

Part 2A of Form ADV: Firm Brochure

Item 1 Cover Page

Cohen & Company Financial Management, LLC

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March 31, 2022

This brochure provides information about the qualifications and business practices of Cohen & Company Financial Management, LLC (“CCFM”) and its relying adviser Dekania Capital Management, LLC (“DCM”) (collectively the “Adviser”). If you have any questions about the contents of this brochure or to request a brochure, please contact us at (646) 792-5638 or cco@cohenandcompany.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 Cohen & Company Financial Management, LLC and Dekania Capital Management, LLC is also available on the SEC’s website at www.adviserinfo.sec.gov.

References herein to Cohen & Company Financial Management, LLC or Dekania Capital Management, LLC as a “registered investment adviser” or any reference to being “registered” do not imply a certain level of skill or training.

Item 2 Material Changes

The Adviser is required to identify and discuss any material changes made to this Brochure since the last annual update. The Adviser recommends that you read this Brochure in its entirety.

On March 14, 2021 the Advisor's roll as Collateral Manager of Alesco Preferred Funding IX, Ltd. was terminated without cause. The non-affiliated Collateral Manager successor is HCMC III, LLC. The estimated assets under management assigned were \$418MM. Additionally, Alesco Preferred Funding VII, Ltd was liquidated in May 2021. The estimated assets under management liquidated were \$330MM.

The Adviser routinely makes updates throughout this Brochure to enhance and clarify the description of its business practices, risks, compliance policies and procedures, as well as to respond to industry best practices

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Item 4 Advisory Business

Firm Description

Cohen & Company Financial Management, LLC (“CCFM”) is a Delaware limited liability company formed on August 13, 2003. CCFM became registered as an Investment Adviser in February 2005. CCFM is owned by Dekania Investors, LLC which is owned by Cohen & Company, LLC, the Operating LLC (the “Operating LLC”) of Cohen & Company Inc. (NYSE American: COHN (“COHN”)).

CCFM acts as the Collateral Manager for Alesco Preferred Funding I, Ltd., Alesco Preferred Funding III, Ltd. Alesco Preferred Funding IV, Ltd., Alesco Preferred Funding V, Ltd. Alesco Preferred Funding VI, Ltd., Alesco Preferred Funding VIII, Ltd. Each a collateralized debt obligation (“CDO”, collectively the “Alesco CDOs”) that was initially securitized between 2003-2007 that invested in US bank and insurance TruPS and subordinated debt. A CDO issuer is a special purpose investment vehicle that raises capital through the issuance of securities and uses the proceeds to purchase financial assets, typically debt or preferred equity instruments. A CDO issuer pools collateral assets into a portfolio that generates interest over a fixed period of time.

CCFM acts as the Investment Manager of the Vellar Opportunities Fund, LP, a Delaware limited partnership formed in January 2018 (the “Onshore Fund”) and Vellar Opportunities Fund Offshore, Ltd. (the “Offshore Fund”), an exempted company incorporated and existing under the laws of the Cayman Islands formed in January 2018. The Onshore Fund and the Offshore Fund invests their assets through a “master feeder” fund structure in Vellar Opportunities Fund Master, Ltd. (the “Master Fund”), a Cayman Islands exempted company (the Onshore Fund, the Offshore Fund and the Master Fund collectively referred to as the “SPAC Fund”). The SPAC Fund will invest in the securities of special purpose acquisition companies (“SPACs”), commonly referred to as “blank check companies.” SPACs are generally formed to effect a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses.

CCFM acts as the Investment Manager of the Vellar Special Opportunities Fund, LLC (“VSOF”), a Delaware series limited liability company formed in October 2018 and the ASJC Global Fund LLC, (“ASJC”) a Delaware series limited liability company formed in March 2020 (VSOF and ASJC together, the “SPAC Series Funds”). The SPAC Series Funds will make an investment in a SPAC sponsor entity and the sponsor will use the funds to subscribe to the applicable SPAC’s private placement, pursuant to which it will purchase private placement units or private placement warrants, typically exercisable for one share of the SPAC’s Class A common stock (only after the SPAC’s business combination). Due to the SPAC expertise of members of the Adviser, each sponsor entity investment typically also provides the applicable SPAC Series Fund an opportunity to invest in an allocation of the SPAC’s sponsor stock, commonly referred to as “founders shares,” for a nominal price (e.g., \$0.01 per founders share) (the “Founders Share Allocation”). Each founders share typically converts to a share of the SPAC’s Class A common stock automatically upon a business combination and is subject to certain restrictions on trading. As of December 31, 2021, CCFM has launched twenty-two VSOF Series Funds and eighteen ASJC Series Funds since inception. Of these, eight of the VSOF Funds and six of the ASJC Funds have announced deals.

VSOE – Series 4 and Series 8 as well as ASJC Series 9 have closed. Proceeds have been distributed to investors and restricted shares have been deposited into their brokerage accounts.

Our registration on Form ADV also covers Dekania Capital Management, LLC (a “Relying Adviser” or “DCM”) an affiliate of the Adviser that also provides investment advisory services and until March 30, 2021 was separately registered. DCM is a Delaware limited liability company formed on June 19, 2003 that registered as an Investment Adviser in February 2005. All of the Relying Adviser’s investment advisory activities are subject to the Advisers Act and the rules thereunder. In addition, employees and persons acting on behalf of the Relying Adviser are subject to the supervision and control of the Adviser.

DCM acts as the Collateral Manager for Dekania Europe CDO II PLC and Dekania Europe CDO III PLC (collectively the “Dekania CDOs”) that invest in European bank and insurance TruPS and subordinated debt. Cohen & Company Financial Europe Limited S.A. (“CCFESA”), a majority owned operating subsidiary of the Operating LLC and regulated by the Autorite de Controle Prudentiel et de Resolution (“ACPR”). CCFESA has agreed to render investment advice and aid in connection with the services provided to the Dekania CDOs.

DCM performs investment advisory services to SMI 2018, LP, a Delaware limited partnership f/k/a SMI 2018, LLC through a Sourcing and Servicing Agreement entered into in May 2018. In addition, DCM is the Collateral Manager for SMI 2018 Finance LP f/k/a S SMI 2018 Finance LLC (SMI 2018, LP and SMI 2018 Finance LP collectively “Insurance JV”). The Insurance JV invests in debt issued by small and medium sized U.S. and Bermuda insurance and reinsurance companies.

In addition, our registration also covers Vellar Opportunities GP LLC, a Delaware limited liability company, the general partner of the Onshore Fund (the “General Partner”), Vellar Opportunities GP LLC, a Delaware limited liability company, the managing member of Vellar (the “Vellar Managing Member”) and ASJC Global Management LLC, a Delaware limited liability company, the managing member of ASJC (the “ASJC Managing Member”) (ASJC Managing Member and Vellar Managing Member together the “Managing Members”, each a “Managing Member”). The General Partner the Managing Members are affiliates of CCFM.

The facilities and personnel utilized by CCFM, DCM, General Partner and Managing Member in their respective roles as manager, general partner, and managing member are provided by the Operating LLC.

Advisory Services

Collateral Management Services

CCFM acts as a collateral manager for the Alesco CDOs and Equalize Capital, LLC (f/k/a Bluestone Capital Management, LLC) (“Equalize”) is a sub-advisor to CCFM. Pursuant to a Sub-advisory Agreement (the “Sub-advisory Agreement”), Equalize has agreed to render investment advice to CCFM and aid CCFM with respect to the provision of services that are required to be performed by CCFM pursuant to the collateral management agreements and collateral administration agreements related to the CDOs.

DCM currently acts as a collateral manager for the Dekania CDOs.

DCM currently acts as a sourcer and servicer/collateral manager for Insurance JV.

Investment Management Services

CCFM will employ several investment strategies for the SPAC Fund:

1. SPAC Arbitrage and Optionality strategy that focuses exclusively on long-only, unhedged exposure to U.S.-listed SPAC equity securities over the pre-Business Combination lifecycle;
2. SPAC Warrants and Derivatives strategy that focuses on constructing a portfolio of SPAC equity derivatives, specifically warrants and rights, through the entire SPAC lifecycle, including post-Business Combination; and
3. Special Situations strategy that aims to leverage CCFM's institutional relationships with SPAC sponsors and investment banks to originate idiosyncratic opportunities, including assisting de-SPAC'd issuers (i.e., issuers that have completed a business combination) in cleaning up remnants of the SPAC capital structure, participating as an anchor investor in SPAC initial public offerings ("IPOs"), and participating in merger finance sources in SPAC back-end transactions.

The Series Funds are structured to allow them to issue separate series of limited liability company interests in respect of each separate investment portfolio to be maintained by the Series Funds (each, a "Portfolio") and each Portfolio will consist of a separate pool of assets and will function, in effect, as a separate limited liability company. Each Portfolio will be administered and maintained separate and apart from the other Portfolios. Under Delaware law, the debts, liabilities, obligations and expenses incurred by one Portfolio will only be enforceable against the assets of the same Portfolio and not against the assets of any other Portfolio.

Each Portfolio may have, among other things, different investment objectives, strategies, liquidity terms, fees, service providers and tax consequences, and the Funds may issue limited liability company interests for a particular Portfolio in different sub-series, classes or sub-classes, with each having different terms than those of any other sub-series, class or sub-series, including, without limitation, different fees or withdrawal rights. The investment program of a Portfolio will be described in the applicable Fund's Supplement and other governing documents.

These strategies are discussed in more detail in Item 8, Methods of Analysis, Investment Strategies and Risk of Loss, below.

Client Assets

As of December 31, 2021, CCFM had approximately \$1.35 billion assets under management, all of which was managed on a discretionary basis.

As of December 31, 2021, DCM had approximately \$312.0 million of assets under management, of which approximately \$165.8 million was managed on a discretionary basis.

Item 5 Fees and Compensation

Alesco CDOs

Advisory fees are typically comprised of a senior collateral management fee that is paid prior to any distributions to the CDO's note holders of up to .15% per annum and a subordinate collateral management fee of up to .15% per annum following distributions to the CDO's note holders and the payment of various operating expenses.

SPAC Fund

Advisory fees consist of a management fee consisting of a percentage of assets under management generally equal up to 1% per annum paid quarterly in advance and performance-based compensation in an amount equal up to 20% of distributions after investors have received distributions equal to their capital contributions plus a non-cumulative return of 6% per annum.

SPAC Series Funds

CCFM and/or its affiliates are compensated separately with respect to each series of the SPAC Series Funds (each, a "Series"). Only certain Series of VSOFF, an affiliate of the Advisor, are subject to performance-based compensation in an amount equal to 20% of distributions after investors have received distributions equal to their capital contributions to the applicable Series, as further described in the applicable Series' supplements to the Confidential Private Offering Memorandum of VSOFF, the majority of the VSOFF Series Funds do not receive a performance fee. In addition, with respect to all Series, one or more affiliates of CCFM receive, for a nominal price, a portion of the Founders Shares that were eligible for purchase by the applicable Series in connection with its investment in the applicable special purpose acquisition company's sponsor (as described in Item 4). Accordingly, despite the fact that no Series is subject to a management fee and certain Series are also not subject to performance-based compensation, CCFM and/or one or more of its affiliates are effectively compensated in advance in connection with each Series, and such compensation does not reduce any expense reimbursements or performance-based compensation, as applicable, distributable or payable to CCFM and/or its affiliates by the Portfolio.

