

ITEM 1  
COVER PAGE

PART 2A OF FORM ADV: FIRM BROCHURE



# Dumont Global LP

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This brochure (“**Brochure**”) provides information about the qualifications and business practices of Dumont Global LP (the “**Adviser**,” the “**Registrant**,” “**we**,” “**us**,” or “**our**”). If you have any questions about the contents of this brochure, please contact our Investor Relations team at [investors@dumontglobal.com](mailto:investors@dumontglobal.com) or by calling (212) 705-8180. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

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

We are a registered investment adviser under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). Our registration under the Advisers Act does not imply any level of skill or training.

## **ITEM 2**

### **MATERIAL CHANGES**

Item 5 has been updated to reflect new and modified fee structures and expenses for our Funds. Item 7 has been updated to provide additional detail regarding our types of clients. Item 8 has been updated to reflect the amended strategy and attendant risk factors of our Funds.

Our brochure may be requested, free of charge, by contacting our Investor Relations team at [investors@dumontglobal.com](mailto:investors@dumontglobal.com) or by calling (212) 705-8180.

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## ITEM 4 ADVISORY BUSINESS

### A. General Description of Advisory Firm

We are a Delaware limited partnership, formed in July 2019.

While we do not have any direct employees, we have entered into a staffing agreement with Dumont Global, Inc., a Delaware corporation and wholly owned subsidiary of ours, which employs all of the investment professionals that provide services to us and, ultimately, our clients. Any professionals providing services through this staffing arrangement are treated as associated persons of the Adviser, and are referred to throughout this Brochure as employees.

We provide investment advisory services on a discretionary basis to privately offered pooled investment vehicles (each, a “**Fund**” or “**Client**” and collectively, the “**Funds**” or “**Clients**”), typically pursuant to an investment management agreement or similar document (an “**IMA**”) or other organizational and offering documents under which the Adviser is granted discretion to trade the Client’s account without obtaining the Client’s consent to each particular transaction (subject to the investment policies and restrictions, if any, imposed by the Client in an IMA or otherwise). In addition, we operate under basic policies and principles applicable to the conduct of our investment advisory business. These policies and principles are based upon general concepts of fiduciary duty, the specific requirements of the Advisers Act, the rules and regulations promulgated thereunder, and our internal policies. We anticipate advising other funds from time to time. We refer to such potential clients, along with the Clients, as our “**Clients**.” Our managing partner is Chris Yetter.

Our Clients are funds organized under the laws of the Cayman Islands and Delaware, generally organized in a master-feeder structure. The feeder funds invest substantially all of their assets in a master fund. By using a master fund, our Clients achieve trading and administrative efficiencies. Our managed funds include, without limitation, the following:

- Dumont Fund LP (the “**Dumont Master Fund**”), Dumont Onshore Fund LP (the “**Dumont Onshore Feeder Fund**”), and Dumont Offshore Fund Ltd. (the “**Dumont Offshore Feeder Fund**,” and, collectively with the Dumont Master Fund and the Dumont Onshore Feeder Fund, the “**Dumont Fund**”);

### B. Description of Advisory Services

As an investment adviser, we provide portfolio management services to our clients. We are responsible for sourcing potential investments, conducting research and due diligence on potential investments, analyzing investment opportunities, structuring investments, and monitoring investments on behalf of our Clients. We generate all of our advisory billings from investment advisory services.

We do not limit the type of investment advisory services we offer and there are no material limitations to the types of securities in which we may invest our clients (subject to anything in the relevant IMA, offering document, or organizational documents of a particular client). We may invest in any security and any sector of the market to carry out the overall objectives of our clients.

Such objectives, strategies and policies may be expected to evolve materially over time. We have complete flexibility to create or organize (alone or in conjunction with others including affiliates) or otherwise utilize special purpose subsidiaries or other special purpose investment vehicles, swaps or other derivatives or structured products.

**C. Availability of Customized Services for Individual Clients**

Each Fund's organizational and offering documents, such as a private placement memorandum (a "**PPM**"), limited partnership agreement or memorandum and articles of association (as applicable), investment management agreement and subscription agreement (each as may be amended, supplemented or modified from time to time (collectively, with respect to each Fund, as applicable, the "**Governing Documents**") provide more detailed descriptions of each Fund's investment objectives and may contain investment guidelines, policies, or restrictions.

In addition, the Adviser may enter into agreements with certain clients (or underlying investors) that may in each case provide for terms of investment that are more favorable to the terms provided to other clients (or underlying investors). Such terms may include the waiver or reduction of Management Fees and/or Performance Fees, the provision of additional information or reports, more favorable transfer rights, and more favorable liquidity rights.

**D. Wrap Fee Programs**

We do not participate in a wrap fee program.

**E. Assets Under Management**

As of March 31, 2022, we had approximately \$118,400,000 Client regulatory assets under management on a discretionary basis and no Client assets under management on a non-discretionary basis.

## **ITEM 5**

### **FEES AND COMPENSATION**

#### **A. Advisory Services and Fees**

Compensation received by Dumont (or its affiliates) generally consists of fees based on a percentage of assets under management (“Management Fees”) and performance-based compensation, such as performance fees or allocations to which investors in the Funds may be subject (“Performance Fees”).

Our Management Fees and Performance Fees may vary by Client. For the Dumont Fund, we charge management fees based on net assets under management ranging from 1.50% to 2.0% per annum . Management Fees are generally payable monthly in arrears. In addition, an affiliate of Dumont is entitled to receive Performance Fees in the range of 17.% to 30% per annum of net profits (including realized and unrealized gains)subject in certain cases to a loss carry forward provision. Our Management Fees and Performance Fees are further described in the Governing Documents of our Funds. We structure any performance or incentive fee arrangement in accordance with Section 205(a)(1) of the Advisers Act and the rules and regulations promulgated thereunder, including the exemption set forth in Rule 205-3 permitting performance fee arrangements with “qualified clients.”

