

LTS One Management LP

**650 Madison Avenue, Fl 15
New York, NY 10022**

September 2022

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

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

Additional information about LTS is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

This Brochure is LTS's update to its 120-day registration filing with the SEC. The brochure was updated since the 120-day registration filing in July 2022 to reflect the addition of funds and to reflect the updated RAUM. This Brochure may be requested at any time, without charge, by contacting LTS's CCO at jgallagher@lts-one.com.

The information set forth in this brochure is qualified in its entirety by the applicable offering *and/or governing documents*. *In the event of a conflict between the information set forth in this brochure and the information in the applicable offering and/or governing documents, such documents will control.*

We encourage current and future investors to read this Brochure as well as all of the governing and offering documents applicable to your current or prospective investment, in their entirety.

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Item 4: Advisory Business

LTS One Management LP (hereinafter “**LTS**”, “**we**”, “**us**”, “**our**” or the “**Firm**”) is organized as a Delaware limited partnership with a principal place of business New York, New York, which was formed in June 2021. We are principally owned and controlled by Munib Z. Islam, our Managing Partner (the “Principal”).

LTS will provide discretionary investment management services to qualified investors through its private fund Onshore LP.

We serve as the investment adviser, with discretionary trading authority, to private, pooled investment vehicles. We do not tailor our advisory services to the individual needs of any particular investor.

Following registration with the SEC, LTS intends to manage the following private, pooled investment vehicle:

- LTS One Fund LP, a Delaware limited partnership (the “**Onshore Fund**”)
- LTS One Saraza Master Fund LP, a Cayman Island limited partnership (the “**Master Fund**”)
- LTS One Saraza Onshore Fund LP, a Delaware limited partnership (the “**Onshore Feeder**”)
- LTS One Saraza Master Fund LP, a Cayman Island limited partnership (the “**Offshore Feeder**”)

The Onshore Fund, Master Fund, Onshore Feeder and Offshore Feeder are herein referred to as a “**Funds**” or “**Clients**”. We may also provide investment advice to additional private funds and separately managed accounts for institutional, non-retail investors (“**SMA**s”) in the future. References throughout this document to “clients” refer to the Funds and any other private funds and SMA’s that we may advise in the future.

The Funds’ “**Limited Partners**” are hereafter referred to as the “**Investors**” where appropriate.

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

We do not currently participate in any Wrap Fee Programs.

As of July 31, 2022, we managed \$1,236,965,963 of regulatory assets under management on a discretionary basis. We do not expect to manage any assets on a non-discretionary basis.

Item 5: Fees and Compensation

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

Management Fee

LTS is paid an investment management fee ("**Management Fee**") which is calculated for each Fiscal Year as a fixed annualized U.S. Dollar amount based on a budget agreed upon between the Investment Manager and the General Partner in advance of such Fiscal Year, and shall be payable in advance of each monthly period; provided, that the Investment Manager may increase such fixed U.S. Dollar amount for such Fiscal Year with the prior written consent of the General Partner

The Investment Manager, in its sole discretion, may waive or modify the Management Fee for any Investor.

Other Types of Fees or Expenses

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

The Funds bear all expenses, which include, without limitation, the following expenses incurred by or allocable to the Funds: (a) organizational and offering expenses; (b) expenses associated with all investments and transactions considered, evaluated and/or consummated by the Funds, including, without limitation, those expenses incurred before the initial closing of the Funds, including, without limitation, expenses associated with sourcing, negotiating, investigating, researching, financing and structuring of investments and potential investments, whether or not consummated, including, without limitation, third-party research, data, analytics, modeling, structuring, pricing, execution and other third-party information systems, software and service fees (including, without limitation, the expenses with respect to data feeds, subscriptions, expert networks, political intelligence providers, and reports); (c) research-related computer hardware and software expenses, including, without limitation, Bloomberg terminals; (d) the Funds' pro rata share of the Firm's order management system, portfolio management system and any other software used for accounting and/or monitoring of the portfolio; (e) expenses associated with holding, financing, monitoring, hedging, maintaining and disposing of all investments of the Funds and all transaction and other costs associated therewith; (f) travel and related expenses associated with investments and potential investments; (g) professional fees associated with investments and potential investments, including, without limitation, consulting, due diligence, accounting, valuation, financial, legal, and other advisory fees and expenses; (h) transaction fees, brokerage commissions, custodial fees, clearing and settlement charges and similar fees and expenses associated with the acquisition, disposition and settling of investments and potential investments; (i) expenses associated with legal and regulatory filings of the Funds (including, without limitation, pursuant to Section 13 and 16 of the Securities and Exchange Act of 1934, as amended (the "**Exchange Act**")) and the Funds' pro rata portion of the expenses associated with preparation of the Firm's Form 13F, Form 13H and Form PF, and any other similar filing in any other U.S. or non-U.S. jurisdiction; (j) administrative, custodial, appraisal, valuation, legal, regulatory, compliance, consulting, advisory and similar fees and expenses associated with the Funds' operations, investments and transactions, including, without limitation, fees and expenses of the Funds' administrator; (k) expenses incurred in connection with responding to requests or inquiries from any U.S. federal, state, local or non-U.S. governmental entity or authority, regulatory body or self-regulatory organization and all extraordinary expenses; (l) broken-deal, failed transaction, break-up and similar fees, costs and expenses, if any; (m) costs and expenses of leverage or any other borrowings of the Funds, including, without limitation, interest charges and fees; (n) expenses incurred in the collection of monies owed to the Funds, as applicable; (o) auditing and accounting expenses of the Funds, including, without limitation, expenses associated with the preparation of financial