The General Partner/Managing Member/Adviser, in its sole discretion, may waive or reduce the Management Fee and/or performance-based compensation for Limited Partners/Members that are principals, employees or affiliates of us or the General Partner, relatives of such persons, and for certain large or strategic investors.

Dekania CDOs

Advisory fees are typically comprised of a senior collateral management fee that is paid prior to any distributions to the CDO's note holders of up to .25% per annum and a subordinate collateral management fee of up to .25% per annum following distributions to the CDO's note holders and the payment of various operating expenses. In addition, the Adviser is paid its fee in connection with any auction subject to the expense cap set forth in the governing documents of the Client.

Insurance JV

Advisory fees are comprised of a senior servicing fee of .75% per annum and an incentive fee 20% of distributions after investors have received distributions equal to their capital contributions plus a non-cumulative return of 6% per annum which is capped at .50%. The incentive fee is paid one-half on an annual basis as a senior preferred servicing fee via issuance of additional equity to DCM and one-half as a junior preferred servicing fee upon liquidation of Client.

Other Fees

In addition to management fees, performance-based fees and other fees, investors will bear indirectly the fees and expenses charged to the Clients. Those fees and expenses will vary by Client, but typically will include, expenses relating to its ongoing structure and operation, including legal, accounting (including third-party accounting services), administration, audit, and other professional fees and expenses, out-sourced trading expenses, research expenses (including research-related travel), investment expenses such as commissions, interest, borrowing charges on securities sold short, trading-related technology and software costs deemed by the Adviser to benefit the Client such as order and risk management systems, Bloomberg terminals, expenses of third-party valuation agents (if any), compliance expenses of the Client (including expenses related to various filings (or portions thereof) the Adviser is required to make as a result of managing the Client's portfolio, such as Form PF and expenses related to registration, filing, and/or reporting requirements in any jurisdiction in which the limited liability company interests are offered or sold), insurance (including D&O and E&O insurance premiums for the Adviser), organizational expenses, custodial fees, bank service fees and other expenses related to the acquisition, workout, disposition, preservation or transmittal of Client assets.

The Adviser may from time to time pay expenses on behalf of the Client. The Client will reimburse the Adviser for any expenses paid on its behalf, as permitted within each Client's governing documents.

Investors and prospective investors should review the applicable offering documents for more detailed information about the fees and expenses borne by the Clients.

The Adviser may enter into agreements (sometimes referred to as "Side Letters") with certain prospective or existing investors whereby such investors are subject to terms and conditions that are more advantageous than those set forth in the offering documents for a Client. For example, such terms and conditions may provide for special rights to make future investments in the Client, other investment vehicles or managed accounts; special withdrawal rights, relating to frequency or notice; a reduction or rebate in fees to be paid by the Member and/or other terms; rights to receive reports from the Client on a more frequent basis or that include information not provided to other investors (including, without limitation, more detailed information regarding portfolio positions) and such other rights as may be negotiated by the Adviser and such investors. The modifications are solely at the discretion of the Adviser and the Client and may, among other things, be based on the size of the investor's investment in the Client or affiliated investment entity, an agreement by an investor to maintain such investment in the Client for a significant period of time, or other similar commitment by an investor to the Fund. The Client is not required to disclose the terms and conditions of any Side Letter to other investors.

In addition, certain of Adviser's investment professionals have economic interests in the Managing

Member and General Partner and/or are compensated based, in part, upon the revenue generated by specific Clients. These arrangements create incentives for these investment professionals to take certain risks in managing assets that they might not otherwise take in the absence of such arrangements and to favor these Clients with investment opportunities, at the expense of other products not subject to this compensation arrangement. Please see Item 6 – Performance-Based Fees and Side-By-Side Management below for a description of Adviser’s procedures for addressing these potential conflicts of interest.

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

As stated in the Fees and Compensation section above, the Adviser charges performance-based fees which are fees based on a share of capital gains on or capital appreciation of the Client's assets. However, as described above, performance-based fees may be accepted from different Clients at different rates. The variation of performance-based fee structures among the Clients may create an incentive to direct the best investment ideas to, or to allocate or sequence trades in favor of, clients that pay or allocate performance based fees. The Adviser is committed to allocating investment opportunities on a fair and equitable basis and has established policies and procedures to address the conflicts of interest described above. The Adviser will seek to execute orders for all of the participating accounts on a fair, reasonable and equitable basis over time. Situations may occur where a Client could be disadvantaged because of the various other activities conducted by the Adviser. However, the Adviser will attempt to mitigate such disadvantage to the extent reasonably practicable. Due to a Client's level of capitalization and its long-term investment objectives, the Adviser may choose to allocate investment opportunities to certain Clients, regardless of whether such investment opportunity is permissible under the strategy of all Clients. Similarly, certain investments may not be appropriate for all Clients, and allocations of such investments may only be made to one or a limited number of Clients. Notwithstanding, the Adviser maintains procedures to allocate limited investment opportunities that may be appropriate for multiple Clients. In general, investment opportunities that are appropriate for more than one Fund may be allocated pro rata across multiple Fund accounts based on targeted size based generally on available capital, unless a given Fund does not have an interest for such investment based on competing factors including but not limited to the relative size of a Clients' account, investment objectives and restrictions, risk tolerance, the possibility to participate in future investment opportunities, available cash for investment, leverage limitation, and the expected capacity of a Client. As a general matter, the Adviser will make any decisions regarding the allocation of investment opportunities among Clients in good faith, and in accordance with its fiduciary duties. In order to ensure the fair and equitable treatment of Clients over time, the Adviser periodically evaluates the allocation processes.

Item 7 Types of Clients

CCFM and DCM provide investment advisory services to Clients, based on the particular investment objectives and policies of each as described in its governing documents. The Adviser may in its discretion manage other funds or accounts with different objectives, higher or lower fees, and different fee structures than the Clients. CCFM and DCM do not currently manage individual separately managed accounts for clients.

CCFM and DCM generally require investors to complete and submit a subscription agreement that requires, among other things, that the investor meet the legal and suitability requirements for investment. As a condition for starting and maintaining a relationship, the Adviser generally imposes a minimum initial investment of \$1,000,000 but may accept lesser amounts based upon certain criteria including, but not limited to, anticipated future earning capacity or anticipated future additional assets, the nature of the prospective client, or pre-existing relationships. The minimum capital contribution for Interests in the SPAC Series Funds is \$100,000, subject to reduction in the sole discretion of the Managing Member.

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

Please see Item 4 for a description of our advisory services.

Investment Strategies and Analysis

Alesco CDOs and Dekania CDOs

CCFM and DCM manage the assets for the CDO issuers pursuant to the terms of various agreements entered into by the CDO, CCFM or DCM and other parties, including a collateral management agreement and an indenture. The management services provided by CCFM and DCM to the CDO issuers include:

- performing, during the term of the CDO, ongoing reviews of the performance of collateral securities and general market conditions and generating reports for the CDOs;
- investing the proceeds from any sales of the CDO's securities;
- selling defaulted collateral securities;
- acquiring, subject to certain limitations, replacement collateral securities; and
- auctioning collateral securities.

CCFM and DCM comply with the investment objectives and guidelines established by the indentures, collateral management agreements and credit rating agencies for each CDO issuer that it advises. The Client is impacted by the risks applicable to the banking industry (such as asset quality of loan portfolios and interest rate risks) and the insurance industry (such as policy design, pricing, underwriting discipline, investment success, sufficient reserving and use of reinsurance).

The risks presented by the bank and insurance industries are mitigated by:

- ongoing monitoring of operating results and financial position of each issuer through review of key portions of the quarterly financial statements filed with insurance regulators or the SEC, and
- event-driven reviews of particular issuers in the wake of changes in strategy or management, conditions in the bond and equities markets, and (for property and casualty insurers) catastrophic weather or geological events.

CCFM and DCM keep abreast of evolving industry issues in both the banking and insurance industries through reading industry publications, attending industry conferences, and assessing the impact on individual banks or insurance companies by reviewing regulatory filings and having discussions with industry management. CCFM relies on its sub-adviser, Equalize to perform analyses for its clients. In performing analyses for its clients, CCFM may obtain advice from attorneys, accountants and other experts to assist in its analysis of certain investments for clients that are CDOs.

Credit risk primarily consists of the possibility that if an issuer of collateral held by the CDO defers its interest payments (which each issuer is entitled to do for a period of five years) or defaults, the CDO will have less money to distribute to the note holders of the CDO. In addition, there is the credit risk that the rating agencies will downgrade a CDO.

Currently, management of the CDOs entails monitoring and working with the trustee under the indenture for each of the underlying transactions. Trading is generally limited to the sale of defaulted securities. Collateral management also entails responding to investor requests (limited) and reviewing reports prepared by the indenture trustees for each CDO.

Management of the joint venture involves identifying potential investments and providing detailed due diligence information to DCM's joint venture partner for review and approval or rejection of such proposed investment, assisting in the negotiation of the terms of new investments, and providing ongoing monitoring of the joint venture's investments.

Insurance JV

The Client's investments may have exposure to certain degrees of risk, including but not limited to, interest rate, market risk, and the potential non-payment of principal and interest, including default or bankruptcy of the issuer. Interest rate risk is the risk that the value of financial instruments may fluctuate because of changes in interest rates. Market risk is the risk that the market values of investments change due to changes in market conditions. Credit risk is the risk that a counterparty defaults on its obligation to repay its creditors. The Company's investments may be subject to prepayment risk, which will affect the maturity of such loans. The Company may purchase, or be assigned, or participate in, loans originated, negotiated and structured by a U.S. or foreign commercial bank, insurance company, finance company or other financial institution (the "Agent") for a lending syndicate of financial institutions (the "Lender"). When purchasing or being assigned a loan, the Company typically succeeds to all the rights and obligations under the loan of the assigning lender and becomes a lender with respect to the debt obligation purchased. Assignments may, however, be arranged through private negotiations between potential assignees and potential assignors, and the rights and obligations acquired by the purchaser of an assignment may differ from and be more restricted than those held by the signing lender. A participation typically results in a contractual relationship only with the institution participating out the interest, not with the borrower. In purchasing participations, the Company generally will have no right to enforce compliance by the borrower with the terms of the loan agreement or any rights of setoff against the borrower, and the Company may not directly benefit from the collateral supporting the debt obligation in which it has purchased the participation. As a result, the Company will be exposed to the credit risk of both the borrower and the institution selling the participation.

SPAC Fund

1. SPAC Arbitrage and Optionality Strategy. This strategy focuses exclusively on long-only exposure to U.S.-listed SPAC equity securities over the pre-Business Combination lifecycle, which generally present an asymmetric correlation profile to broader equity market performance. CCFM seeks to support this strategy through margin utilization and synthetic exposure through swaps.

As further described below, through this strategy, CCFM will aim to construct a portfolio of pre-Business Combination SPAC equity securities for the SPAC Fund to seek to take advantage of the risk-return asymmetry offered by the SPAC structure and its redemption mechanism. CCFM believes that the SPAC Fund will, through this strategy, capture synthetic yields in pre-Business Combination issuers and inherently hedged optionality by deploying capital to issuers that have announced a merger agreement and have yet to close an initial Business Combination.

