange-traded notes (collectively, "ETFs") in their personal brokerage account or in a Covered Account, subject, in all cases, to pre-approval of any such trades by the CCO. Employees are permitted to liquidate positions held at the time of employment in Reportable Securities (a "**Liquidating Trade**") subject to pre-clearance by the CCO. Employees are prohibited from participating in Initial Public Offerings ("**IPOs**"). Employees are also prohibited from personally, or on behalf of a Client, purchasing or selling securities that appear on the Firm's Restricted List.

Employees must obtain pre-approval from the CCO before: (i) engaging in any outside business activities; or (ii) making any private investments.

We will provide a copy of our Code of Ethics to our Investors, or any prospective investor, upon request, to be viewed on the premises.

#### **Item 12: Brokerage Practices**

---

Hidden Lake is authorized to determine the broker-dealer to be used for executing securities transaction for the Funds. In selecting broker-dealers to execute transactions, we do not need to solicit competitive bids and do not have an obligation to seek the lowest available commission cost. It is not our practice to negotiate "execution only" commission rates; therefore, the Funds may be deemed to be paying for research, brokerage or other services provided by the broker which are included in the commission rate.

We shall also have the authority to select and appoint custodians of the assets of the Funds. The Firm's authority is limited by its own internal policies and procedures and each Fund's investment guidelines.

#### **Best Execution**

In selecting an appropriate broker-dealer to effect a client trade, we seek to obtain "**Best Execution**," meaning generally the execution of a securities transaction for a client in such a manner that a client's total costs or proceeds in the transaction are most favorable under the circumstances. Accordingly, in seeking Best Execution, we will take into consideration the price of a security offered by the broker-dealer, as well as a broker-dealers' full range and quality of their services including, among other things, their facilities, reliability and financial responsibility, execution capability, commission rates, responsiveness to us, brokerage and



strategies), special execution and block positioning capabilities, clearance, and settlement and custodial services.

### ***Soft Dollars***

The Firm may use “**Soft Dollars**”. In such cases, Soft Dollar credits, generated by the Fund’s trading activities, would be used to purchase brokerage and research services or products that would otherwise have been Fund expense. We intend to keep any such arrangements within the parameters of the safe harbor of Section 28(e) of the Exchange Act.

Neither Hidden Lake nor any related person receives client referrals from any broker-dealer or third party. However, subject to best execution, we may consider, among other things, capital introduction and marketing assistance with respect to Investors in the Funds in selecting or recommending broker-dealers for the Funds.

The provision by a broker of research and other services and property to us creates an incentive for us to select such broker since we would not have to pay for such research and other services and property as opposed to solely seeking the most favorable execution for a client. Any research, services or property provided by a broker may benefit any client and such benefits may not be proportionate to commission dollars related to the provision of such research, services or property.

### **Item 13: Review of Accounts**

---

Our Co-Portfolio Managers and supporting investment professionals continuously monitor and analyze the transactions, positions, and investment levels of the Fund to ensure that they conform with the investment objectives and guidelines that are stated in the Fund’s Offering Documents. In these reviews, the Firm pays particular attention to any changes in the investment’s fundamentals, overall risk management and changes in the markets that may affect price levels.

### ***Account Reporting***

We perform various periodic reviews of each client’s portfolio. Such reviews are conducted by our officers.

We will distribute an audited financial report with respect to the previous fiscal year to all Investors within 120 days of fiscal year end. We may also distribute quarterly unaudited net asset value statements, quarter-end performance reports, and a quarterly investor letter to all Investors.

### **Item 14: Client Referrals and Other Compensation**

---

We do not receive economic benefits from non-clients for providing investment advice and other advisory services. Neither we nor any of our related persons, directly or indirectly, compensate any person who is not a supervised person for client referrals.

### **Item 15: Custody**

---

We will be deemed to have custody of Client funds and securities because we have the authority to obtain Client funds or securities, for example, by deducting advisory fees from a

Client's account or otherwise withdrawing funds from a Client's account. Account statements related to the Clients are sent by qualified custodians to Hidden Lake.

We will comply with Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”) (i.e., the “custody rule”) by meeting the conditions of the pooled vehicle annual audit approach. Upon completion of the relevant Fund’s annual audit by an independent auditor that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board (PCAOB), we will distribute the Fund’s audited financials to Investors within 120 days of such Fund’s fiscal year end.

---

**Item 16: Investment Discretion**

---

We will have full discretionary investment authority with respect to the Funds, including authority to make decisions with respect to which securities to be bought and sold, as well as the amount and price of those securities.

---

**Item 17: Voting Client Securities**

---

At this time, Hidden Lake has not yet voted any proxies. In compliance with Rule 206(4)-6 of the Advisers Act (i.e., the “proxy voting rule”), we have adopted proxy voting policies and procedures. The general policy is to vote all proxy proposals, amendments, consents or resolutions (collectively, “**Proxies**”) in a prudent and diligent manner that will serve the applicable Client’s best interests and is in line with the Client’s investment objectives.

We may take into account all relevant factors, as determined by us in our discretion, including, without limitation:

- the impact on the value of the securities or instruments owned by the relevant client and the returns on those securities;
- the anticipated associated costs and benefits;
- the continued or increased availability of portfolio information; and
- industry and business practices.

Generally, clients may not direct our vote in a particular solicitation.

Clients may obtain a copy of our Proxy voting policies and our Proxy voting record upon request.

---

**Item 18: Financial Information**

---

We are not required to include a balance sheet for our most recent fiscal year, are not aware of any financial condition reasonably likely to impair our ability to meet contractual commitments to Clients, and have not been the subject of a bankruptcy petition at any time during the past ten years.