

Blue Door Asset Management, LLC

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This brochure (this “Brochure”) provides information about the qualifications and business practices of Blue Door Asset Management, LLC. If you have any questions about the contents of this Brochure, please contact us by e-mail at IR@Bluedooram.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Registration as an investment adviser does not imply that Blue Door Asset Management, LLC or any of its principals or employees possess a particular level of skill or training in the investment advisory business or any other business.

Additional information about Blue Door Asset Management, LLC is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2. Material Changes

Blue Door Asset Management, LLC filed its initial Form ADV (including its initial Brochure) on May 12, 2021. This Brochure has been updated to include additional information about Blue Door Asset Management, LLC's advisory business, including with respect to its assets under management and certain risk factors relating to the private funds that it manages.

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Item 4. Advisory Business

Blue Door Asset Management, LLC (“we,” “us,” or “our”) is a Delaware limited partnership that was formed in October 2018. We are principally owned and controlled by Michael Luddy and Daniel Krausz, (the “Partners”).

We provide discretionary investment advice to two private funds, a long-short fund (the “Long-Short Fund”) and a long only fund (the “Long Only Fund,” and together with the Long-Short Fund, the “Funds”). We also intend to provide discretionary investment advice to one or more separately managed accounts (collectively, the “SMAs”). In the future, we may also provide investment advice to additional private funds and SMAs. References throughout this document to “clients” refer to the Funds and any other private funds and SMAs that we may advise in the future.

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

Blue Door GP LLC, one of our related persons (the “Blue Door GP”), serves as the general partner to the Funds.

We provide macro-level market and sector insights to certain individuals and entities (“Investment Consulting Clients”) on a non-discretionary basis. In these circumstances, we will not be responsible for implementing any of our advice and the Investment Consulting Clients are solely responsible for accepting, rejecting, and implementing such recommendations and advice.

We do not participate in wrap fee programs.

As of December 31, 2021, we managed \$100,461,582 of regulatory assets under management on a discretionary basis. We do not manage any assets on a non-discretionary basis.

Item 5. Fees and Compensation

Our fees and compensation are described in our clients’ Governing Documents. All of our clients are “qualified purchasers” (as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended).

We are paid management fees from the Funds quarterly in advance. Management fees are prorated in the case of a partial calendar quarter. We deduct such management fees from each Fund. We will have the right to waive or modify the management fee payable with respect to any investor.

The Blue Door GP is entitled to receive performance-based allocations from the Funds, as further described in *Item 6 – Performance-Based Fees and Side-By-Side Management*.

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

The Funds will bear all expenses relating to their ongoing structure and operation, including: (i) the management fee; (ii) all investment-related costs and expenses (*i.e.*, expenses that, in our sole discretion, are related to the investment of the Funds' assets, whether or not such investments are consummated), including commissions and charges, interest on margin accounts and other indebtedness, expenses relating to short sales, clearing and settlement charges, option premiums and custodial and service fees, research-related expenses (including research-related travel expenses), expenses relating to consultants, attorneys, brokers or other professionals or advisors who provide research, advice or due diligence services with regard to investments; (iii) fees and expenses related to portfolio exposure and performance management systems, risk management services and software related to trade reconciliation, treasury, margin, financial and counterparty management, risk monitoring, performance reporting, valuation quotation services (*e.g.*, Bloomberg terminals, historical and live financial data and other similar services and data feeds) and trade order management systems (including systems that facilitate trade compliance, commission management, stock locates and transaction cost analysis, and third party service providers used for implementation, custom reporting, updates, consultations, support, maintenance, monitoring and data extracts); (iv) the Funds' legal, accounting, tax preparation and other tax-related expenses (including preparation and mailing costs of financial statements, tax returns and other reports to Fund investors), auditing, consulting and other professional expenses; (v) third-party administration costs, fees and expenses (including any costs, fees and expenses related to investor communications, relations, reporting or other investor materials, tax preparation and related reporting, performance information, data extraction and other types of reporting and any audit or accounting services provided by a third-party administrator); (vi) all fees and charges of custodians, clearing agencies and banks; (vii) compliance and reporting expenses and expenses attributable to regulatory filings that are made with respect to the Funds or assets of the Funds (including Section 13, Section 16, Form D, Form PF, FATCA, anti-money laundering compliance, state security filings, general regulatory compliance and non-U.S. position reporting filings, if applicable, and non-U.S. filings, if any); (viii) the Funds' *pro rata* share of Fund-related insurance costs (including the Funds' *pro rata* portion of director's and officer's insurance, errors and omissions insurance, fidelity insurance and other similar policies covering us and/or the Blue Door GP); (ix) any taxes (including but not limited to any withholding taxes, transfer taxes, stamp duties and other governmental or self-regulatory agency-related charges or duties); (x) all costs and expenses incurred in attempting to protect and enhance the value of a Fund investment (including any fees and expenses associated with any pending or threatened litigation, audit, investigation, administrative or other proceeding, as well as any settlement costs); (xi) fees and expenses related to any activist-related activities (if applicable); (xii) any fees and expenses related to the Funds' liquidation, if applicable; (xiii) fees paid to proxy and securities class action advisory firms; (xiv) expenses relating to the offer and sale of interests in the Funds and withdrawals and transfers thereof; (xv) other reasonable expenses related to the purchase, sale, preservation or transmittal of the Funds' assets and (xvi) any extraordinary expenses (*e.g.*, indemnification expenses). To the extent that expenses to be borne by the Funds are paid by us or our respective affiliates, the Fund will reimburse such party for such expenses.