The Partnership will accumulate a SPAC equity portfolio through both IPO participation and active secondary market trading. Typically, the SPAC Fund will seek to purchase SPAC equity securities at a discount to their expected redeemable cash value (i.e., the value of the trust account where the proceeds from a SPAC's IPO (less any IPO-related expenses) are held). The amounts held in the trust are typically invested for 12 to 24 months in a variety of short-duration Treasury Bills and/or money-market funds. In the case of IPO participation, CCFM intends to cause the SPAC Fund to retain the common stock component of the IPO units upon separation of the units, creating a common stock position at a cost basis equivalent to a discount to the securities' redeemable cash value. CCFM's selection approach with respect to SPAC common stock investments for the SPAC Fund will combine an evaluation of each security's implied yield, the likelihood and probable timing of a Business Combination announcement, as well as the quality, track record, and reputation of each issuer's sponsor group. CCFM expects the SPAC Fund to realize returns on such investments by redemption or secondary market selling of such securities at an exit price higher than the position's cost basis. CCFM generally expects such investments will be held over 6 to 24 month periods, and present varied market liquidity conditions (although nearly all securities in this strategy universe are exchange-listed). CCFM also expects such investments will exhibit low return volatility.

Additionally, CCFM will seek to tactically deploy the SPAC Fund's capital to exploit short-term, systemic trading opportunities that can arise in the SPAC market due to behaviorally motivated market dislocations and inefficiencies in price discovery mechanisms, which can be primarily attributed to information asymmetry among different market player groups (e.g., event-driven players, SPAC arbitrageurs, and fundamental investors). CCFM generally expects such investments to be held by the SPAC Fund over 1 to 3-month periods, and the portfolio strategy to be expressed through concentrated positions in the most liquid SPAC securities.

The SPAC Fund will, in rare cases and very selectively, hold settled or unsettled SPAC equities through the close of a Business Combination. Also, the SPAC Fund may hold an open short position in the common stock of a SPAC pending close of its initial Business Combination, which it may hold through the close of such a Business Combination. CCFM generally expects that the size of any such short position will not exceed 7.5% of the SPAC Fund's net assets, measured at the time of investment. CCFM expects investments described in this paragraph to be held by the SPAC Fund over 2 to 9-month periods and to exhibit high, but consistently positive, return volatility.

CCFM intends to use leverage for the SPAC Fund in the form of swap agreements or margin financing to seek to augment the synthetic yield that can be realized on SPAC common stock securities. Synthetic leverage, to be captured by the SPAC Fund's entry into swap agreements, typically total return swaps, will be predominantly used to create exposure to thinly traded pre-Business Combination SPAC equity securities, which can offer the highest available yields to redemptions.

2. SPAC Warrants and Derivatives Strategy. This strategy is focused on constructing a portfolio of SPAC equity derivatives, specifically warrants and rights, through the entire SPAC lifecycle, including post-Business Combination. The strategy is designed to simultaneously collect free optionality through IPO participation and capture option value through secondary market trading with a buy and hold through announcement and/or Business Combination approach.

CCFM will seek to acquire SPAC warrants and rights for the SPAC Fund through several channels. The SPAC Fund will participate in SPAC IPOs of units and retain the derivative unit component upon separation of such units, creating a derivative position at what is essentially a zero-cost basis. The SPAC Fund will actively trade SPAC warrants and rights in the secondary market, whether in issuers that have yet to announce or yet to close a Business Combination, or in issuers that have already completed an initial Business Combination. The SPAC Fund may hold select SPAC derivatives through the completion of the issuer's initial Business Combination and up until the expiration of such derivatives, which typically occurs 5 years following the initial Business Combination.

Any derivative investments in SPACs that have closed or announced a Business Combination will be driven by a fundamentally bullish long-term view of the underlying issuer's stock performance, or in the case of SPACs still seeking a Business Combination, an expectation of a SPAC's entrance into a well-received Business Combination, or catalyzation by an idiosyncratic or market-wide pricing dislocation that presents an opportunity to enter the derivative position at what CCFM views as a steep discount to its intrinsic and optionality value. The SPAC Fund's derivative exposure selection approach will combine technical and fundamental analysis. CCFM expects the SPAC Fund to realize capital gains by selling derivatives at a higher price than its cost basis in such positions, by participating in tender offers at prices higher than its cost basis in such positions, or by exercising in-the-money derivatives and eventually selling the related common stock.

CCFM expects that the SPAC Fund's typical hold period will be between 6 and 18 months for pre-Business Combination SPAC derivatives and between 3 and 60 months for post-Business Combination SPAC derivatives. Over their lifecycle, SPAC derivatives tend to exhibit high price volatility. Derivatives of SPACs that have yet to close a Business Combination tend to exhibit high or very high correlation to the broader equity market's performance. Derivatives of SPACs that have successfully completed a Business Combination tend to exhibit less correlation to broader equity markets, and very high correlation to small-cap equity indices as well as the performance and fund flows of factor-based investment strategies and products.

The SPAC Fund's exposure to SPAC derivatives, both pre-and-post Business Combinations, is expected to be long-only and to generally not exceed 20% of the SPAC Fund's net assets, measured at the time of investment. The SPAC Fund may purchase a control position in any SPAC derivatives, regardless of the issuer's point in the SPAC lifecycle, up to 100% of the outstanding derivatives of any SPAC issuer, provided such a position does not conflict with other risk guidelines set out in this Memorandum. The SPAC Fund's ability to exercise warrants will be limited by its exposure guideline on equity investments in the Special Situations strategy (as described below), which generally limits position size for such investments to 7.5% of the SPAC Fund's net assets, measured at the time of investment. All pre-Business Combination SPACs' warrants and rights are exchange-traded, although liquidity may vary dramatically on a case-by-

case basis. Some post-Business Combination SPAC warrants are traded over-the-counter and can be illiquid and difficult to value.

CCFM will not hedge the SPAC Fund's derivative positions in which the underlying security is a SPAC that has yet to complete an initial Business Combination. CCFM may decide, however, to seek to protect the SPAC Fund's derivative positions in post-Business Combination SPACs against adverse idiosyncratic events or market conditions by employing a variety of hedging strategies. Such strategies may include delta hedging long derivative positions by short selling the contract's underlying security or by short selling a single security or basket of securities that CCFM views as highly correlated or comparable to such underlying security. CCFM also may hedge the SPAC Fund's derivative exposure by taking positions in instruments such as ETFs, and index or commodities futures.

3. Special Situations Strategy. This strategy aims to leverage CCFM's institutional relationships with SPAC sponsors and investment banks to originate idiosyncratic opportunities with a high expected base-case return. These special situations include assisting de-SPAC'd issuers (i.e., issuers that have completed a Business Combination) in cleaning up remnants of the SPAC capital structure, participating as an anchor investor in SPAC IPOs, and participating in merger finance sources in SPAC back-end transactions, each as further described below. In each scenario, the SPAC Fund will seek to add value as a strategic investor and CCFM expects, in most circumstances, to engage in private negotiations with sponsors and/or target companies.

The SPAC Fund will serve as a strategic investor and CCFM will assist sponsor groups, and/or the post-Business Combination entity's surviving management team and board, to "clean up" the dilutive features of SPAC merger transactions, or in the case of post-Business Combination SPACs, the remnants of such structure, which can have a materially adverse effect on the issuer's stock trading dynamics and performance. The SPAC Fund intends to build large or control positions in the warrants of SPACs that have either announced or closed an initial Business Combination and will lobby SPAC sponsors/management to conduct a tender offer, in which the SPAC Fund may serve as an anchor participant. SPAC warrant structures can generally be amended with approval of 50-65% of the outstanding holder base, and there are generally no minority holder provisions associated with SPAC warrant agreements. As such, by acting in concert with other large holders, or by acquiring a control stake in an issuer's warrants, the SPAC Fund could effectively force through a company-sponsored tender offer. The SPAC Fund expects to realize profits on such investments by tendering warrants at a price higher than the position's cost basis. CCFM expects the SPAC Fund to hold such positions over 1 to 6-month periods and such positions will typically be liquid, exchange-traded options, although some might also be OTC-traded derivatives. CCFM expects high return volatility will be exhibited by this strategy.

Additionally, many SPAC Business Combinations incorporate a closing requirement of minimum cash availability. Given the existence of the redemption mechanism in all SPACs, the level of cash available to consummate a merger is nearly always uncertain until after redemption results are tabulated. This aspect has led many SPACs to raise merger cash through private investments in public equity ("PIPEs") or to enter into other agreements to ensure the availability of the required, minimum cash condition ("Backstop Agreements"). The SPAC Fund intends to selectively and occasionally participate in such PIPEs, Backstop Agreements, and other types of short-term merger financing arrangements, such as bridge loans or convertible notes, in order to facilitate a SPAC's ability to close its initial Business Combination. Typically, CCFM expects the

SPAC Fund to receive sponsor equity at no or a nominal cost as compensation for facilitating the close of the issuer's initial Business Combination. While CCFM expects any investments by the SPAC Fund accumulated through participation in a PIPE, backstop Agreement, or other form of short-term merger financing to be held for periods of less than 12 months, CCFM also expects sponsor equity that the SPAC Fund may be issued as a participation consideration may be held over a period of up to 60 months.

Finally, the SPAC Fund may elect to hold SPAC common stock positions through the close of the issuer's initial Business Combination, after which point the securities will represent an equity stake in a publicly traded, operating business. The SPAC Fund may also open a short position, either synthetically through a total return swap, or through a securities lending program, in a SPAC that is pending close of its initial Business Combination. The SPAC Fund would hold the short position through the close of the issuer's initial Business Combination. The SPAC Fund also intends to hold both long and short positions in non-SPAC equities, which may or may not have been brought public through a SPAC Business Combination, including non-SPAC IPOs, secondary offerings, and warrant conversions. In the case of both long and short positions incorporated in this strategy, the SPAC Fund will seek to selectively and dynamically hedge such exposure through a variety of derivative and equity instrument strategies. CCFM expects the SPAC Fund to hold such hedging investments over 1 to 3-month periods.

The SPAC Fund's allocation to its Special Situations strategy is generally expected to be limited to 20% of the SPAC Fund's net assets, measured at the time of investment, and the SPAC Fund's cumulative allocation to the Special Situations strategy and SPAC Warrants and Rights strategy described above is also generally expected to be limited to 20% of the SPAC Fund's net assets, measured at cost at the time of investment. Any Special Situations equity position sizes are generally expected to be limited to 7.5% of the SPAC Fund's net assets, measured at the time of investment. Except in the case of total return swaps to synthetically open short exposure to SPACs, the SPAC Fund does not intend to use leverage to express the Special Situations strategy. CCFM expects nearly all principal investments to be in liquid, exchange-traded securities and derivatives. CCFM also expects that sponsor equity granted to the SPAC Fund will not be freely tradeable, sometimes for a significant period.

Proposed special situations investments will be presented to an Investment Committee consisting of the Chief Investment Officer, the Portfolio Manager and the SPAC Fund CIO for consideration and approval. The Portfolio Manager and the SPAC Fund CIO will oversee the management of special situations investments approved by the Investment Committee, subject to the supervision of the Chief Investment Officer of the Adviser.