statements, tax returns and Schedules K-1 and the fees and expenses of the auditor; (p) any entity level taxes, fees or other governmental charges on the Funds, including, without limitation, any withholding taxes not due to the status or noncompliance of a particular Investor; (q) costs and expenses associated with investor communications and reports and the delivery thereof to investors; (r) the costs of service providers or software to measure or monitor risk metrics, to aggregate positions and/or to provide reporting with respect to risk metrics and/or positions; (s) costs and expenses associated with meetings of the Investors; (t) insurance expenses; including, without limitation, directors' and officers' liability insurance, general partner liability insurance, errors and omissions insurance and other policies, if any; (u) costs and expenses (including, without limitation, entity-level taxes, fees or other governmental charges) associated with the formation, organization and operation of any subsidiary, special purpose vehicle, alternative investment vehicle, holding company, or similar entity formed with respect to investments, credit facilities or other transactions entered into for the benefit of the Funds; (v) wind-up, liquidation, termination and dissolution expenses; (w) costs, fees and expenses related to registration, qualification and/or exemption under any applicable U.S. federal, state, local or non-U.S. laws, rules or regulations, including, without limitation, blue sky fees, Form D, Form 8.3, CFTC filings and notices and other securities and/or investment-related filing expenses; (x) costs related to any transfers of interests in the Funds, unless otherwise charged to or borne by the applicable transferor and/or transferee; (y) expenses incurred in connection with the preparation of any amendment to the Funds' governing documents and/or Offering Documents; (z) expenses incurred in connection with pursuing, defending or participating in any litigation, arbitration, mediation or similar proceeding by the Funds; (aa) any extraordinary expenses (including, without limitation, all litigation-related and indemnification and contribution expenses, including, without limitation, the amount of any judgment or settlement paid in connection therewith); (bb) the Management Fee; and (cc) all other fees, costs, charges and expenses associated with the business, affairs and/or operations of the Funds.

In general, each Investor will bear its proportionate share of the Fund expenses on a pro rata basis with respect to the size of such Investor's capital account(s) or with respect to the relative net asset value of the shares held by such Investor, as applicable.

Notwithstanding the foregoing, the Fund General Partner and/or the Firm, as applicable, may specially allocate the expenses described herein in any other manner, including by allocating certain expenses to certain (but not all) Investors, if the Fund General Partner and/or the Firm, as applicable, reasonably determines, in its discretion, that it is more equitable to do so.

To the extent that expenses to be borne by the Funds are paid by the Firm or its affiliates, the Funds will reimburse the Firm or its affiliates for such expenses. We may waive any such reimbursement with respect to any Fund expenses. Any waiver by us for reimbursement of any Fund expenses shall not serve as a waiver of reimbursement for any future Fund expenses to be paid by us or our affiliates.

Neither the Firm nor its employees accept compensation, including sales charges or service fees, from any person for the sale of securities or other investment products.

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

We and our affiliates are entitled to a performance-based compensation. As a result, we and our affiliates do not face certain conflicts of interest that may arise when an investment

adviser accepts performance-based fees from some clients, but not from other clients. Such performance allocation is based on the net capital appreciation of the Funds' assets and is subject to a loss-carry forward mechanism and hurdle rate. We or our affiliates have waived or modified the performance allocation with respect to certain investors and may do so in the future with respect to other investors, in our discretion.

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

Item 7: Types of Clients

Our clients are the Funds, as described in Item 4 above, and at this time investors in the current Funds are, among others, institutions, high net-worth individuals, financially sophisticated individuals, and other sophisticated investors.