The Funds will bear all costs and expenses relating to the organization of the Funds and to the offering of interests in the Funds (including government filing fees, stamp duties or other taxes, legal and accounting fees, printing and mailing expenses, and any other organizational costs, if any). To the extent that we or the Blue Door GP advance organizational expenses that should be borne by the Funds and do not waive reimbursement of such expenses, we or the Blue Door GP will be reimbursed by the Funds.

We also allocate a portion of certain clients' capital to money market funds or exchange-traded funds ("ETFs"). In addition to the fees and expenses discussed above, clients will indirectly incur similar fees

and expenses if we invest their capital in such funds, as these funds in turn pay similar fees and expenses to their investment managers and other service providers.

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

The expenses that will be charged to future SMAs and any future client account will be determined on a case-by-case basis.

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

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

The Blue Door GP is entitled to receive a performance allocation from the Funds on an annual basis and upon withdrawals by investors. Such performance allocation is based on the net capital appreciation of the Funds' assets and is subject to a loss-carryforward mechanism. We or our affiliates have the right to waive or modify the performance allocation with respect to any investor.

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

Side-by-Side Management

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

We seek to allocate investments among the Accounts in a fair and equitable manner, taking into account a variety of factors, including, but not limited to: (i) each Account's investment or risk restrictions or guidelines (including with respect to concentration), (ii) legal, regulatory and tax considerations, (iii) relative amounts of capital available for new investments, (iv) minimum participation thresholds we deem appropriate, (v) the overall portfolio composition of each Account, (vi) liquidity, (vii) the desire to avoid *de minimis* allocations and odd lots, and (viii) rebalancing to account for inflows and outflows of capital.

Generally, the Long-Only Fund's investment opportunities are drawn predominantly from the portfolio of the Long-Short Fund, and it is therefore expected that there will be significant overlap in their long positions. Our general policy is to trade the long positions in the Long-Short Fund and the Long-Only Fund on a *pari passu* basis. However, allocations between such Funds may be made on a different basis for a number of factors, including but not limited to those set forth above. In addition, the timing of a sale or disposition of a long position may differ between the Long-Short Fund and the Long-Only Fund due to a number of reasons, including one or more of the above factors.

In addition, because our client accounts' management fees and performance-based compensation are generally based on the net asset values of such accounts, we have a conflict of interest in valuing assets held in client accounts. To mitigate this conflict, we follow documented valuation policies and expect to periodically consult with auditors and the administrator to each Fund.

Item 7. Types of Clients

Investors in the Funds are generally family offices, pension plans, endowments, other institutional investors, and high net worth individuals that qualify as “accredited investors” (as defined in Rule 501 under the Securities Act of 1933, as amended) and qualified purchasers. The minimum initial investment in the Funds is generally \$1,000,000. We have waived and may in the future waive such minimum under certain circumstances.

If we determine to require a minimum investment for the SMAs or any future client accounts, we will make that determination on a case-by-case basis.

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

The Long-Short Fund’s investment objective is to generate long-term capital appreciation, over the course of market cycles, based on our security selection and portfolio construction for the fund primarily using a long biased, long/short equity strategy with flexibility to use other asset classes to enhance long term returns. We will seek to achieve the Long-Short Fund’s investment objective primarily by investing in global equity securities across all industries and market capitalization ranges, and may utilize options, ETFs and futures instruments across asset classes. The Long-Short Fund will utilize both individual equity and index level short positions as a means to manage the exposure of the portfolio.

The Long Only Fund’s investment objective is to generate long-term capital appreciation, over the course of market cycles, based on our security selection and portfolio construction for the fund using a long only equity strategy. We will seek to achieve the Long Only Fund’s investment objective primarily by investing in global equity securities across all industries and market capitalization ranges, and may utilize options, ETFs and futures instruments across asset classes.

For both Funds, we will employ a bottom-up, fundamental approach to stock selection that is supplemented by a macro overlay. The bottom-up, fundamental approach to stock selection tends to focus on good to great companies with identifiable misperceptions creating a discount to what is deemed to be a more appropriate intrinsic value range. This value is based on, among other things, the generation of future cash flows, the return on invested capital opportunities, and the risk of disruption. The macro approach applies a rigorous analytical overlay to help mitigate security level and portfolio level risks that tend to be harder to identify when analyzing solely on the micro level. The combined micro and macro analysis also helps surface particularly noteworthy opportunities where the two analyses are aligned in their directional view of risk-adjusted value for the security in question. While we are agnostic to sector or style from a bottom-up selection perspective, the macro and portfolio level analyses is utilized to ensure that the portfolio as a whole isn’t exhibiting any implicit, unwanted macro sensitivities. Examples of this can include, but are not limited to, currency exposure sensitivities, commodity sensitivities and interest rate sensitivities. Additionally, we aim to invest with duration in order to raise the probability of successful decision making execution. To us, investing with duration means focusing on more predictable and analyzable longer term outcomes in conjunction with being more insensitive to shorter term volatility when it is not believed to be representative of the intrinsic risk or value changes.