SPAC Series Funds

The SPAC Series Funds are a series limited liability company structured to allow it to issue separate series of limited liability company interests in respect of each separate investment portfolio to be maintained by the Series Fund (each, a "Portfolio") and each Portfolio will consist of a separate pool of assets and will function, in effect, as a separate limited liability company. The Investment Manager currently expects each Portfolio to make a single sponsor entity investment and the sponsor will use the funds to subscribe to the applicable SPAC's private placement, pursuant to which it will purchase private placement units or private placement warrants, typically exercisable for one share of the SPAC's Class A common stock (only after the SPAC's business

combination). Due to the SPAC expertise of members of CCFM, each sponsor entity investment typically also provides the applicable Portfolio an opportunity to invest in an allocation of the SPAC's sponsor stock, commonly referred to as "founders shares," for a nominal price (e.g., \$0.01 per founders share) (the "Founders Share Allocation"). Each founders share typically converts to a share of the SPAC's Class A common stock automatically upon a business combination and is subject to certain restrictions on trading.

There can be no assurance that the objectives associated with any strategies described above will be met. At any time, the Adviser may add, remove, or modify any of the strategies it employs, and this includes any of the strategies described above. These strategies and investments involve risk of loss to Clients, including the risk of loss of an Investor's total investment. There can be no assurance that the investment decisions or actions of the portfolio managers, researchers or trading personnel will be correct. Incorrect decisions or poor judgement may result in substantial loss and Clients must be prepared to bear the loss of their entire investment.

Risks

Some of the risks associated Adviser's investment strategies, and the securities and other assets utilized to implement those strategies, include, but are not limited to, those listed below.

Special Purpose Acquisition Companies ("SPACs") Generally

Because SPACs have broad discretion to select potential Business Combinations (subject to industry, geographic or other limitations, if any), it is not possible for the Adviser to ascertain all of the merits or risks of investing in a particular SPAC. The Adviser generally intends to select SPACs led by management teams with proven track records but may not always do so if there is a limited number of these offerings or for other reasons.

The officers and directors of a SPAC will generally not be required to commit their full time to the affairs of the SPAC, which may result in a conflict of interest in allocating their time between the operations of the SPAC and their own business interests. If the officers and directors have other businesses and affairs that require them to devote substantial amounts of time, it may negatively impact the ability of the SPAC to identify and complete a Business Combination. In addition, officers and directors of a SPAC may become involved with other SPACs in which the Client does not invest that may engage in similar business opportunities. Accordingly, the officers and directors may have conflicts of interest in determining to which entity a particular business opportunity should be presented. There can be no assurance that the business opportunity will be presented to the SPAC in which the Client has made an investment.

SPACs are newly incorporated companies with no operating results. Because SPACs lack operating histories, the Adviser will have no basis upon which to evaluate a SPAC's ability to achieve its business objective of completing a Business Combination. Upon a SPAC's IPO, SPACs typically have no plans, arrangements or understandings with any prospective target business concerning a Business Combination and may be unable to complete a Business Combination. If a SPAC does not complete a Business Combination, then the SPAC securities are generally redeemed at a price less than their IPO price.

There is no guarantee that a SPAC in which a Client invests will be able to execute a Business Combination with an operating entity. SPACs may encounter intense competition from other entities having similar business objectives, such as venture capital funds, leveraged buy-out funds and other private equity entities, as well as operating businesses competing for acquisitions. Many of the competitors may possess greater resources and expertise that could give them an advantage over the Client in competing for Business Combination opportunities. If the Client invests in a SPAC that is unable to execute a Business Combination, the Client will receive its share of the proceeds held in trust, subject to reduction if third party claims are made against the SPAC. If the Client were to acquire certain types of units, the Client may lose the entire amount of its investment in the units if a Business Combination cannot be affected by such SPAC. If a SPAC completes a Business Combination with a financially unstable company or an entity in its development stage, the SPAC may be affected by the numerous risks inherent in the business operations of those entities.

A SPAC's Actions Made in the Course of Completing Business Combinations May Affect Prices

SPACs may not require their shareholders' approval for the applicable Business Combination. As a general matter, the SPAC's management team selects the applicable target company for its Business Combination, and the public shareholders, including the Client, will not have a vote in making that determination. If the SPAC's management team selects a target company that is not well received by the market, the price of the SPAC's common shares may fall, its warrants may become worthless and the Client may be adversely affected.

SPACs may also issue additional units, common shares or warrants to fund a larger than anticipated Business Combination. Generally, the market price of existing outstanding securities tends to decline upon the announcement and issuance of additional securities. These secondary offerings may dilute units, common shares or warrants held by the Client.

Redemption Amounts May Be Less Than Expected

IPO proceeds from a SPAC are generally deposited into a trust account. Those proceeds are available to fund redemptions if unitholders elect to redeem their common shares prior the consummation of a Business Combination. The amounts in the trust account may also be used to pay salaries of the management team and cover expenses including IPO expenses (e.g., legal costs and underwriting fees) and expenses related to a Business Combination, including broken-deal fees. In certain cases, the redemption amount may be significantly less than the amount of the IPO proceeds. If that occurs and the Client seeks to redeem common shares of that SPAC, the Client may be adversely affected.

Upon the announcement of a Business Combination, other SPAC unitholders may request redemptions of their common shares, which may leave the SPAC with inadequate funds to complete the Business Combination. As a result, the SPAC may be forced to pay a "broken deal" fee to the target company, which will result in less money in the trust account. If this occurs, the market price of the SPAC's common shares will decline, the warrants will expire worthless and the amounts payable upon redemption will be reduced.

Business Combination Time Frames May Affect Negotiations and Reduce Returns

SPACs generally have between 12 to 24 months to complete a Business Combination. Target companies negotiating with SPACs will have this information prior to commencing a negotiation. As a result, a SPAC may pay more for a target company or be in a weaker negotiating position when negotiating with a target company. These time limits may negatively impact the value of the SPAC's common shares and warrants, and therefore, adversely affect the Client.

If a Business Combination does not occur during the contractual time frame, a SPAC will return the amounts set forth in its trust account. The amount on deposit in a SPAC's trust account is generally equal to the IPO proceeds, less expenses, plus any interest earned. That amount may be less than or equal to the amount that the Client paid for the common shares. There is an opportunity cost associated with investing in a SPAC if that SPAC does not complete a Business Combination.

Limited Liquidity in SPAC Securities

Prior to the announcement of a Business Combination, the common shares of a SPAC generally have limited liquidity and may trade at huge discounts to the SPAC's IPO price or its redemption value. The market price of SPAC common shares is a function of supply and demand. During the period of time when the SPAC has not announced a Business Combination, the SPAC securities may be illiquid. If the Client has acquired a large position in SPAC securities and is then forced to sell those securities or the price of those common shares declines as a result of a lack of demand, the Client will lose money.

Uncertain SPAC Regulatory Environment

The growth of the SPAC industry, and the increasing size and reach of so called de-SPAC transactions, as well as the increasing attention to SPACs, has and is likely in the future to continue to prompt additional governmental and regulatory attention to the SPAC industry, some of which could, directly or indirectly, affect the Funds and the value of their financial instruments. As SPACs become more influential participants in the U.S. and global financial markets and economy generally, de-SPAC transactions may become increasingly subject to criticism by politicians, regulators or market commentators, which in turn, creates heightened uncertainty surrounding future legislation. For example, the U.S. House Committee on Financial Services has recently released draft legislation to exclude all SPACs from the Private Securities Litigation Reform Act's safe harbor for forward-looking statements. This draft legislation may lead to additional financial filing requirements for SPACs, thereby increasing the cost associated with SPACs. This draft legislation signals growing U.S. governmental attention towards SPACs. The uncertainty of future legislation or regulation could adversely impact the Funds and the value of their financial instruments.

Arbitrage Risks

Arbitrage strategies attempt to take advantage of perceived price discrepancies of identical or similar financial instruments, on different markets or in different forms. Examples of arbitrage strategies include event-driven arbitrage, merger arbitrage, capital structure arbitrage, convertible arbitrage, fixed income or interest rate arbitrage, statistical arbitrage, debt spread arbitrage and

index arbitrage. The Adviser may employ any one or more of these arbitrage strategies. If the requisite elements of an arbitrage strategy are not properly analyzed, or unexpected events or price movements intervene, losses can occur which can be magnified to the extent the Client is employing leverage. Moreover, arbitrage strategies often depend upon identifying favorable "spreads", which can also be identified, reduced or eliminated by other market participants. In other situations, the favorable spread is contingent on trading a basis (i.e., an imperfect hedge for a specific spread). While the risk relative to an outright position may be lower, arbitrage strategies typically entail taking on certain basis risks.

SPAC Derivatives

The Client will invest in or hold SPAC derivatives, specifically warrants and rights. Warrants are securities giving the holder the right, but not the obligation, to buy the stock of an issuer at a given price (generally higher than the value of the stock at the time of issuance), on a specified date, during a specified period, or perpetually. Rights are similar to warrants, but normally have a shorter duration. Warrants and rights may be acquired separately or in connection with the acquisition of securities. Warrants and rights do not carry with them the right to dividends or voting rights with respect to the securities that they entitle their holder to purchase, and they do not represent any rights in the assets of the issuer. As a result, warrants and rights may be considered more speculative than certain other types of investments. In addition, the value of a warrant or right does not necessarily change with the value of the underlying securities, and a warrant or right ceases to have value if it is not exercised prior to its expiration date.

Control Positions

To the extent the Client acquires a controlling stake in or is deemed an "affiliate" of a company, it may be subject to certain additional securities laws restrictions which could affect both the liquidity of the Client's interest and the Client's ability to liquidate its interest without adversely impacting the stock price, including insider trading restrictions and the disclosure requirements of Sections 13 and 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). In addition, to the extent that affiliates of the Client, the General Partner or the Adviser are subject to such restrictions, the Client, by virtue of its affiliation with such entities, may be similarly restricted, regardless of whether the Client stands to benefit from such affiliate's stock ownership.

If the Client, alone or as part of a group acting together for certain purposes, becomes the beneficial owner of more than 10% of certain classes of securities of a company or places a director on the board of directors of a company, the Client may be subject to certain additional reporting requirements and to liability for short-swing profits under Section 16 of the Exchange Act if it were to sell common shares of the company at certain times under certain conditions.

Private Investments in Public Equity ("PIPEs")

PIPEs are private (unregistered) offerings of common stock or other securities, usually at a discount to current market price, issued by public companies, including SPACs. PIPEs are sometimes used by SPACs in order to ensure they are able to meet the minimum cash condition required for closing a Business Combination, and the Client expects to invest in such PIPEs from

time to time. The typical PIPE is subject to a “lockup” agreement that prohibits the owner from reselling the PIPE security until it is registered or until a designated holding period has elapsed. On occasion, the SEC has refused to allow PIPE securities to be registered due to the immediate impact such registration could have on the public market for such securities (for example, if certain owners of such PIPEs have sold the securities short in anticipation of their registration). PIPE securities may be susceptible to special risks that may not be present in the relevant issuer’s publicly traded securities. Substantial illiquidity could remain even after a PIPE security becomes registered for public sale. Moreover, the Client’s entire investment in PIPE securities may be lost if such securities never become registered.

PIPEs may be difficult to accurately value. In light of the foregoing, there is a risk that an investor who withdraws all or part of his investment while the Client holds PIPEs will be paid an amount less than it would otherwise be paid if the actual value of such PIPEs is higher than the value designated by the Client. Similarly, there is a risk that such Limited Partner might, in effect, be overpaid if the actual value of the PIPEs held by the Client is lower than the value designated by the Client.