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

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

Investment Objective

The Partnership is formed for the purpose of effecting investments (both acquisitions and dispositions) in accordance with the investment objectives and strategies of the Partnership, as such may be amended or supplemented from time to time. There are no restrictions as to geographical focus or industries for the Securities in which the Partnership may invest, and all such determinations are within the sole and absolute discretion of the General Partner subject to the other provisions of this Agreement. The Partnership intends to pursue multiple strategies in connection with the management of its investments. The Partnership shall have the power to engage in all activities and transactions that the General Partner, in its sole and absolute discretion, deems necessary, desirable, or appropriate in connection with the foregoing (subject to the restrictions set forth in this Agreement), and any and all powers that may be exercised on behalf of the Partnership by the General Partner.

Risk Management

LTS One is a fundamentally-driven, research intensive, highly concentrated investment partnership being created under the LTS umbrella. Since LTS One is largely investing proprietary capital, it will seek out only the most compelling opportunities where it targets high rates of return while ensuring that there is a sufficient margin of safety for long term capital preservation. LTS One will invest globally across the market cap spectrum but with an

emphasis on high quality businesses led by capable management teams. We will place a premium on backing strong leaders who have alignment with shareholders.

Risk of Loss Factors

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

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

Nature of Investments

We have broad discretion in making investments for the Funds. There can be no assurance that we will correctly evaluate the nature or magnitude of the various factors that could affect the value of and return on investments. Prices of investments may be volatile. A variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may detrimentally impact businesses in which the Funds invest, affecting their access to capital and public market valuations. These factors and others may significantly affect the results of the Funds' activities and the value of their investments. In addition, the value of the Funds' portfolios may fluctuate in response to fluctuations in the general level of interest rates.

Concentration of Investments

The Funds are expected to hold relatively few investments. Accordingly, a Fund could be subject to significant losses if it holds a large position in a particular investment that declines in value or if valuations as a whole decline.

Volatility

The market value of certain of the Funds' investments may be volatile, and will generally fluctuate due to a variety of factors that are inherently difficult to predict, including, among other things, the macro business and economic environment, specific developments or trends within a company or in any particular industry, the market's overall perception of risk, general economic conditions, the condition of certain financial markets, domestic and international economic or political events, prevailing credit spreads, changes in prevailing interest rates and the financial condition of counterparties.

Illiquidity of Investments

Certain investments held by the Funds will lack a readily ascertainable market value, will be illiquid or should otherwise be held until the resolution of a special event or circumstance ("Designated Investments"). In some circumstances, investments other than Special Investments may become relatively illiquid making it difficult to acquire or dispose of them at the prices quoted on the various exchanges. Accordingly, a Fund's ability to respond to market

movements may be impaired and such Fund may experience adverse price movements upon liquidation of its investments. In some cases, the Funds may be prohibited by contract or regulatory restrictions from selling such securities for a period of time. To the extent that the Funds are restricted in their ability to buy or sell an investment, the potential value in such investment may be negatively impacted.

Financial Model Risk

The Funds' investments and investment strategies may rely on the use of valuation models developed by us and third-parties. As market dynamics (for example, due to changed market conditions and participants) shift over time, a previously highly successful model often becomes outdated or inaccurate, perhaps without us recognizing the change before significant losses are incurred. The Funds' model risk extends to the valuation of their investments.

Currency Exposure and Hedging

The assets of a Fund may be invested in securities and other investments which are denominated in currencies other than U.S. Dollars. Accordingly, the value of such assets may be affected favorably or unfavorably by fluctuations in currency rates. We may seek to hedge the foreign currency exposure of the Funds. However, the Funds necessarily are subject to foreign exchange risks. In addition, prospective investors whose assets and liabilities are predominately in other currencies should take into account the potential risk of loss arising from fluctuations in value between the U.S. Dollar and such other currencies. The success of a Fund's currency hedging strategy will be subject to our ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio being hedged. The success of a Fund's currency hedging strategy will also be subject to our ability to continually recalculate, readjust and execute hedges in an efficient and timely manner.

Foreign Securities

The Funds will invest in securities and other instruments of non-U.S. corporations. Investing in such securities involves certain considerations not usually associated with investing in securities of U.S. companies, including, among other things, political and economic considerations, such as greater risks of expropriation, nationalization and general social, political and economic instability; the small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion, imposition of withholdings and other taxes and certain government policies that may restrict the Funds' investment opportunities. In addition, accounting and financial reporting standards that prevail in many foreign countries are not equivalent to U.S. standards and, consequently, less information may be available to investors in companies located in foreign countries than is available to investors in companies located in the United States. There is also less regulation, generally, of the securities markets in many foreign countries than there is in the United States.

"New Issues"

The Funds may invest in "new issues," which pose unique risks arising out of their transient illiquidity, lack of trading history and concentration of ownership. In the event that a Fund elects to trade "new issues," investors of such Fund that are "restricted persons" or "covered persons" under applicable Financial Industry Regulatory Authority rules will not be permitted to participate or participate fully in the returns generated by those trades.