On the short side, we generally aim to hedge certain exposures created by our long positions as well as protect against macro related risk in the portfolio at large. Additionally, we may short for bottom-up

idiosyncratic reasons when we believe a security is mispriced and has identifiable catalysts ahead of it to help prove to the market the reasons for this mispricing.

We expect that future client accounts would pursue the same or similar strategies as those set forth above.

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

Risk Factors

Risk Factors Applicable to the Funds Generally

Equity-Related Instruments in General

The Funds will invest in equity securities and equity-related instruments, including but not limited to publicly listed equity securities in the U.S. or abroad, privately offered equity securities and financial instruments that may reference a single issuer, a specific sector or a broad equity index. Equity securities represent ownership interests in their respective issuers and are generally carry the most risk associated with a specific issuer's capital structure.

The price of equity securities and their related financial instruments vary for a variety of reasons, including but not limited to supply and demand of the equity securities, the actual or perceived business opportunities associated with the issuer, the current and potential future cash flow of the issuer, the issuer's management, their ability to execute on a specific business plan, the general economic environment, and the outlook for the overall economy. To the extent the Funds own an equity security or otherwise have exposure to an equity security or an equity-related financial instrument, this investment carries the risks associated with owning equities and may also carry risks associated with the form of financial instrument (e.g., options, derivative or securities-based futures contract). Any investment in equities or equity-related instruments entails a significant risk of loss.

Market Risks

The profitability of a significant portion of the Funds' investment programs depends to a great extent upon our ability to correctly assess the future course of the price movements of securities and other investments. There can be no assurance that we will be able to accurately predict these price movements. The Funds will only invest in long positions and therefore, any adverse changes in the overall market may result in a decline in the value of the Funds' assets.

Emerging Markets

The Funds will invest in emerging markets. Investing in emerging markets involves certain risks and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include (a) the risk of nationalization or expropriation of assets or confiscatory taxation; (b) social, economic and political uncertainty including war; (c) dependence on exports and the corresponding importance of international trade; (d) price fluctuations, less liquidity and smaller capitalization of securities markets; (e) currency exchange rate fluctuations; (f) rates of inflation; (g) controls on foreign investment and limitations on repatriation of invested capital and on the Funds' ability to exchange local currencies for U.S.

dollars; (h) governmental involvement in and control over the economies; (i) that governments may decide not to continue to support economic reform programs generally and could impose centrally planned economies; (j) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (k) less extensive regulation of the securities markets; (l) the settlement period of securities transactions in non-U.S. markets may be longer; (m) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; and (n) certain considerations regarding the maintenance of Fund portfolio securities and cash with non-U.S. sub-custodians and securities depositories.

Securities of Companies with Foreign-Based Operations

The Funds intend to make significant investments in the securities of issuers with a significant portion of their business and operations in, or a significant portion of their revenues from, China and other locations outside the U.S. and therefore will be impacted by conditions in China and other locations outside the U.S. Investing in these securities involves additional considerations and risks beyond those typically involved in investing in U.S. companies, including the instability of some foreign governments, the possibility of expropriation, limitations on the use or removal of funds or other assets, changes in governmental administration or economic or monetary policy (in the U.S. or abroad) or changed circumstances in dealings between nations. The application of foreign tax laws (for example, the imposition of withholding taxes on dividends, interest payments or capital gains) or confiscatory taxation may also affect investments in foreign securities. Investments in foreign countries could be affected by other factors not present in the U.S., including lack of uniform accounting, auditing and financial reporting standards and potential difficulties in enforcing contractual obligations.

Trading in Foreign Instruments

The Funds will trade non-U.S. instruments and derivatives on non-U.S. instruments. Trading in foreign instruments and derivatives on foreign instruments may involve risks and considerations not present in the trading of U.S. instruments and derivatives thereon. Since foreign instruments generally are denominated, pay interest, and are settled in foreign currencies, the value of the assets of the Funds as measured in U.S. Dollars may be affected favorably or unfavorably by changes in the exchange rate between the U.S. Dollar and other currencies. The weakening of a country's currency relative to the U.S. Dollar will affect, potentially adversely, the dollar value of the Funds' investments that are denominated in such country's currency. As a result, the Funds could realize a net loss on an investment, even if there were a gain on the underlying investment before currency losses were taken into account. Currency exchange rates can be affected unpredictably by controls or restrictions imposed by U.S. or foreign central banks or other governmental agencies in joint or unilateral efforts to alter exchange rate trends. Political developments in the U.S. or abroad may also affect currency exchange rates. To the extent the Funds trade instruments denominated in foreign currencies, they may be adversely affected by restrictions on the conversion or transfer of foreign currencies. We may (but may not necessarily) seek to hedge these risks by trading currencies, currency futures contracts, forward currency contracts, swaps, or any combination thereof (whether or not exchange traded), but there can be no assurance that such strategies will be effective. Swaps, "synthetic" or derivative instruments, and certain types of customized financial instruments are subject to the risk of non-performance by the other party to the contract. As a result, a default on the instrument may deprive a Fund of

unrealized profits and/or collateral held by the counterparty or may force a Fund to cover its commitments for purchase or resale of the underlying currency at the then current market price.