Unlike the purchase of freely tradable common stock in the open market, PIPEs generally involve contractual obligations by the issuer of such securities requiring the issuer to take certain actions, such as registering the securities or, in the case of convertible securities, issuing the underlying securities upon exercise of convertible securities and registering the convertible securities and the underlying securities with the appropriate federal and state authorities for resale. In order for the Client’s investment strategy to be effective, the issuer of such securities must abide by its contractual obligations. If an issuer fails to meet its contractual obligations, in addition to the possibility of being involved in costly litigation, the Client may be unable to dispose of the securities at appropriate prices, if at all, or may experience substantial delays in doing so, and thus the Client may not be able to realize the anticipated, or any, profit with respect to such investment for a substantial period of time, if ever. There can be no assurances that any issuer will succeed in registering for public resale the securities held by the Client or that registration of securities pursuant to any such arrangement will create liquidity.

Convertible Securities

The Client may invest in convertible securities, including non-investment grade convertible securities and Rule 144A unregistered convertible securities. A convertible security (a bond or preferred stock) may be converted at a stated price within a specified period of time into a certain quantity of the common stock of the same or a different issuer. Convertible securities are senior to common stock in an issuer’s capital structure, but are usually subordinated to similar non-convertible securities. While providing a fixed income stream (generally higher in yield than the income from common stocks but lower than that afforded by a similar non-convertible security), a convertible security also affords an investor the opportunity, through its conversion feature, to participate in the capital appreciation of the issuer’s common stock. The Client may choose to isolate the yield aspect of a convertible bond by hedging using the underlying common stock or other related securities.

Interest Rate Risk and Duration Risk

The value of the fixed-income component of a convertible security generally can be expected to fall when interest rates rise and to rise when interest rates fall. Duration measures the approximate price sensitivity of a security to changes in interest rates and is the primary measure of risk within the fixed-income component of a convertible security. Changing conditions and perceptions, including market fluctuations, may modify an obligation's duration and, independently, have other adverse effects on the value of a convertible security.

Short Sales

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

Swap Agreements

The Client expects to 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 security, or in a "basket" of securities). 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 Client will calculate the obligations of the parties to the agreement on a "net" basis. Consequently, the Client'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 Client bears 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 agreement counterparty.

Lack of Diversification

Although the Partnership's investments will be subject to certain investment limitations as further described in Section 3 above, the Partnership's portfolio may not be as diversified as other investment vehicles. Accordingly, the Partnership's portfolio may be subject to more rapid change in value than would be the case if the Partnership were required to maintain a wide diversification.

Options

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

Leverage

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

In an unsettled credit environment, the Adviser may find it difficult or impossible to obtain leverage. Since leveraging its assets could be part of the investment strategy of the Client, in such event, the Adviser could find it difficult to fully implement its strategy. In addition, any leverage obtained, if terminated on short notice by the lender, could result in the Adviser being forced to unwind positions quickly and at prices below what the Adviser deems to be fair value for the positions.

Competition; Availability of Investments

Certain markets in which the Adviser causes its Clients to invest are extremely competitive for attractive investment opportunities. As a result, there can be no assurance that the Adviser will be able to identify or successfully pursue attractive investment opportunities in such environments. Subject to the Adviser's policies and procedures, the personnel may discuss with other market participants (including other investment managers) information regarding existing and potential investments (including information that would otherwise be maintained confidentially). While these interactions are intended to benefit the Clients, there is a risk that the sharing of such ideas could result in increased competition for potential investments, and result in the Adviser not being able to make certain investments for its Clients in the amounts or at the prices that would have been obtainable had the personnel not shared such information. The use of SPACs as an investment tool has recently become more widespread and there remains substantial uncertainty regarding the viability of SPAC investing in terms of the supply of desirable transactions relative

to the pace at which SPACs are currently being formed. SPACs face significant competition in consummating business combinations. We face potential conflicts in the allocation of targets for business combinations.

Material Non-Public Information

By reason of their responsibilities in connection with the Client and other investment activities, personnel of the Adviser may acquire confidential or material, non-public information that would limit the ability of the Client to buy and sell certain of its investments. The Client's investment flexibility may be constrained due to the inability of the Adviser to use such information for trading purposes. Moreover, the Adviser may be restricted from initiating transactions in certain securities or selling certain investments, due to its acquisition of confidential or material, non-public information, at a time when the Adviser would otherwise take such action.

In particular, due to the extensive expertise of the Adviser's affiliates and certain of their employees and consultants in sponsoring SPACs, such persons have and are expected to become directors of SPACs, including SPACs in which the Client may invest directly or indirectly, or of the company that results following the merger of a SPAC and its Business Combination target (the "Merged Company"). In such capacities, such persons would acquire material, non-public information about the applicable SPAC and/or Merged Company, as applicable, from time to time, which would prevent the Adviser from trading the securities of such SPAC or Merged Company during such times. The Client could be adversely affected if the Adviser cannot sell a Client investment at the time when the Adviser would otherwise take such action due to such restrictions.

Co-Investments

The Adviser may, in its sole discretion, provide certain of the underlying investors in a Client, affiliated funds, strategic investors, lenders and other third parties with an opportunity to co-invest with the Client in investments (for example, where there is availability for investment in additional shares of a particular issuer but the Adviser determines it is not in the best interest of the Client for it to acquire such additional shares). There are risks and conflicts associated with the offering of co-investment opportunities, co-investments and related expenses. Co-investment opportunities are determined in the sole discretion of the Adviser, and an underlying investor that desires to participate in a potential co-investment may not receive the full amount, or any amount, of its desired co-investment. When offering co-investment opportunities, the Adviser considers a variety of factors, including whether the co-investor may provide strategic value to the Adviser, its clients, the Adviser's prior experience with the co-investor (if any), legal, tax and regulatory matters and whether such co-investor has previously expressed an interest in participating in co-investment opportunities. The Adviser (or its members, principals, affiliates and employees) may also participate, directly or indirectly, in co-investments and accordingly, this may reduce the availability of co-investment opportunities for others. The terms applicable to any co-investment opportunity will be established in the sole discretion of the Adviser, and co-investors may not be subject to any fees or liquidity constraints in relation to the co-investment opportunity.

Absence of Regulatory Oversight

With respect to the Offshore Feeder and the Master Fund, registration under the Mutual Funds Act (as amended) of the Cayman Islands (the “Mutual Funds Act”) does not involve a detailed examination of the merits of the Fund or the Master Fund or substantive supervision of the investment performance of the Fund or the Master Fund by the Cayman Islands government or the Cayman Islands Monetary Authority (“the Monetary Authority”). There is no financial obligation or compensation scheme imposed on or by the government of the Cayman Islands in favor of, or available to, the investors in the Fund or the Master Fund.

Cybersecurity Risk

The Client, the General Partner or Managing Member (if applicable), the Adviser 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 Client, the General Partner or Managing Member (if applicable), the Adviser or their service providers may adversely impact the Client. For instance, cyber-attacks may interfere with the processing or execution of Client transactions, cause the release of confidential information, including private information about underlying investors, subject the Client, the General Partner or Managing Member (if applicable), the Adviser 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 Client’s key service providers, such as the General Partner or Managing Member (if applicable), the Adviser, banks, broker dealers, custodians or other counterparties holding assets of the Client, may cause significant harm to the Client, including the loss of capital. Similar types of cybersecurity risks are also present for issuers of securities in which the Client may invest. These risks could result in material adverse consequences for such issuers and may cause the Client’s investments in such issuers to lose value.

Limited Prior Experience

While the Investment Manager has experience in the securities industry, the Portfolio Manager and the Partnership CIO have limited prior investment management experience. Additionally, while the Investment Manager has experience managing fixed income investments, the Investment Manager has limited prior experience in managing a private fund that invests in SPACs.

Custody and Prime Brokerage Risk

There are risks involved in dealing with the custodians or prime brokers who settle Client trades. In addition, there may be practical or time problems associated with enforcing the Client’s rights to its assets in the case of an insolvency of any such party.

The Adviser maintains prime brokerage accounts with one or more prime brokers for certain Clients (the “Prime Broker”). Although the Adviser monitors the Prime Broker and

believes it and its affiliates are appropriate custodians, there is no guarantee that the Prime Broker, or any other custodian e, will not become insolvent. While both the Bankruptcy Code and the Securities Investor Protection Act of 1970 seek to protect customer property in the event of a failure, insolvency, or liquidation of a broker-dealer, in the event of a failure of a broker-dealer that has custody of Client assets, the Client may incur losses due to its assets being unavailable for a period of time, ultimately receiving less than full recovery of its assets, or both.

The Client and/or the Prime Broker may appoint sub-custodians in certain non-U.S. jurisdictions to hold the assets of the Client. The Prime Broker may not be responsible for cash or assets, which are held by sub-custodians in certain non-U.S. jurisdictions, nor for any losses suffered by the Client as a result of the bankruptcy or insolvency of any such sub-custodian. The Client may therefore have a potential exposure on the default of any sub-custodian and, as a result, many of the protections, which would normally be provided to a Client by a custodian will not be available to the Client. Custody services in certain non-U.S. jurisdictions remain undeveloped and, accordingly, there is a transaction and custody risk of dealing in certain non-U.S. jurisdictions. Given the undeveloped state of regulations on custodial activities and bankruptcy in certain non-U.S. jurisdictions, the ability of the Client to recover assets held by a sub-custodian in the event of the sub-custodian's bankruptcy would be in doubt.

Lack of Liquidity of Client Assets; Valuation

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

Limited Withdrawal and Transfer Rights

A Limited Partner may only withdraw capital on a quarterly basis and withdrawals may not be made within the first twelve months of the date of such Limited Partner's initial investment in the Client or within the first six months of the date of any subsequent investment in the Client. Limited Partners may only transfer their Interests with the written consent of the General Partner. Accordingly, only investors willing to give up some access and control over their funds should acquire Interests (see Section 11 for further details).

Non-Disclosure of Positions

In an effort to protect the confidentiality of its positions, the Adviser generally will not disclose all of its positions to underlying investors on an ongoing basis, although it may permit such disclosure on a select basis if there are sufficient confidentiality agreements and procedures in place.

Incentive Allocation

The allocation of a percentage of the Client's net profits may create an incentive for the Adviser to cause a Client to make investments that are riskier or more speculative than would be the case if this allocation were not made. Since the allocation is calculated on a basis that includes

unrealized appreciation of assets, such allocation may be greater than if it were based solely on realized gains.

Unrelated Business Taxable Income for Certain Tax-Exempt Investors

Pension and profit-sharing plans, Keogh plans, individual retirement accounts and other tax-exempt investors may realize “unrelated business taxable income” as a result of an investment in the Partnership since the Partnership may employ leverage. See Section 16, “Taxation”. Any tax-exempt investor should consult its own tax adviser with respect to the effect of an investment in the Partnership on its own tax situation.