Equity Securities

The Funds generally expect to invest in equity securities. Such investments are subordinate to the claims of an issuer's creditors and, to the extent such securities are common securities, preferred stockholders. Dividends customarily paid to equity holders can be suspended or cancelled at any time. For the foregoing reasons, investments in equity securities can be highly speculative and carry a substantial risk of loss of principal. Equity securities fluctuate in value in response to many factors, including, among others, the activities and financial condition of individual companies, the business market in which individual companies compete, industry market conditions, interest rates and general economic environments. In addition, events such as the domestic and international political environments, terrorism, pandemics and natural disasters, may be unforeseeable and contribute to market volatility in ways that may adversely affect the Funds. A Fund may on occasion acquire (i) more than 5% of a class of securities of a single issuer which would require the filing of a Schedule 13D or 13G statement with the SEC or (ii) more than 10% of a class of securities of a single issuer which would impose certain limitations on such Fund's ability to trade in such securities, including the restrictions of Section 16 of the Exchange Act. The accumulation of such a significant position in the shares of a single issuer could lead to litigation or disputes in the event we desire to influence the issuer.

Loans of Portfolio Securities

A Fund may lend its portfolio securities. By doing so, such Fund attempts to increase its income through the receipt of interest on the loan. In the event of the bankruptcy of the other party to a securities loan, delays could be experienced in recovering either the loaned securities or the Fund's cash. To the extent that, in the meantime, the value of the loaned securities has increased or the value of the securities purchased for the Fund has decreased, the Fund could experience a loss.

Short Selling

Short selling involves trading on margin and accordingly can involve greater risk than investments based on a long position. A short sale of a security involves the risk of a theoretically unlimited increase in the market price of the security, 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.

Options

The Funds will engage in the trading of options. Such trading involves risks substantially similar to those involved in trading margined securities in that options are speculative and highly leveraged. Specific market movements of the securities underlying an option cannot accurately be predicted. The purchaser of an option is subject to the risk of losing the entire purchase price of the option. The writer of an option is subject to the risk of loss resulting from the difference between the premium received for the option and the price of the security underlying the option which the writer must purchase or deliver upon exercise of the option.

Derivatives

The Funds will use various derivative financial instruments, for hedging and other purposes, including currency forward contracts, options and swaps, that may be volatile and speculative. Certain positions may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. Use of derivative financial instruments presents various risks, including:

(i) an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged may prevent a Fund from

achieving the intended hedging effect or expose the Fund to greater risk of loss; (ii) derivative financial instruments may not be liquid in all circumstances and a Fund may not be able to close out a position without incurring a substantial delay or loss; and (iii) derivative financial instruments can result in large amounts of leverage

which may magnify the gains and losses experienced by a Fund and could cause its investments to be subject to wide fluctuations in value. Swaps and other derivative instruments are subject to the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty.

Leverage

The Funds expect to employ leverage. The use of leverage creates special risks and may significantly increase the Funds' investment risk. Leverage creates an opportunity for greater yield and total return but, at the same time, increases a Fund's exposure to capital risk and interest costs. Any investment income and gains earned on investments made through the use of leverage that are in excess of the interest costs associated therewith may cause the value of interests or shares in the Fund to increase more rapidly than would otherwise be the case. Conversely, where the associated interest costs are greater than such income and gains, the value of interests or shares in the Fund may decrease more rapidly than would otherwise be the case. Any material indebtedness of a Fund could limit such Fund's ability to respond to changing business conditions. Any agreements relating to any leverage that a Fund may enter into with its creditors will likely contain provisions that may limit the Fund's operations by imposing operating and financial restrictions on the Fund. Therefore, if indebtedness is obtained, no assurance can be given that the Fund will be able to take advantage of favorable conditions or opportunities as a result of covenants under any such indebtedness or that additional debt or equity financing will be available when needed or, if available, will be obtainable on terms that are favorable to the Fund.

Debt Securities

The Funds may hold debt and debt-related instruments issued by or in respect of companies in which they invest. "Credit risk" refers to the likelihood that an issuer will default on the payment of principal and/or interest on a debt instrument. Financial strength and solvency of an issuer are the primary factors influencing credit risk. In addition, lack or inadequacy of collateral or credit enhancement for a debt instrument may affect its credit risk. Credit risk may change over the life of an instrument. "Interest rate risk" refers to the risks associated with market changes in interest rates. Interest rate changes may affect the value of a debt instrument directly (particularly in the case of instruments the rates of which are adjustable) and indirectly (particularly in the case of fixed rate securities). In general, rising interest rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive effect on price. Adjustable rate instruments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors). Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules.