In addition, there may be less publicly available information about foreign economies and foreign companies than the U.S. economy and U.S. companies. Foreign companies may not be subject to accounting, auditing and financial reporting standards, practices and requirements comparable to those applicable to U.S. companies. Many foreign securities markets have substantially less volume than U.S. securities markets and, therefore, securities of foreign companies are generally less liquid and at times their prices may be more volatile than securities of comparable U.S. companies. In addition, in many foreign markets there is less government supervision of exchanges, brokers, dealers and issuers than in the U.S. Although the Funds typically would trade instruments (and derivatives thereon) of or related to companies and governments in countries that we believe to have stable political environments, there is a possibility of expropriation or confiscatory taxation, seizure or nationalization of foreign bank deposits, establishment of exchange controls, the adoption of foreign government restrictions or other adverse political, social or diplomatic developments that could adversely affect any such investment. Some of the instruments may be subject to taxes levied by foreign governments, which have the effect of increasing the cost of such trading and reducing the realized gain or increasing the realized loss on such securities at the time of sale. Income from foreign instruments held by the Funds may be reduced by a withholding tax at the source. Tax conventions between certain countries and the U.S., however, may reduce or eliminate such taxes, and some or all of such taxes may be creditable against the U.S. federal income tax liability of investors which are U.S. taxpayers but may be eliminated or changed at any time.

Currency Hedging

While the Funds are denominated in U.S. dollars, some of the underlying investments of the Funds may be denominated in different currencies. Accordingly, any hedging of currency exposure that is implemented by a Fund will primarily involve hedging back to the U.S. dollar, but in certain circumstances may involve other hedging activities. To the extent any such hedges are profitable during any month or quarter, the profits will be invested at the end of such month or quarter into the core investment portfolio of the relevant Fund. Conversely, if such hedges generate losses in any month or quarter, we may liquidate a portion of the Fund's core investment portfolio to cover such losses. While the Funds intend to hedge their overall currency exposure, there can be no assurance that such hedges will be effective.

Futures Trading

Futures prices are highly volatile, with price movements being influenced by a multitude of factors such as supply and demand relationships, government trade, fiscal, monetary and exchange control policies, political and economic events and emotions in the marketplace. Futures trading is also highly leveraged. Further, futures trading may be illiquid as a result of daily limits on movements of prices. Finally, the Funds' futures trading could be adversely affected by speculative position limits.

ETFs

The Funds will make investments in the securities of ETFs. ETFs represent interests in: (i) fixed portfolios of common stocks designed to track the price and dividend yield performance of broad-

based securities indices; or (ii) “baskets” of industry-specific securities. ETFs are traded on an exchange and the value of ETF securities fluctuates in relation to changes in the value of its underlying portfolio of securities. However, the market price of ETF securities may not be equivalent to the *pro rata* value of its underlying portfolio of securities. ETFs are subject to the risks of an investment in a broad-based portfolio of common stocks or to the risks of a concentrated, industry-specific investment in common stocks. In addition, U.S. securities laws place certain restrictions on the percentage of ownership that a private investment fund may have in an ETF. Further, as an investor in an ETF, the Funds will bear their ratable share of various fees and expenses of the ETF, all of which are embedded in the net asset value of the ETF. Accordingly, such investments may cause the expense of investing in the Funds to be greater than an investment in other investment vehicles.

Hedging Transactions

Although the Funds may utilize a variety of financial instruments, such as short sales, derivatives, options, interest rate swaps, swaptions, government bonds, equity indices, caps and floors, futures and forward contracts generally for risk management purposes (the Funds may also utilize them for speculative purposes), there can be no assurances that a particular hedge is appropriate, or that a certain risk is measured properly. Further, while the Funds may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance and increased (rather than reduced) risk for the Funds than if they did not engage in any such hedging transactions. Moreover, the Funds will always be exposed to certain risks that cannot be hedged, such as credit risk (relating both to particular securities and counterparties). In addition, the Funds may choose not to enter into hedging transactions with respect to some or all of their positions.