Accounting for Uncertainty in Income Taxes

The Financial Accounting Standards Board has released Accounting Standards Codification Topic 740 (“ASC 740”) (formerly known as “FIN 48”), to provide consistent guidance on the recognition of uncertain tax positions. ASC 740 prescribes, among other things, the minimum recognition threshold that a tax position is required to meet before being recognized in an entity’s financial statements. Prospective Limited Partners should be aware that, among other things, ASC 740 could have a material adverse effect on the periodic calculations of the value of the Partnership’s net assets, including reducing the value of the Partnership’s assets to reflect reserves for income taxes that may be payable in respect of prior periods by the Partnership. This could adversely affect certain Limited Partners, depending upon the timing of their purchase and withdrawal of Interests.

Subscription Monies

Where a subscription for Common Shares is accepted, the Common Shares will be treated as having been issued with effect from the relevant subscription date notwithstanding that the subscriber for those Common Shares may not be entered in the Fund's register of members until after the relevant subscription date. The subscription monies paid by a subscriber for Common Shares will accordingly be subject to investment risk in the Fund from the relevant subscription date.

Effect of Redemptions

Where a redemption request is accepted, the Common Shares will be treated as having been redeemed with effect from the relevant redemption date irrespective of whether or not such redeeming Shareholder has been removed from the Fund's register of members or the redemption price has been determined or remitted. Accordingly, on and from the relevant redemption date, Shareholders in their capacity as such will not be entitled to or be capable of exercising any rights arising under the Articles with respect to Common Shares being redeemed (including any right to receive notice of, attend or vote at any meeting of the Fund) save the right to receive the redemption price and any dividend which has been declared prior to the relevant redemption date but not yet paid (in each case with respect to the Common Shares being redeemed). Such Shareholders will be treated as creditors of the Fund with respect to the redemption price and will rank accordingly in the priority of the Fund's creditors.

Consequences for Shareholders as a Result of AEOI

The Fund may take such action as it considers necessary in relation to an investor's holding or redemption proceeds, as a result of relevant legislation and regulations, including but not limited to, AEOI, as further detailed in the section of this Memorandum entitled "Taxation; ERISA and Retirement Plan Matters". Such actions may include, but are not limited to the following:

- (a) The disclosure by the Fund, the Administrator or such other service provider or delegate of the Fund, of certain information relating to an investor to the Cayman Islands Tax Information Authority or its delegate (the "TIA") or equivalent authority and any other foreign government body as required by AEOI. Such information may include, without limitation, confidential information such as financial information concerning an investor's investment in the Fund, and any information relating to any shareholders, principals, partners, beneficial owners (direct or indirect) or controlling persons (direct or indirect) of such investor.
- (b) The Fund may compulsorily redeem any Common Shares held by an investor in accordance with the terms of this Memorandum and may deduct relevant amounts from a recalcitrant investor so that any withholding tax payable by the Fund or any related costs, debts, expenses, obligations or liabilities (whether internal or external to the Fund) are recovered from such investor(s) whose action or inaction (directly or indirectly) gave rise or contributed to such taxes, costs or liabilities. Failure by an investor to assist the Fund in meeting its obligations pursuant to AEOI may therefore result in pecuniary loss to such investor.

No Separate Counsel

Our Clients are represented by Investment Vehicle Counsel, and underlying Investors do not have separate independent Counsel.

Effects of Health Crises and Other Catastrophic Events

Health crises, such as pandemic and epidemic diseases, as well as other catastrophes that interrupt the expected course of events, such as natural disasters, war or civil disturbance, acts of terrorism, power outages and other unforeseeable and external events, and the public response to or fear of such diseases or events, have and may in the future have an adverse effect on the Client's investments and the Adviser's operations. For example, any preventative or protective actions that governments may take in respect of such diseases or events may result in periods of business disruption, inability to obtain raw materials, supplies and component parts, and reduced or disrupted operations for the Client's portfolio companies. In addition, under such circumstances the operations, including functions such as trading and valuation, of the Adviser and other service providers could be reduced, delayed, suspended or otherwise disrupted. Further, the occurrence and pendency of such diseases or events could adversely affect the economies and financial markets either in specific countries or worldwide.

Exculpation and Indemnification Provisions

Under each of the Partnership Agreement and the investment management agreement of the Partnership, the Partnership will, to the fullest extent legally permissible under the laws of the State

of Delaware, indemnify and hold harmless the Indemnitees from and against any loss, liability or expense (including, without limitation, judgments, fines, amounts paid or to be paid in settlement and reasonable attorneys' fees and expenses) incurred or suffered in connection with the good faith performance by an Indemnitee of its responsibilities to the Partnership; provided, however, that an Indemnitee will not be indemnified for any liability judicially determined by a final non-appealable order of a court of competent jurisdiction to have been directly caused by its own gross negligence, fraud or willful misconduct. As a result, Limited Partners will have a more limited right of action in certain cases than they would in the absence of such a limitation. The limits on actions against the General Partner, the Investment Manager, and each other Indemnitee and the Partnership's indemnification liabilities to them could be material. In particular, these exculpation and indemnification provisions in favor of the Indemnitees could result in the Partnership bearing significant financial losses even where such losses were caused by the negligence of one or more Indemnitees. If incurred those financial losses would likely have an adverse effect on the returns to the Limited Partners.

General Economic and Market Conditions

The success of the Adviser's activities will be affected by general economic and market conditions, including but not limited to interest rates, inflation rates, economic uncertainty, availability of credit, credit defaults, changes in laws (including laws relating to taxation of the Clients' investments), trade barriers, currency exchange controls, energy prices, commodity prices, pandemics, national and international political circumstances (including government intervention in financial markets, wars, terrorist acts or security operations), natural disasters, and coordinated investor actions (e.g., rise of user boards influence on specific securities). These factors generally affect the level and volatility of securities prices and the liquidity of the Clients' investments. Volatility or illiquidity could impair the Clients' profitability or result in losses. For example, the Russia/Ukraine conflict present material uncertainty and risk with respect to investment performance and the ability to achieve clients' investment objectives. The Firm's Clients may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets.

Conflicts of Interest

The Adviser and their respective affiliates, partners, principals, members and employees (hereinafter referred to as the "Affiliated Parties") may serve as the general partner, managing member, collateral manager or investment adviser to other client accounts and conduct investment activities for their own accounts. Such other entities or accounts (the "Other Clients") may have investment objectives or may implement investment strategies similar to those of the Client.

The Affiliated Parties may also give advice or take action with respect to the Other Clients that differs from the advice given with respect to the Client. To the extent a particular investment is suitable for both the Client and the Other Clients, such investments will be allocated between the Client and the Other Clients in a manner which the Affiliated Parties determine is fair and equitable under the circumstances to all of their clients, including the Client, taking into account, among other things, available capital and cash flows. From the standpoint of the Client, simultaneous identical portfolio transactions for the Client and the Other Clients may tend to decrease the prices received and increase the prices required to be paid by the Client, respectively,

for its portfolio sales and purchases. Where less than the maximum desired number of shares of a particular security to be purchased is available at a favorable price, the Affiliated Parties will allocate the shares purchased among the Client and the Other Clients in an equitable manner.

In addition, purchase and sale transactions (including swaps) may be effected between the Client and the Other Clients subject to the following guidelines: (i) such transactions shall be effected for cash consideration at the closing market price of the particular securities, and (ii) no brokerage commissions or transfer fees shall be paid to the General Partner, Managing Member or the Adviser in connection with any such transaction.

Each of the SPAC Series Funds is formed as a series limited liability company under Delaware law and each series of each SPAC Series Fund generally makes a single investment in membership interests of the sponsor entity of a particular SPAC and receives private placement units and founders shares of the applicable SPAC in connection with its investment. Certain of the Adviser's affiliates and their principals, consultants and employees, including the Portfolio Manager and the CIO of the SPAC Series Funds (collectively, "Cohen Founders Holders"), also receive founders shares of the applicable SPACs in connection with the SPAC Series Funds' investments. The Client is currently and has invested, and expects to invest in the future, in the public equity of SPACs that are sponsored by entities in which a SPAC Series Fund has invested (and, accordingly, through which the SPAC Series Fund holds private placement units and the SPAC Series Fund and the Cohen Founders Holders hold founders shares of the applicable SPAC). Such investments by the SPAC Series Funds and the Cohen Founders Holders will only be profitable if the SPAC completes its initial Business Combination; otherwise, they will be worthless. Accordingly, the Adviser will be particularly incentivized to cause the Client to make investments intended to facilitate a SPAC's ability to close its initial Business Combination, as described in Section 3 above, when a SPAC Series Fund and the Cohen Founders Holders are also invested in the applicable SPAC through its sponsor due to the potential profits the SPAC Series Fund and the Cohen Founders Holders expect upon completion of a Business Combination.

In addition, the Client is currently and has invested, and expects to invest in the future, in SPACs of which the Chief Investment Officer and/or other principals, consultants or employees are directors, officers and/or controllers of the sponsor. Such investments create a number of conflicts of interest, including that:

- The Client's investment may provide direct or indirect benefit to the Chief Investment Officer and the other persons described above or otherwise affect their financial and/or business interests. For example, the Client's investment may increase the value of the of the interests held by the persons described above in the applicable SPAC and lead to increased compensation of such persons in their capacities as officers and/or directors of the applicable SPAC.
- As officers or directors of the applicable SPAC, the Chief Investment Officer and other persons described above owe certain duties to the SPAC, and those duties may conflict with their duties to the Client from time to time.

- The Chief Investment Officer and the other persons described above may have incentives to allocate their time and attention to their personal duties to the SPAC at the expense of the Client.

In addition, JVB's Investment Banking team does and will continue to advise SPACs, including those in which the Client invests, on their IPO, Business Combinations and PIPES as well as SPAC targets on Business Combinations.

Further, Jason Capone, the Chief Investment Officer of the SPAC Funds and the SPAC Series Funds is and will remain an associated person of a third-party broker dealer where he will execute trades or conduct other financial or strategic advisory services, on behalf of clients, and he will continue to make investments in his personal account subject to the Adviser's personal trading policy. Mr. Capone may also (i) participate as a member and investor in sponsors of SPACs unrelated to his employment with the Adviser, which activities may include, without limitation, identifying, negotiating, financing, and otherwise assisting with the business of SPACs, and (ii) operate family offices that engage in significant public and private investment and charitable activities, and, in each case, he may continue to do so subject to the Adviser's compliance manual, code of ethics, and any other applicable policies and procedures. As a result, the Client may invest in SPACs that are sponsored by entities involving Mr. Capone. If Mr. Capone is involved with the sponsor of a SPAC, he may be incentivized to direct the Client to participate in the SPAC's IPO or warrant tender offer, or to hold equity of the SPAC through its Business Combination, which might assist the SPAC in closing the Business Combination. Each of these actions would financially benefit Mr. Capone. In order to mitigate Mr. Capone's conflicts of interest, the Client will not hold equity of a SPAC involving Mr. Capone following the close of a Business Combination. This restriction may cause the Client to sell SPAC equity earlier than it otherwise would, which may negatively impact the Client's performance.

As a result of the foregoing, the Affiliated Parties may have conflicts of interest in allocating their time and activities between the Client and the Other Clients, in allocating investments among the Client and the Other Clients and in effecting transactions between the Client and the Other Clients, including ones in which the Affiliated Parties may have a greater financial interest.

Each client of the Adviser bears its own expenses as set forth in its respective investment management agreement and relevant governing documents. Expenses borne by the other clients may differ from the expenses born by the Client. In certain instances, the Client may bear its pro rata portion of expenses that the Adviser has agreed to bear for one or more other clients. In other instances, the other clients may bear their pro rata portion of expenses that the Adviser has agreed to bear for the Client.