General Risks of Secured Loans

A Fund may acquire senior secured loans. While senior secured loans purchased by a Fund will often be over-collateralized, such Fund may be exposed to losses resulting from default and foreclosure. Therefore, the value of the underlying collateral, the creditworthiness of the borrower and the priority of the lien are each of great importance. A Fund cannot guarantee the adequacy of the protection of its interests, including the validity or enforceability of the loan, the maintenance of the anticipated priority or the perfection of the applicable security

interests. Compounding these risks, the collateral securing loans will often be subject to casualty or devaluation risks. Even where debt held by a Fund is secured by a perfected lien over a substantial portion of the assets of a borrower and its subsidiaries, the borrower and its subsidiaries will often be able to incur additional indebtedness, which may, in some cases, have an exclusive lien over particular assets. As a result of the liens granted to the holders of such additional indebtedness, in the event of liquidation, reorganization, insolvency, dissolution or bankruptcy of a borrower, holders of such other secured debt instruments may have priority that ranks senior to the investment in that borrower with respect to such assets. Furthermore, these other assets over which other lenders have a lien may be substantially more liquid or valuable than the assets over which a Fund may have a lien. In some cases, the borrowers may also be permitted to issue other indebtedness that ranks in parity in right of payment or as to the proceeds of collateral with debt securities in which a Fund invests, in which event, such Fund would have to share on an equal basis any distributions with other creditors holding such debt in the event of a liquidation, reorganization, insolvency, dissolution or bankruptcy of the relevant borrower. In addition, where a Fund holds a first-lien to secure senior indebtedness owed to the Fund, the borrowers may be permitted to issue other senior debt with liens that rank junior to the first-liens granted to the Fund. The intercreditor rights of the holders of such other junior lien debt may, in any liquidation, reorganization, insolvency, dissolution or bankruptcy of the relevant borrower, affect the recovery that the Fund would have been able to achieve in the absence of such other debt.

Subordinated Loans

A Fund may acquire subordinated loans, which will entail risks, including (i) the subordination of the Fund's claims to a senior-lien in terms of the coverage and recovery of the collateral, (ii) the prohibition of or limitation on the right to foreclose or exercise other rights and (iii) the inability of the Fund to make certain decisions with respect to the obligor pursuant to any inter-creditor or similar arrangement with the first-lien lender. Accordingly, in certain cases, no recovery may be available from a defaulted subordinated loan. The level of risk associated with investments in subordinated loans increases to the extent such investments are loans of distressed or below investment grade issuers, which is likely.

Non-performance

Loans held by a Fund may become non-performing for a variety of reasons. Such non-performing loans may require substantial workout negotiations or restructuring that may entail, among other things, a substantial reduction in the interest rate, a substantial write down of the principal amount of the loan and/or the deferral of payments. In addition, such negotiations or restructuring may be quite extensive and protracted over time and, therefore, may result in substantial uncertainty with respect to the ultimate recovery. A Fund may also incur additional expenses to the extent it is required to seek recovery upon a default on a loan or participate in the restructuring of such obligation. The liquidity for defaulted loans may be limited, and to the extent that defaulted loans are sold, it is highly unlikely that the proceeds from such sale will be equal to the amount of unpaid principal and interest thereon. In connection with any such defaults, workouts or restructuring, although a Fund may exercise voting rights with respect to an individual loan, such Fund may not be able to exercise votes in respect of a sufficient percentage of voting rights with respect to such loan to determine the outcome of such vote.

Equity Investments

The Funds' investments will include equity securities or derivatives with respect thereto or issued thereon. Such equity securities and derivatives may take various forms, including, but not limited to, common stock, preferred stock, warrants, convertible securities, equity options

and other equity or hybrid equity securities. Equity securities generally represent the most junior position in an issuer's capital structure and, as such, generally entitle holders to an interest in the assets of the issuer, if any, remaining after all more senior claims to such assets have been satisfied. Holders of common stock generally are entitled to dividends only if and to the extent declared by the directors of the issuer, out of the issuer's income or other assets available, if any, after making interest, dividend and any other required payments on more senior securities of the issuer. Convertible securities generally offer lower interest or dividend yields than non-convertible securities of similar quality. In the event of a liquidation of the issuing company, holders of convertible securities would be paid after the company's creditors but before the company's common stockholders. Consequently, the issuer's convertible securities generally may be viewed as having more risk than its debt securities, but less risk than its common stock. In general, options, warrants, stock purchase rights and other similar instruments are securities or instruments granting the right to or otherwise permitting, but not obligating, their holders to subscribe for equity securities, and they do not represent any rights in the assets of the issuer. As a result, options, warrants, stock purchase rights and other similar securities or instruments may be considered more speculative than other types of equity investments.