Technology Sector

Companies in the rapidly changing technology field face special risks. For example, these companies spend heavily on research and development and their products or services may not prove commercially successful or may become obsolete quickly. The value of the Funds' investments may be susceptible to factors affecting the technology and science areas. As such, the Funds may not be an appropriate investment for individuals who are not long-term investors and who, as their primary investment objective, require safety of principal or stable income from their investments. The technology field may be subject to greater governmental regulation, intervention and scrutiny than many other areas, and changes in governmental policies and the need for regulatory approvals may have a material adverse effect on these areas. Additionally, companies in these areas may be subject to risks of developing technologies, competitive pressures and other factors and are dependent upon consumer and business acceptance as new technologies evolve.

Accordingly, the Funds may not enjoy the reduced risks of a broadly diversified portfolio, which could cause the Funds' investments to be more susceptible to particular economic, political, regulatory, technological or industry conditions or occurrences compared with a fund, or a portfolio of funds, that is more diversified or that has a broader industry focus.

Securities of Financial Services Companies

The Funds may invest in financial services companies, as a result, the Funds may be subject to the risks associated with investments in financial services companies, in addition to the general risks of the stock and bond markets. This means that the Funds may be more vulnerable to price fluctuations of financial services companies and other factors that particularly affect financial services industries than a more broadly diversified industrial portfolio.

Among the factors that the financial services industry is vulnerable to are: extensive government regulation, rapid business changes, general economic conditions, significant competition and value fluctuations. This extensive governmental regulation, which may change frequently, can, among other things, increase costs for new services or products and make it difficult to pass increased costs on to consumers. In certain areas, deregulation of financial service companies has resulted in increased competition and reduced profitability for certain companies. By focusing on the financial institutions sector, there is potential exposure to systemic risk in the financial system. Moreover, the prices of stocks and bonds issued by many financial services companies have historically been more closely correlated with changes in interest rates than other stocks. When interest rates go up, the price for fixed-income assets generally declines. Moreover, this relationship between interest rates and fixed-income asset prices is more complex for financial institutions, which may benefit from a rising interest rate environment. However, there is no guarantee that in the future financial institutions will benefit from an increasing or a decreasing rate environment, and the historical relationship between interest rates and fixed-income asset prices may not continue in the future.

There is no guarantee that we will be able to adequately anticipate or react to these various risks and vulnerabilities.

Securities of Healthcare-Related Companies

Healthcare-related companies are generally subject to greater governmental regulation than other industries at both the state and federal levels. Changes in governmental policies may have a material effect on the demand for or costs of certain products and services. In particular, healthcare reform, increasing emphasis on managed care and other continuing efforts by governments, insurance companies or other third-party payors to reduce the cost of healthcare, including refusing reimbursement for certain healthcare products or services, could negatively impact the profitability of healthcare-related companies. A healthcare-related company must receive government approval before introducing new drugs and medical devices or procedures. This process may delay the introduction of these products and services to the marketplace, resulting in increased development costs, delayed cost-recovery and loss of competitive advantage to the extent that rival companies have developed competing products or procedures, adversely affecting the company's revenues and profitability. Expansion of facilities by healthcare-related providers is subject to "determinations of need" by the appropriate government authorities. This process not only increases the time and cost involved in these expansions, but also makes expansion plans uncertain, limiting the revenue and profitability growth potential of healthcare-related facilities operators and negatively affecting the price of their securities. Certain healthcare-related companies depend on the exclusive rights or patents for the products they develop and distribute. Patents have a limited duration and, upon expiration, other companies may market substantially similar "generic" products which cost less to develop and may cause the original developer of the

product to lose market share and/or reduce the price charged for the product, resulting in lower profits for the original developer. Finally, because the products and services of healthcare-related companies affect the health and well-being of many individuals, these companies are especially susceptible to product liability lawsuits. The share price of a healthcare-related company can drop dramatically not only as a reaction to an adverse judicial ruling, but also from the adverse publicity accompanying threatened litigation.

Lack of Diversification; Concentrated Portfolio

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

The Funds will not be subject to any significant limitations on the amount of Fund capital which may be committed to any one investment. Their objective will be to invest their capital in those situations which we believe will offer the greatest risk-adjusted returns. Accordingly, the Funds may from time to time hold a few, relatively large (in relation to their capital) securities positions, with the result that a loss in any such position could have a material adverse impact on Fund capital.

Small to Medium Capitalization Companies

The Funds may invest a substantial portion of their assets in the stocks of companies with small-to medium-sized market capitalizations. While we believe these investments often provide significant potential for appreciation, those stocks, particularly smaller-capitalization stocks, involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of such stocks are often more volatile than prices of large-capitalization stocks. In addition, due to thin trading in some such stocks, an investment in these stocks may be more illiquid than that of larger capitalization stocks.

Investments in Undervalued Securities

The identification of investment opportunities in undervalued securities is a difficult task and there is no assurance that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer the opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the Funds' investments may not adequately compensate for the business and financial risks assumed. Further, there are no assurances that the securities purchased will in fact be undervalued or that undervalued securities will ever cease to be undervalued. The Funds may be required to hold such securities for a substantial period of time before realizing their anticipated value. During this period, a portion of the Funds' capital would be committed to the securities purchased, thus possibly preventing the Funds from investing in other opportunities.