Common expenses frequently will be incurred on behalf of the Client and one or more Other Clients. The Adviser will seek to allocate those common expenses among the Client and the Other Clients in a manner that is fair and reasonable over time. However, expense allocation decisions will involve potential conflicts of interest (e.g., conflicts relating to different expense arrangements with certain clients). The Adviser may use a variety of methods to allocate common expenses among the Client and the Other Clients, including methods based on assets under management, relative use of a product or service, the nature or source of a product or service, the

relative benefits derived by the Client and the Other Clients from a product or service, or other relevant factors. Nonetheless, because the Adviser's expense allocations often depend on inherently subjective determinations, the portion of a common expense that the Adviser allocates to the Client for a particular product or service may not reflect the relative benefit derived by the Client from that product or service in any particular instance.

Each of the General Partner, Managing Member and the Adviser will use its best efforts in connection with the purposes and objectives of the Client and will devote so much of its time and effort to the affairs of the Client as may, in its judgment, be necessary to accomplish the purposes of the Client. The Client Agreement specifically provides that the Affiliated Parties may conduct any other business, including any business within the securities industry, whether or not such business is in competition with the Client. Without limiting the generality of the foregoing, the Affiliated Parties may act as the general partner, managing member, collateral manager or investment adviser for others, may manage funds or capital for others, may have, make and maintain investments in their own name or through other entities, and may serve as officers, directors, consultants, partners or stockholders of one or more investment funds, Clients, securities firms or advisory firms. It may not always be possible or consistent with the investment objectives of the various persons or entities described above and of the Client for the same investment positions to be taken or liquidated at the same time or at the same price.

The Directors have delegated responsibility for the valuation of the Fund's assets and the calculation of the net asset value of the Common Shares to the Investment Manager and the Administrator, respectively, in accordance with the principles described in Section 11 under "Net Asset Value". The Investment Manager's involvement regarding valuation of the Master Fund's portfolio may present a potential conflict of interest as the Investment Manager is paid the Management Fee which is calculated by reference to the net asset value of the Common Shares, and an affiliate of the Investment Manager, as the holder of certain allocation class shares in the Master Fund, is allocated the Incentive Allocation which represents a percentage of the Master Fund's net profits.

Series Portfolio Risks

The Fund is formed as a series limited liability company under Delaware law. Each Portfolio will be designated as a separate series of limited liability company interests and each Portfolio will be a separate pool of assets constituting, in effect, a separate limited liability company with its own investment strategy and policies. Under Delaware law, the debts, liabilities, obligations and expenses incurred by one Portfolio will only be enforceable against the assets of the same Portfolio and not against the assets of any other Portfolio. In addition, the Fund is required to follow certain administrative procedures. If the Fund fails to follow such procedures, the benefit of the statutes allowing for the protection of assets in a particular Portfolio will not be available. Further, the Fund may operate or have assets held on its behalf or be subject to claims in other jurisdictions that may not necessarily recognize the series limited liability company status of the Fund. As a result, there is no guarantee that the courts of any jurisdiction will respect the limitations on liability associated with the Fund.

No Material Restrictions; Nature of Investments

In accordance with the Fund's investment objective, the Investment Manager has broad discretion in making investments for the Fund through each Portfolio, subject to the Portfolio's investment program described in the applicable Supplement. At the Investment Manager's direction, the Portfolios may invest in, among other financial instruments, U.S. and non-U.S., public and private equities, fixed income securities, currencies, commodities, derivatives, futures contracts, options, swaps and other financial instruments.

These investments carry a number of risks. Business and financial risks associated with a specific company, economic and political conditions of a specific country or region and fiscal and

Counterparty and Settlement Risk

To the extent that the Fund invests in swaps, "synthetic" or derivative instruments, repurchase agreements, certain types of options or other customized financial instruments, or, in certain circumstances, non-U.S. securities, the Fund takes the risk of non-performance by the other party to the contract. This risk may include credit risk of the counterparty and the risk of settlement default. This risk may differ materially from those entailed in exchange-traded transactions that generally are supported by guarantees of clearing organizations, 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. Any such default by a trading counterparty could result in losses to the Fund due to the delay of settlement of a transaction, loss of market gains or, in certain circumstances, loss of a portion or the full amount of the notional value of the transaction.

Brokerage and Custodial Risk

There are risks involved in dealing with custodians who settle Fund trades, if any. Each Portfolio may maintain a custody account with a custodian (the "Custodian") described in the applicable Supplement related to that Portfolio. Although the Investment Manager will monitor the Custodian and believes that it is an appropriate custodian, there is no guarantee that the Custodian, or any other custodian that the Fund may use from time to time, will not become bankrupt or insolvent. While both the Bankruptcy Code and the Securities Investor Protection Act of 1970 seek to protect customer property in the event of a bankruptcy, insolvency, failure, or liquidation of a broker-dealer, there is no certainty that, in the event of a failure of a broker-dealer that has custody of Fund assets, the Fund would not incur losses due to its assets being unavailable for a period of time, the ultimate receipt of less than full recovery of its assets, or both.

The Fund and/or the Custodian may appoint sub-custodians in certain non-U.S. jurisdictions to hold the assets of the Fund. The Custodian may not be responsible for cash or assets which are held by sub-custodians in certain non-U.S. jurisdictions, nor for any losses suffered by the Fund as a result of the bankruptcy or insolvency of any such sub-custodian. The Fund may, therefore, have a potential exposure on the default of any sub-custodian and, as a result, many of the protections that would normally be provided to a fund by a custodian may not be available to the Fund. Under certain circumstances, including certain transactions where the Fund's assets are pledged as collateral for leverage from a non-broker-dealer custodian or a non-broker-dealer affiliate of the Custodian, or where the Fund's assets are held at a non-U.S.

custodian, the securities and other assets deposited with the custodian or broker may not be clearly identified as being assets of the Fund and the Fund could be exposed to a credit risk with regard to such parties. Custody services in certain non-U.S. jurisdictions remain undeveloped and, accordingly, there is a transaction and custody risk of dealing in certain non-U.S. jurisdictions. Given the undeveloped state of regulations on custodial activities and bankruptcy, insolvency, or mismanagement in certain non-U.S. jurisdictions, the ability of the Fund to recover assets held by a sub-custodian in the event of the sub-custodian's bankruptcy or insolvency could be in doubt, as the Fund may be subject to significantly less favorable laws than many of the protections that would be available under U.S. laws. In addition, there may be practical or time problems associated with enforcing the Fund's rights to its assets in the case of a bankruptcy or insolvency of any such party.

Performance Compensation

The performance compensation paid by each Portfolio to the Managing Member, an affiliate of the Investment Manager, may create an incentive for the Investment Manager to cause the Fund to make investments that are riskier or more speculative than would be the case if this allocation were not made. In certain Portfolios, the allocation may be calculated on a basis that includes unrealized appreciation of assets, meaning such allocation may be greater than if it were based solely on realized gains.

Lack of Operating History

The Fund is a newly-formed entity with no operating history for prospective investors to evaluate in deciding whether to invest in the Fund. In addition, while the Investment Manager has experience in the securities industry, the Portfolio Manager has limited investment management experience upon which investors can evaluate his past performance. Accordingly, an investment in the Fund entails a significant degree of risk.

Item 9 Disciplinary Information

There are no legal and disciplinary events that are material to a client's or prospective client's evaluation of CCFM or DCM or the integrity of CCFM's or DCM's management.

Item 10 Other Financial Industry Activities and Affiliations

Registration as a Broker-Dealer or Registered Representative

Certain officers of CCFM's and DCM's indirect parent, the Operating LLC, are registered representatives and officers of J.V.B. Financial Group, LLC ("JVB"), CCFM's affiliated registered broker dealer that is a FINRA and SIPC member. Some registered representatives of JVB are compensated for referring investors to CCFM or DCM. In addition, Jason Capone, the Chief Investment Officer of the SPAC Funds and the SPAC Series Funds is a registered representative of Watermill Institutions Trading LLC, an unaffiliated broker dealer. Watermill is used as an executing broker transacting in SPAC shares. Mr. Capone is not compensated, by Watermill in any way, in connection with those shares.

Registration as a FCM, CPO, or CTA

Neither CCFM nor DCM or any of their management persons, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or a representative of the foregoing. The Adviser and each of the applicable Clients are exempt from registration as a result of the exemption available under CFTC Rule 4.13(a)(3).

Material Relationships or Arrangements with Financial Industry

Cohen & Company Inc., an NYSE American listed public company that trades under the ticker symbol COHN is the ultimate parent company of CCFM, DCM and its affiliates. CCFM may utilize the services of its affiliates in connection with certain back office functions, including, but not limited to, the settlement and clearing of securities transactions, on behalf of the CDOs and the SPAC Fund. No additional fees are charged to the CDOs or the SPAC Fund for such services.

Mr. Cohen is a managing member of FinTech Masala, LLC, an investment firm that sponsors SPACs and makes venture capital investments. Additionally, Mr. Cohen serves as an Outside Director on the Board of Directors for Perella Weinberg Partners LP, a global investment banking firm.

Cohen & Company Financial (Europe) Limited ("CCFEL"), a wholly owned subsidiary of the Operating LLC (the indirect parent of the Adviser) is authorized and regulated by the Central Bank of Ireland ("CBI"). CCFEL has CBI permission to carry on the following activities: (1) receiving/transmitting orders; (2) executing client orders; (3) portfolio management; (4) investment advice; and (5) research and financial analysis. A filing to withdraw the authorization has been submitted to the CBI.

CCFESA has agreed to render investment advice and aid in connection with the services provided to the Dekania CDOs. In October 2021, CCFESA received authorization from the French banking regulator ("ACPR") to act as Investment Firm under the European Union (Markets in Financial Instruments) Regulations 2017 to provide Financial Instruments. CCFESA's license by the ACPR covers the following activities: (1) order reception and transmission for third parties; (2) order execution for third parties; (3) investment advice; (4) portfolio management for third parties; and (5) research and financial analysis. Following authorization of CCFESA, various contracts

originally entered into by CCFL and CCFEL were novated to CCFESA. The novation of contracts was completed on November 1, 2021. Further to such novation, CCFEL has stopped carrying out any regulated activity and has submitted a withdrawal of its licensing with the Central Bank of Ireland and upon approval the entity will be liquidated. CCFL is also in the process of being liquidated.

Compensation from Third-Party Advisers

The Adviser does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for clients.

Item 11 Code of Ethics; Participation or Interest in Client Transactions

Code of Ethics

The Adviser has adopted various policies, including a Code of Ethics (the “Code”), to address the potential for self-dealing and conflicts of interest which may arise with respect to personal securities trading by employees, officers, and other affiliated persons (“Access Persons”). The Code applies not only to Access Persons, but also to members of their “immediate family” (as defined in the Code), which includes most relatives living in the Access Person’s principal residence. The Code and other policies cover, among other things, portfolio management and trading practices, personal investment transactions and insider trading. These policies are meant to avoid actual and apparent conflicts of interest and to ensure that clients’ interests are put first. For example, the Code restricts the timing and other circumstances under which certain Access Persons may purchase or sell a security, which to their knowledge is being purchased or sold or being considered for purchase or sale by a client. Access Persons are also prohibited from purchasing or selling any security for their own account or for that of a client while in possession of material, non-public information concerning the security or its issuer. The Code also requires certain Access Persons to obtain pre-clearance before trading in securities for their own account and to periodically report their securities holdings. To facilitate this reporting, these Access Persons are generally required to disclose these accounts to the Adviser’s Compliance Department.