Reliance on Corporate Management and Financial Reporting

We rely on the financial information made available by the issuers in which the Funds invest. We typically do not independently verify the financial information disseminated by the numerous issuers in which the Funds may invest and are dependent upon the integrity of both the management of these issuers and the financial reporting process in general. Corporate mismanagement, fraud and accounting irregularities relating to the issuers of investments held by the Funds may result in material losses. Equity prices are particularly vulnerable to corporate mismanagement.

Due Diligence

Before making portfolio investments, we intend to conduct due diligence to the extent we deem reasonable and appropriate based on the applicable facts and circumstances. When conducting due diligence, we generally will evaluate a number of important business, financial, tax, accounting, regulatory and legal issues in determining whether or not to proceed with an investment. Nevertheless, when conducting due diligence and making an assessment regarding an investment, we will be required to rely on resources available to us. The due diligence process may at times be required to rely on limited or incomplete information, particularly with respect to early stage technologies and newly established companies for which only limited information is available. Accordingly, we cannot guarantee that the due diligence investigation carried out with respect to any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Any failure by us to identify relevant facts through the due diligence process may cause us to make unfavorable investment decisions, which could have a material adverse effect on the Funds. Due diligence may also be costly, which will decrease the Funds' overall returns.

Custodial Risk

A Fund could suffer losses if there were a default or bankruptcy by a bank or brokerage firm that holds securities or other assets of the Fund. Securities and other assets of a Fund will be deposited with banks or brokers as collateral to secure borrowings and other obligations of such Fund, and accordingly will not be entitled to the same protection in the event of the insolvency of the bank or brokerage firm as assets held in the name of the Fund by a bank or brokerage firm. Assets of a Fund held with a broker or bank may be held with subsidiaries or

affiliates of such financial institution in one or more jurisdictions outside the United States. While care is taken in selecting reputable financial institutions to trade with and hold custody of the assets of the Funds, any such financial institutions could become insolvent. In the event of the failure of a brokerage firm holding assets of a Fund, such Fund might not have the right to recover all securities held by the broker, and might under certain circumstances instead have only a claim (which may be unsecured) against the broker for the net value of the assets of the Fund held by the broker.

Litigation

From time to time, in the ordinary course of our operations, we and our affiliates may be subject to litigation and arbitration, which can be costly and divert significant portions of our available staff time and resources. In addition, it is possible that we may use litigation as part of an investment tactic. A Fund could be party to lawsuits either initiated by it, or by a company in which the Fund invests, other shareholders, or state, federal and foreign governmental bodies. There can be no assurance that any such litigation or arbitration, once begun, would be resolved in favor of the Fund. Any litigation or arbitration could have a materially adverse effect on a Fund.

Dispositions of Portfolio Investments

In connection with the disposition of an investment, a Fund may be required to make representations about the business, financial and legal affairs of the investment typical of those made in connection with the sale of any business. The Fund may also be required to indemnify the purchasers of such a portfolio investment to the extent that any such representations turn out to be inaccurate. These arrangements may result in contingent liabilities, which might ultimately have to be funded by Fund investors to the extent of their commitments or out of previous distributions made to them.

Intellectual Property Protection Is Uncertain

In many cases, the value of a Fund investment will be dependent upon protecting proprietary rights with respect to one or more technologies or products. In many cases, a Fund's ability to realize a positive increase in the value of an investment with respect to a product or technology, or to realize any royalty payments in respect thereof, depends on obtaining and maintaining patent and trade secret protection of such products or technologies, their use and the methods used to manufacture them, as well as successfully defending those intellectual property rights against third-party challenges. The degree of future protection to be afforded to products and technologies is uncertain because legal means afford only limited protection and may not adequately protect companies' rights or permit them to obtain or maintain their competitive advantages. It is difficult and costly to protect the proprietary rights associated with particular products or technologies. There can be no assurance that any issued patents underlying such products or technologies will provide sufficient protection to allow companies in which a Fund invests to conduct their businesses in the ordinary course. A Fund's investments may incur substantial costs as a result of litigation or other proceedings relating to patent and other intellectual property rights related to particular products or technologies and may be unable to protect their rights to, or commercialize, the applicable products or technologies. Moreover, there can be no assurance that a Fund's investments will remain free from intellectual property infringement claims by third parties. If a third party claims that a company in which a Fund invests is infringing such third party's intellectual property rights, that third party may obtain a court injunction to prevent the company from engaging in its business in the ordinary course, which would adversely affect the Fund. The success of a Fund's investments will also depend on the preservation of trade secrets, which are not protected by patents and are instead subject to relevant confidentiality agreements

with third parties such as collaborative partners, licensors, employees and consultants. Disclosure of trade secrets or other confidentiality information in violation of any such agreement could adversely affect the relevant Fund investments.