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, to either purchase or sell the underlying security, commodity or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses its premium. Additionally, the premium paid for an option is based, in part, on the time to expiration, and with the passage of time, the premium associated with an option declines, assuming all other factors being equal. 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.

Swaps

The Funds may enter into swap agreements or swaptions (defined below). Whether the Funds' use of swap agreements or swaptions will be successful will depend on our ability to select appropriate transactions for the Funds. Swap agreements and options on swap agreements ("swaptions") can be individually negotiated and structured to include exposure to a variety of different types of investments, asset classes or market factors. Depending on their structure, swap agreements may increase or decrease the holder's exposure to, for example, equity securities, long-term or short-term interest rates, non-U.S. currency values, credit spreads or other factors. Swap agreements can take many different forms and are known by a variety of names. Swap transactions may be highly illiquid and may increase or decrease the volatility of a Fund's portfolio. Moreover, the Funds bear the risk of loss of the amount expected to be received under a swap agreement in the event of the default or insolvency of their counterparty. The Funds will also bear the risk of loss related to swap agreements, for example, for breaches of such agreements or the failure of the Funds to post or maintain required collateral. It is possible that developments in the swap markets, including potential government regulation, could adversely affect the Funds' ability to terminate swap transactions or to realize amounts to be received under such transactions.

Portfolio Turnover

The investment strategy of the Funds may require us to actively trade the Funds' portfolios, and as a result, turnover and brokerage commission expenses of the Funds may significantly exceed those of other investment entities of comparable size.

Reliance on Corporate Management and Financial Reporting

The strategies implemented by the Funds rely on the financial information made available by the issuers to which the Funds have exposure. This is especially the case in the sectors in which the Funds will concentrate their portfolios. We have no ability to independently verify the financial information disseminated by such issuers and are dependent upon the integrity of both the management of these issuers and the financial reporting process in general. Investors such as the Funds can incur material losses as a result of corporate mismanagement, fraud and accounting irregularities.

Reliance on Data

The analytics to be employed by the Funds are highly reliant on the gathering, cleaning, culling and analyzing of large amounts of data from third-party and other external sources. It is not possible or practicable, however, to factor all relevant, available data into forecasts and/or trading decisions. We will use our discretion to determine what data to gather with respect to any strategy and technique and what subset of that data the strategies and techniques take into account to produce forecasts which may have an impact on ultimate trading decisions. In addition, due to the automated nature of such data gathering and the fact that much of this data comes from third-party sources, it is inevitable that not all desired and/or relevant data will be available to, or processed by, us at all times. In such cases, we may, and often will, continue to generate forecasts and make investment and trading decisions based on the data available to us. Additionally, we may determine that certain available data, while potentially useful in generating forecasts and/or making investment and trading decisions, is not cost effective to gather due to either the technology costs or third-party vendor costs and, in such cases, we will not utilize such data on behalf of the Funds. Fund investors should be aware that, for all of the foregoing reasons and more, there is no guarantee that any specific data or type of data will be utilized in generating forecasts or making investment and trading decisions on behalf of the Funds nor is there any guarantee that the data actually utilized in generating forecasts or making investment and trading decisions on behalf of the Funds will be (i) the most accurate data available or (ii) free of errors. Fund investors should assume that the foregoing limitations and risks associated with gathering, cleaning, culling and analyzing of large amounts of data from third-party and other external sources are an inherent part of investing with a process-driven, systematic investment manager such as us.

Fundamental Analysis

Certain trading decisions made by us may be based on fundamental analysis. Data on which fundamental analysis relies may be inaccurate or may be generally available to other market participants. To the extent that any such data is inaccurate or that other market participants have developed, based on such data, trading strategies similar to the Funds' trading strategies, the Funds may not be able to realize their investment goals. In addition, fundamental market information is subject to interpretation. To the extent that we misinterpret the meaning of certain data, the Funds may incur losses.

Projections

Projected operating results of a company in which the Funds invest will be based primarily on financial projections prepared by such company's management. In all cases, projections are only estimates of future results that are based upon assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different than the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

Cybersecurity Risk

We, the Funds, and our respective 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 us, the Funds or our respective service providers may adversely impact the Funds. For instance, cyber-attacks may interfere with the processing or execution of Fund transactions, cause the release of confidential information, including private information about investors, subject us, the Funds or our respective 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 Funds' key service providers, such as us, banks, broker-dealers, custodians, or other counterparties holding assets of the Funds, may cause significant harm to the Funds, including the loss of capital. Similar types of cybersecurity risks are also present for issuers of securities in which the Funds may invest. These risks could result in material adverse consequences for such issuers, and may cause the Funds' investments in such issuers to lose value. While we have instituted specific policies and have engaged specialized vendors to manage cybersecurity risk and disaster recovery, there are no assurances that these policies and vendors will mitigate risks associated with cybersecurity.

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 Funds' investments and our 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 Funds' portfolio companies. In addition, under such circumstances, our operations, including functions such as trading and valuation, and the operations of 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.