Recommend Securities with Material Financial Interest

Neither the Adviser, nor any Access Persons, recommends, buys, or sells for CDOs or the SPAC Fund, securities in which Adviser or any Access Persons have a material financial interest. CCFM and its Access Persons may recommend securities for the SPAC Series Funds in which they may have a material financial interest.

Invest in Same Securities Recommended to Clients

The Adviser and its Access Persons may buy or sell securities for themselves that Adviser’s clients also own. This practice creates a potential conflict of interest as Adviser and its Access Persons may benefit from the sale and purchase of those securities. Adviser addresses these conflicts of interest by having adequate policies and procedures in place that prohibit Adviser and its Access Persons from trading ahead of Adviser’s clients or in such a way to obtain a better price for themselves than for Adviser’s clients. A copy of the Adviser’s Code of Ethics will be provided to any client or prospective client upon request.

Item 12 Brokerage Practices

The Adviser is typically authorized to determine the broker or dealer to be used for each securities transaction for a Client. In selecting brokers or dealers to execute transactions, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. The Adviser will take into account the financial stability and reputation of brokerage firms, and the research, brokerage or other services provided by such brokers. It is not the Adviser's practice to negotiate "execution only" commission rates, thus the Client may be deemed to be paying for research, brokerage or other services provided by the broker which are included in the commission rate. However, all transactions will be made on a "best execution" basis.

Selection Factors for Counterparties

Best Execution. As part of its fiduciary duty to Clients, CCFM has an obligation to seek the best price and execution of Client transactions when CCFM is in a position to direct brokerage transactions. While not defined by statute or regulation, "best execution" generally means the execution of Client trades at the best net price considering all relevant circumstances. CCFM will seek best execution with respect to all types of Client transactions, including equities, fixed income, options, futures, foreign currency exchange, and any other types of transactions that may be made on behalf of Clients. CCFM will conduct the following types of reviews to evaluate the qualitative and quantitative factors that influence execution quality:

- Initial and periodic reviews of individual broker-dealers;
- Contemporaneous reviews by CCFM's Traders; and
- Quarterly meetings of the Best Execution Committee.

Review of Counterparty Execution. CCFM has implemented controls and procedures for Best Execution including a Best Execution Committee and Best Execution meetings to be held quarterly. The Best Execution Committee is responsible for ensuring that CCFM meets its best execution obligations. The Best Execution Committee is responsible for updating CCFM's Best Execution procedures whenever appropriate and considering any other best execution issues identified by the Best Execution Committee. The Best Execution Committee will seek input from portfolio management and research personnel and also back office personnel when reviewing information relating to best execution. The Best Execution Committee will request back up testing documentation, such as a commission run and price per share in relation to equity trading, in order to substantiate the information provided from various personnel.

Prime Brokers. Some of our Clients have one or more prime brokers through which the Client's trade clearance and financing is coordinated. Some prime brokers also provide the Advisor with capital introduction, research, reporting and analysis tools as part of their services.

Soft Dollar Arrangements. Under the terms of the Clients' Offering Documents, the Advisor is authorized to use the Clients' commissions to pay for research products or services ("Soft Dollars") to obtain products and services that fall within the safe harbor created by Section 28(e) of the Securities Exchange Act of 1934, as amended. The Advisor does not utilize Soft Dollars to purchase third-party research and services. The Advisor does, however, consider a

broker-dealers' proprietary research in selecting broker-dealers and determining commission rates. In such an event, the Advisor may cause the Clients to trade with broker-dealers that provide research products or services to the Advisor in addition to trade execution. The Advisor may, consistent with its duty to seek to obtain best execution for each trade, consider the nature and quality of such research in deciding which broker-dealers to trade with. If the Advisor determines in good faith that the amount of commissions charged by a broker is reasonable in relation to the value of the brokerage and research 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.

Brokerage for Client Referrals. The Advisor may receive Client or Investor referrals from registered representatives of broker-dealers that trade on behalf of the Advisor's Clients. The Company is aware that such referrals may pose a conflict of interest; CCFM could have an incentive to direct brokerage to broker-dealers that fail to achieve best execution in order to continue receiving referrals. The Company will review referral relationships and the associated conflicts of interest during its periodic and systematic evaluations of execution quality.

Trade Aggregation and Allocation. When a transaction is suitable for more than one client, the Advisor may aggregate trades in order to execute transactions in a more timely, equitable, and efficient manner. The Advisor will choose to aggregate client transactions where possible and in accordance with seeking best execution. In these instances, clients participating in any aggregated transactions will receive the same price per share on the trade.

The Advisor allocates trades among the portfolios in a manner that is deemed equitable to all accounts involved. The Advisor's standard default allocation methodology is pro-rata. There may be circumstances where the Advisor elects to use a different allocation methodology. Such circumstances may include, but are not limited to new account funding, client/investor deposits, Fund redemptions, and client withdrawals. In these cases, accounts within the order may be prioritized based on underlying criteria, which the Advisor would assess and document.

Cross Trades. CCFM does not engage in cross trades/agency cross trades, however, in the event one is considered, the CCO must be notified and approve the proposed trades. The CCO must conclude that the proposed trade is fair and equitable for all involved and that appropriate disclosures were provided to the Client(s) involved.

Principal Trades. Section 206(3) of the Advisers Act prohibits CCFM and any Employee or other affiliate from trading with any Client on a principal basis, or from recommending an agency cross trade to both participants. In the event CCFM engages in a Principal Trade, it will disclose the capacity in which it is acting to each participating Client in writing before completion of the transaction and obtains each participating Client's consent to the transaction.

Incident Handling Policy. If the Advisor makes an error while placing a trade for a client, the Company will seek to correct the error promptly in a way that mitigates any losses. The cost of errors in the Clients' accounts will be borne by the funds unless an error is the result of bad faith, gross negligence, or willful misconduct by the Advisor.

Item 13 Review of Accounts

The investment personnel of the Adviser continuously review and analyze financial markets and economic conditions in light of Client's investments in order to maximize the risk-adjusted returns. The level of review varies based on the facts and circumstances specific to individual Clients. Generally, a review of a Client includes specific securities held, adherence to investment guidelines and performance.

The Adviser together with the CDO indenture trustee, prepares quarterly and annual reports regarding, among other things, the financial performance of issuers of collateral securities. These reports are made available to the CDO, its investors and the rating agencies.

DCM prepares monthly reports regarding the Insurance JV investments and quarterly news and financial summary reports regarding investments.

Each investor in the SPAC Fund and the SPAC Series Funds will receive monthly capital account statements and audited financial statements annually.

Item 14 Client Referrals and Other Compensation

Certain trading counterparties and the prime broker for the SPAC Fund offer capital introduction services to the Adviser. Capital introduction is a service designed to introduce hedge fund managers to potential investors, typically through individual meetings or in a conference format. Although capital introduction is customarily offered as a free service, various conflicts of interest are presented by such arrangements. While the Adviser does not compensate these broker-dealers based on capital introductions, the Adviser may be induced to use the services of a specific broker due to the broker's ability to raise capital for the Adviser. In addition, the Adviser may benefit from these services because its management fees are generally based upon a percentage of assets managed and its incentive or performance-based fees are generally based upon a percentage of net profits on such assets. These services are made available to the Adviser on an unsolicited basis and without regard to the rates of commissions charged or paid by the Master Fund or the volume of business the Adviser directs to such brokers. The Adviser engages third party marketing professionals who are compensated for soliciting investor referrals. The Advisor also employs personnel, some of whom are also registered representatives of JVB, who solicit investor referrals and are compensated by discretionary bonuses.

Item 15 Custody

The Adviser is subject to Rule 206(4)-2 under the Advisers Act (the “Custody Rule”). It is not required, however, to comply (or will be deemed to have complied) with certain requirements of the Custody Rule with respect to Clients because it complies with the provisions of the so-called “Pooled Vehicle Annual Audit Exception,” which, among other things, requires that Clients (i) be subject to an audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and (ii) distribute its audited financial statements to all investors within one hundred and twenty (120) days of the end of its Fiscal Year.

In addition, the Adviser generally maintains each Client’s funds and securities at prime brokers or a custodial bank, all of whom are “qualified custodians,” as that term is defined under the Custody Rule. For any securities that are not held with qualified custodians (*e.g.*, certain uncertificated securities and other private securities), such securities will be held in accordance with the provisions of the Custody Rule and any applicable guidance from the SEC staff.

With the exception of the authority to submit reimbursement requests for Collateral Manager expenses incurred on behalf of a CDO, to be approved and paid by the Trustee, the Adviser does not have custody of clients’ funds or securities. An independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board prepares an independent report evaluating whether the information presented in the reports referred to in Item 13 is prepared in accordance with the indenture and such report is delivered to the Trustee.

We do not have custody of the Insurance JV.

Item 16 Investment Discretion

The Adviser provides investment management services to CDOs on a discretionary basis. CDOs who engage the Adviser for discretionary management services may place limitations, in writing, on the Adviser's discretionary authority to the extent that the limitations do not adversely affect Adviser's ability to properly manage the CDO account.

CCFM will provide investment management services to the Master Fund and Series Funds on a discretionary basis.

DCM provides advisory services on a non-discretionary basis to the Insurance JV.

Item 17 Voting Client Securities

In compliance with Rule 206(4)-6 under the Advisers Act, the Adviser has adopted proxy voting policies and procedures. The Adviser's general policy is to vote proxy proposals, amendments, consents or resolutions (collectively, "Proxies"), in a prudent and diligent manner that will serve the applicable Client's best interest and is consistent with each Client's investment objectives.

The Adviser will take into account various relevant factors, as determined by it, which may include: (i) the impact on the value of the securities or instruments owned by the relevant Client and the returns on those securities; (ii) the anticipated associated costs and benefits; (iii) the continued or increased availability of portfolio information; and (iv) industry and business practices.

In limited circumstances, the Adviser may refrain from voting Proxies where it believes that voting would be inappropriate, taking into consideration the cost of voting the Proxies and the anticipated benefit to its Clients. Generally, investors and Clients may not direct the Adviser's vote in a particular solicitation.

Conflicts of interest may arise between the interests of the Adviser's Clients and the Adviser, in the context of the voting of Proxies. If the Adviser determines that it has a conflict of interest when voting Proxies, it will vote in accordance with its Proxy voting policies and procedures. The Adviser will make its Proxy voting policies and Proxy voting record with respect to Clients available to an investor for review, upon request.

Class Actions

In the event that a Client becomes eligible to participate in a class action, the Adviser will determine whether participation in such action is in the Client's best interest after considering any costs that may be incurred in connection therewith, as well as any profits that are reasonably likely to result from such participation. Any proceeds ultimately received from a class action are expected to be credited to the applicable Client(s) for the benefit of the then-current investors only.

Investors may obtain copies of CCFM's proxy voting policies and procedures by submitting a written request to the CCO at 3 Columbus Circle, 24th Floor, New York, NY 10019.

Item 18 Financial Information

The Adviser is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to clients and has not been the subject of a bankruptcy petition at any time during the past ten years.