Custodians

Institutional Risk

Institutions, such as brokerage firms or banks, will have custody of a portion of the Funds' assets. These assets will be registered in "street name" and not in the Funds' name. Bankruptcy or fraud at one of these institutions could impair the operational capabilities or the capital position of the Funds. The Funds will attempt to concentrate their investment transactions with well-capitalized and established banks and brokerage firms in an effort to mitigate such risks.

Systemic Risk

Credit risk may also arise through a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes a series of defaults by the other institutions. This is sometimes referred to as a "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which the Funds will interact.

Ability to Enforce Legal Rights

Because the effectiveness of the judicial systems in certain non-U.S. countries in which the Funds may invest varies, the Funds may have difficulty in successfully pursuing claims in the courts of such countries, as compared to the United States or other developed countries. Furthermore, to the extent a Fund may obtain a judgment but is required to seek its enforcement in the courts of one of the countries in which it invests, there can be no assurance that such courts will enforce such judgment.

Special Resolution Risk

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act 2010, the Funds' custodians may become subject to Orderly Liquidation Authority, a special resolution regime pursuant to which the Federal Deposit Insurance Corporation has significant discretion in exercising a range of powers in relation to systemically significant entities in order to prevent or limit the effects of their failure. These include the transfer of critical functions of such an entity to a third party and the imposition of a temporary stay on the exercise of termination rights under financial contracts. The impact of this regime and its interaction with similar special resolution regimes in other jurisdictions is still uncertain. However, it is worth emphasizing that it has marginalized the significance of the courts in the winding up of such institutions, making legal precedents less relevant. This may impair the ability of the Funds to accelerate and close out financial contracts and/or to make claims as creditors in the relevant procedure.

Counterparty Risk

The Funds are subject to the risk of the inability of any counterparty to perform with respect to transactions, whether due to insolvency, bankruptcy, receivership, special resolution or other causes. The stability and liquidity of swap transactions, forward transactions and other over-the-counter derivative transactions depend in large part on the creditworthiness of the parties to the transactions. It is expected that we will monitor on an ongoing basis the creditworthiness of firms with which we will enter into swaps or other over-the-counter derivatives on behalf of the Funds. If there is a default by the counterparty to such a

transaction, the Funds will under most normal circumstances have contractual remedies pursuant to the agreements related to the transaction. However, exercising such contractual rights may involve delays or costs which could result in losses. Furthermore, there is a risk that any of such counterparties could become insolvent or subject to a bankruptcy, receivership, special resolution or similar proceeding (a "Proceeding"). If one or more of a Fund's counterparties were to become insolvent or the subject of a Proceeding (for example, Orderly Liquidation Authority), there exists the risk that the recovery of that portion of the Fund's portfolio held by such counterparty will be delayed or be of a value less than the value of the securities or assets originally entrusted to the counterparty. Investors should assume that the insolvency or the occurrence of a Proceeding of any counterparty would result in a loss to the Funds, which could be material.

Transaction Costs

The Funds' investment approach will incur investment commissions and other expenses.

Exposure to Material Non-Public Information

From time to time, we may receive material non-public information with respect to an issuer of publicly traded securities. In such circumstances, the Funds may be prohibited, by law, policy or contract, for a period of time from (i) unwinding a position in such issuer, (ii) establishing an initial position or taking any greater position in such issuer, and (iii) pursuing other investment opportunities related to such issuer.

Global Health Crises

The securities industry is subject to risks related to public health crises such as the pandemic associated with the 2019 novel coronavirus ("COVID-19"). A global disease outbreak, and the public and private sector policies and initiatives in response thereto (such as the imposition of travel restrictions and the adoption of remote working), may impact issuers across many industries. Furthermore, pandemics may impact the broader economies of affected countries, including negatively impacting economic growth, the proper functioning of financial and capital markets, foreign currency exchange rates, and interest rates. For example, the spread of COVID-19 has led to substantial disruption and volatility in the global capital markets, which increases the cost of capital and adversely impacts access to capital. Due to the speed with which pandemics may develop and the uncertainty of their duration and the timing of recovery, we are not able to predict the extent to which a pandemic, including the COVID-19 pandemic, may have a material effect on a Fund's ability to implement its investment strategy or the results thereof.