Risk Factors Applicable Only to the Long-Short Fund

Short Sales

Short sales create certain potential risks that are not otherwise associated with a long only portfolio. For example, a short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no assurance that securities necessary to cover a short position will be available for purchase, which might prevent or limit the Long-Short Fund's ability to exit the short position.

There is also the risk that the securities borrowed by the Long-Short Fund in connection with a short sale must be returned to the securities lender on short notice. If a request for return of borrowed securities occurs at a time when other short sellers of the security are receiving similar requests, a "short squeeze" can occur, and the Long-Short Fund may be compelled to replace borrowed securities previously sold short with purchases on the open market at the most disadvantageous time, possibly at prices significantly in excess of the proceeds received in originally selling the

securities short. The Long-Short Fund's inability to continue to borrow securities previously sold short may also force the Long-Short Fund to unwind other elements of an investment position, possibly at a loss.

From time to time, various regulatory authorities have imposed "short-selling bans" in selected securities (often, however, a wide population of securities), making it difficult if not impossible to continue to implement certain long-short (as well as other) equity strategies.

For example, the SEC adopted an "uptick rule" in 2010 and securities exchanges have also reinstated "uptick rules" — generally prohibiting short sales unless the last recorded sale price of a stock was higher than the previous transaction. Over time, rules similar to the "uptick rule" could materially increase the Long-Short Fund's transaction costs by requiring us to delay executing certain short sales (as well as to execute them at higher prices than would otherwise be the case), and in certain circumstances could prevent the Long-Short Fund from acquiring a short position which we would otherwise have acquired for it.

Item 9. Disciplinary Information

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

Item 10. Other Financial Industry Activities and Affiliations

As noted above, the Blue Door GP serves as the general partner to the Funds.

The management of multiple client accounts results in a potential conflict of interest when we and our related persons allocate time and investment opportunities among such accounts. For example, our Partners and/or other related persons have more of their personal assets invested in certain client accounts than in others. In addition, the compensation we earn from each client account differs from the compensation earned from other client accounts. In order to mitigate associated conflicts, we will adopt and follow documented procedures regarding the allocation of investment opportunities among our clients. *(See Item 6 – Performance-Based Fees and Side-By-Side Management)*

A cross-trade occurs when an investment adviser effects a trade between two or more of its advisory clients. If we were to cause a cross-trade between two Funds, it may result in a conflict of interest because the transaction may result in benefits to one Fund that may be greater than the benefits to the other Fund. We do not generally expect to engage in cross trades. In the event that we determine to make a cross-trade, we will only do so if we determine that it is in the best interests of, and is fair and equitable to, the participating Funds. All cross-trades between the Funds require the prior approval of our CCO. Cross-trades, if any, would generally be made at the closing price for the applicable security on such day or, if no closing price is available, at a price for the relevant security that is determined in accordance with [our documented valuation policies. No brokerage commission or transfer fee will be paid to us or our related persons in connection with any such transaction.

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

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

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

Personal Trading Policy

Employees are generally prohibited from engaging in personal trading without obtaining prior written consent from our Chief Compliance Officer (the “CCO”). Additionally, employees are required to provide our CCO with periodic reporting relating to their trading activity and personal accounts. Our policies relating to personal trading also generally apply to an employee’s spouse or minor child, or an immediate family member of an employee living in the same household as such employee.

Participation or Interest in Client Transactions

We make available to qualified prospective investors the opportunity to invest in the Funds. Our Partners will have significant personal investments in the Funds. In addition, the Blue Door GP, our affiliate, is entitled to receive performance-based allocations from the Funds.

We will not engage in any principal transactions unless we have determined that the transaction is in the relevant clients’ best interests and have obtained client consent in accordance with our written procedures and applicable law.

Item 12. Brokerage Practices*Selection of Brokers*

We have an obligation to seek to obtain “best execution” for our clients with respect to their trading activity. While not defined by statute or regulation, best execution generally means the execution of client trades at the best net price considering all relevant circumstances. We will seek best execution with respect to all types of client transactions, taking into account various factors. Such factors include, among others: price, the ability of the brokers to affect the transactions, the brokers’ reliability and financial responsibility and the provision or payment (or the rebate to our clients for payment) of the costs of property or services (e.g., short-term custodial services, research services, news and quotation services, publications, and other services and facilities). In selecting brokers to execute transactions (or series of transactions) and determining the reasonableness of the brokers’ compensation, we need not solicit competitive bids and do not have an obligation to seek the lowest available commission cost.

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

On a quarterly basis, we evaluate, among other things, the execution that we are receiving from brokers. In conducting our analysis, we consider the factors listed above, among others, and review gifts and entertainment received, and any known conflicts of interests (e.g., directing commissions to a broker that employs a family member of one of our employees).

Outsourced Trading

We delegate the authority to select brokers for certain client transactions to a third party. As a result, client expenses may be higher than if we traded directly with brokers only.