Cybersecurity and Systems Risks

We rely extensively on computer programs, networks, devices and systems (and may rely on new systems and technology in the future) in connection with the Funds' activities, including, without limitation, to trade, clear and settle securities transactions, to evaluate certain investments based on real time information, to monitor the Funds' portfolios and net capital and to generate risk management and other reports that are critical to oversight of the Funds' activities. In addition, certain of our operations and the operations of the Funds and our respective affiliates interface with or depend on computer programs, networks, devices and systems operated by third-parties, the Administrator and market counterparties and their sub-custodians and other service providers, and we may not be in a position to verify the risks or reliability of such third-party systems. These programs or systems may be subject to certain defects, failures, interruptions or security breaches, including, but not limited to, those caused by computer "worms," viruses, power failures and social engineering schemes such as "phishing." Cybersecurity and information security breaches can include unauthorized access

to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Our operations are highly dependent on each of these systems and the successful operation of such systems is often out of our control. Any such defect, failure or breach could have a material adverse effect on us, the Funds, and our respective affiliates. For example, systems failures, information security incidents or cybersecurity breaches could cause settlement of trades to fail, lead to inaccurate accounting, recording or processing of trades, and cause inaccurate reports, which may affect our ability to accurately monitor the Funds' investment portfolios and risks. Cybersecurity breaches may cause (i) disruptions and impact business operations, potentially resulting in financial losses to the Funds; (ii) interference with our ability to calculate the value of the Funds' investments; (iii) impediments to trading; (iv) the inability of us and other service providers to transact business; (v) violations of applicable privacy and other laws; (vi) regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as (vii) the inadvertent release of confidential information. Similar adverse consequences could result from system failures and cybersecurity breaches affecting (i) issuers of securities in which the Funds invest; (ii) counterparties with which the Funds engage in transactions; (iii) governmental and other regulatory authorities; (iv) exchange and other financial market operators, banks, brokers, dealers, insurance companies, and other financial institutions; and (v) other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

Item 9: Disciplinary Information

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

Item 10: Other Financial Industry Activities and Affiliations

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

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

Code of Ethics

LTS has adopted a “**Code of Ethics**” that establishes the high standard of conduct that we expect of our employees and procedures regarding our employees' personal trading of securities. Our employees are required to certify their adherence to the terms set forth in the Code of Ethics upon commencement of employment and annually thereafter. Employees also are required to provide quarterly certifications of compliance with certain Code of Ethics provisions.

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

- The interests of Clients must be placed first at all times.
- All investment transactions (including personal trading transactions) must be conducted consistent with this Code, and in such a manner as to avoid any actual or perceived conflict of interest, or any abuse of an Employee's position of trust and responsibility.
- Employee must not misrepresent the Adviser or their role within the Adviser.
- Employees should not take inappropriate advantage of their positions with the Adviser.
- Employees must comply with all applicable "Federal Securities Laws."

Employees are permitted to maintain personal brokerage accounts for the purpose of trading "**Reportable Securities**" (as defined in the Code of Ethics, and which includes a wide variety of investments such as stocks, bonds, fixed income, options, warrants, futures, and derivatives). Employees are prohibited from participating in Initial Public Offerings ("**IPOs**"). Employees are also prohibited from personally, or on behalf of a Client, purchasing or selling securities that appear on the Firm's Restricted List.

Employees must obtain pre-approval from the CCO before: (i) trading in Reportable Securities for any Covered Account(s); (ii) engaging in any outside business activities; or (iii) making any private investments.

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

Item 12: Brokerage Practices

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

Best Execution

In selecting brokers and negotiating commission rates, we will take into account the full range and quality of the executing broker-dealer's services. As part of this oversight, LTS has established an Operating Committee that meets quarterly and is responsible for the oversight of the Firm's brokerage practices, including implementing, evaluating, monitoring compliance with and updating (as necessary) its Best Execution Policy.

The CCO will attend the Operating Committee as well as additional persons that may be invited at the request of the Committee from other areas of the Firm that interact with broker-dealers, or use products and services provided by broker-dealers.

Soft Dollars

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

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

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

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.

Item 13: Review of Accounts

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

Account Reporting

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

We will distribute an audited financial report with respect to the previous fiscal year to all Investors within 120 days of fiscal year end. We may also distribute quarterly unaudited net asset value statements and periodic performance reports and investor letters. In addition, on an annual basis, we provide investors with a copy of the relevant Funds’ 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, and5ewq 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. In addition, investors may be provided with certain information about us and the Funds in response to questions and requests. This information may not be distributed to other investors or prospective investors. Each 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.

Item 14: Client Referrals and Other Compensation

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

Item 15: Custody

We will be deemed to have custody of Client funds and securities because we have the authority to obtain Client funds or securities, for example, by deducting advisory fees from a Client's account or otherwise withdrawing funds from a Client's account. Account statements related to the Clients are sent by qualified custodians to LTS.

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

Item 16: Investment Discretion

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

Item 17: Voting Client Securities

In compliance with Rule 206(4)-6 of the Advisers Act (i.e., the “proxy voting rule”), we have adopted proxy voting policies and procedures. The general policy is to vote all proxy proposals, amendments, consents or resolutions (collectively, “**Proxies**”) in a prudent and diligent manner that will serve the applicable Client’s best interests and is in line with the Client’s investment objectives.

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

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

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

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

Item 18: Financial Information

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