Research and Other Soft Dollar Benefits

We have entered into soft dollar arrangements with certain brokers. Soft dollar arrangements arise when an investment adviser obtains products and services, other than securities execution, from a broker in return for directing client securities transactions to the broker. Soft dollar arrangements create a potential incentive for us to select a broker based on our interest in receiving the research or other products or services offered by such broker, rather than on our clients' interests in receiving most favorable execution. Further, soft dollar arrangements pose a possible conflict of interest for us in that such arrangements potentially allow us to pay with client commissions expenses that would otherwise be borne by us. However, we only expect to use client commissions to pay for expenses that would otherwise be borne by our clients (and not by us).

When engaging in soft dollar transactions, we will comply with the safe harbor requirements of Section 28(e) of the Securities Exchange Act of 1934, as amended. Under this provision, in exercising our discretionary authority to select or arrange for the selection of brokers for execution of transactions for our clients, and, subject to our duty to obtain best execution, we may consider the value of research and brokerage products and services provided by such brokers. Accordingly, if we determine in good faith that the amount of commissions charged by a broker is reasonable in relation to the value of the brokerage and products or services provided by such broker, a client may pay commissions to such broker in an amount greater than the amount another broker might charge.

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

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

We also execute transactions on behalf of our clients with brokers that provide us with access to bundled services, including access to proprietary research reports (such as standard investment research and credit reports) and invitations to attend conferences. To the best of our knowledge, these services are generally made available to all institutional investors doing business with such brokers. These bundled

services are made available to us on an unsolicited basis and without regard to the rates of commissions charged or paid by clients or the volume of business that we direct to such brokers. During our last fiscal year, we acquired with client brokerage commissions (or markups or markdowns): (i) research, such as proprietary research from brokers and (ii) research services, such as consultation with industry consultants concerning specific companies, industries or sectors.

Brokerage for Client Referrals

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

Trade Errors

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

Aggregation of Orders

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

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

Item 13. Review of Accounts

Review of Accounts

Our clients' portfolios are reviewed, and their performance analyzed, by our Partners on a regular basis. In addition, our Partners (including our CCO) regularly review client portfolios to confirm that the securities held by them remain consistent with their investment strategies, objectives and guidelines.

Reporting

In addition to the reports below, our clients and investors may be provided with certain information about us and the accounts that we manage in response to questions and requests, including in connection with due diligence meetings. This information may not be distributed to other clients, investors or prospective investors. Each client and investor is responsible for asking such questions as it believes are necessary in

order to make its own investment decisions and must decide for itself whether the limited information provided by us is sufficient for its needs.

The Funds

We furnish investors in the Funds with periodic written unaudited performance reports as set forth in their relevant Governing Documents. In addition, on an annual basis, we provide investors with a copy of the relevant Fund's annual audited financial statements and, if applicable, a statement of taxable income (Schedule K-1).

Pursuant to "side letter" or other agreements, we may provide certain investors with access to more frequent and/or more detailed information regarding the Funds' securities positions, performance, finances, and management and/or other information about the Funds or us (including notifications of redemptions from a Fund by us and/or our personnel), possibly enabling such investors to better assess the prospects and performance of the Funds.

SMA's & Other Future Client Accounts

We will provide the SMA owners and future client account owners and investors with periodic reports, as set forth in the relevant account's Governing Documents.

Item 14. Client Referrals and Other Compensation

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

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

Item 15. Custody

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

We will not have custody over the assets held by the SMA's. As noted above in *Item 13*, each such client will periodically receive account statements from the custodian of each such account. Each client should carefully review these statements.

Item 16. Investment Discretion

We have discretionary authority to manage securities and other investments on behalf of our client accounts. The investors in the Funds generally are not able to place any limits on our authority beyond the limitations set forth in their respective Governing Documents. Under certain circumstances, we may

contract with an SMA client to adhere to limited risk and/or operating guidelines imposed by the client. We would negotiate such arrangements on a case-by-case basis.

Item 17. Voting Client Securities

We generally have voting discretion over client securities. Clients generally are not able to direct their votes in a particular situation. We have adopted proxy voting policies and procedures, which are summarized below.

In the absence of specific voting guidelines from the client or conflicts of interest, we vote all proxies in the best interests of each client, which may result in different voting results for proxies for the same issuer. In addition, we may determine to abstain from voting a proxy if we believe that such action is in the best interests of a particular client. We take into account the following factors, among others, in determining if a specific proposal is in the best interests of a particular client: (i) management of the issuer's views and recommendations on such proposal; (ii) whether the proposal may have the effect of entrenching existing management and/or making management less responsive to shareholders' concerns (*e.g.*, instituting or removing a poison pill, classified board of directors and/or other anti-takeover measure); and (iii) whether we believe that the proposal will fairly compensate management for its and/or the issuer's performance. If we deem that the issue being voted upon is not material for us and our clients or we determine that the cost of voting a proxy would exceed the expected benefit to our clients, we will not be obligated to vote on such matter.

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

Item 18. Financial Information

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

Item 19. Requirements for State-Registered Advisers

We are not a state-registered adviser.