In addition, we and/or our affiliates may in the future agree to terms with such other investment vehicles or accounts, or with the investors in such other investment vehicles or accounts, that differ from the terms entered into with our Funds and/or any of their respective underlying investors, including, without limitation, terms related to Management Fees, Performance Fees, reporting, notice periods for redemptions, and liquidity terms.

Dumont reserves the right to waive, reduce, rebate, or calculate differently the Management Fee and/or Performance Fee with respect to any investor in a Fund, including, without limitation, the current or former Dumont principals and employees and their family members and any other entity organized or formed by any of the foregoing for tax, estate planning or charitable purposes.

From time to time, the Adviser may provide (or agree to provide) certain investors or other persons, including other sponsors, market participants, consultants and other service providers, the Adviser’s personnel and/or certain other persons associated with the Adviser and/or its affiliates, co-investment opportunities (including the opportunity to participate in co-investment vehicles) that will invest in certain investments alongside a Fund. Such co-investments typically involve investment and disposal of interests in the applicable investment at the same time and on the same terms as the Fund making the investment. Clients that participate in a co-investment will generally pay a reduced (or no) Management Fee or Performance Fee with respect to co-investments made outside of the relevant Fund. A co-investment vehicle will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds.

#### **B. Payment of Fees**

The Governing Documents of each Fund govern the terms of compensation and the manner in which we charge Management Fees and Performance Fees. Subject to the terms of the applicable Governing Documents, we typically deduct such fees directly from the Funds. Management Fees

are paid monthly, in arrears, based on ending net assets at the end of each month. Performance Fees are paid to Dumont or an affiliate, either at the feeder fund or master fund level, annually in arrears. Fees are typically prorated for partial periods.

### **C. Additional Expenses and Fees**

Our fees are exclusive of other charges, fees, and expenses which are paid by Clients and include, among other things, where applicable: the cost of maintaining a Fund's existence, including, without limitation, the cost of maintaining the Fund's registered office in the Cayman Islands and the fees payable to the Cayman Island Monetary Authority ("CIMA"); the cost of meetings of the directors, shareholders and/or limited partners of a Fund; the cost associated with any investor communications; expenses of the continuous offering of shares of a Fund, including the cost of producing and distributing offering memoranda and other marketing materials; printing and mailing costs; filing fees and expenses; brokerage, depositary, finders', financing, appraisal, and accounting fees, as well as audit and tax preparation fees and expenses (including the preparation and mailing of K-1 forms); the fees and expenses of a Fund's administrator; computer software, licensing, programming and operating expenses; data processing costs; director fees and out-of-pocket expenses; taxes or other governmental charges; legal and compliance fees and expenses (including, without limitation, the costs of on-going legal advice and services, blue sky filings, securities filings (including Schedules 13D and 13G), and all costs and expenses related to or incurred in connection with the Dumont's compliance obligations under applicable federal, state or non-U.S. laws arising out of its relationship to the Funds and other Clients, as well as extraordinary legal expenses, such as those related to litigation or regulatory investigations or proceedings); litigation and extraordinary expenses and other expenses; indemnification, litigation and extraordinary expenses, if any; interest expenses; insurance premiums and expenses; custody fees; bank charges; and operating general operating and organization expenses of a Fund, along with certain investment-related travel and accommodation expenses (which are expenses related to the purchase, sale, transmittal or ongoing monitoring of the Funds' investments incurred by Dumont and its affiliates). A Fund will also bear its pro rata share of a master fund's operational expenses, including, without limitation: research expenses; the cost of maintaining the master fund's existence, including, without limitation, the cost of maintaining the master fund's registered office in the Cayman Islands and the fees payable to CIMA; filing fees and expenses; accounting, audit and tax preparation fees and expenses; the fees and expenses of the administrator; computer software, licensing, programming and operating expenses; data processing costs; director fees and out-of-pocket expenses; consulting fees; investment banking fees; taxes; legal fees and expenses; litigation and extraordinary expenses, if any; interest expenses (including interest due to repurchase agreements and other borrowings); insurance premiums and expenses; custody fees; bank charges; brokerage commissions, spreads, and mark- ups; and other investment and operating expenses.

These charges, fees, and expenses are exclusive of and in addition to the Management Fees and Performance Fees, if any. In most circumstances, such Management Fees and Performance Fees is not reviewed or approved by an independent third party. Dumont bears its own operating, general, administrative and overhead costs and expenses. Neither Dumont nor any of its supervised persons accepts compensation for the sale of securities or other investment products.



In certain circumstances, one Fund may pay an expense common to multiple Funds (including without limitation legal expenses for a transaction in which all such Funds participate, or other fees or expenses in connection with services the benefit of which are received by other Funds over time), and be reimbursed by the other Funds for their share of such expense, without interest. The Adviser may also advance amounts related to the foregoing and receive reimbursement from the Funds to which such expenses relate.

## ITEM 6

### PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

While the specific terms may vary by Client, for our advisory services, in general, Dumont or its affiliates receive Management Fees and Performance Fees as described herein. We do not generally charge any Clients any other type of fee, such as an hourly or flat fee. For a more detailed discussion of our Management Fees and Performance Fees, please see Item 5, “Fees and Compensation,” above.

Because the Adviser receives a Management Fee based on the net asset value of an underlying investor’s interest in a Fund, there is a potential conflict of interest regarding the management of a Fund’s assets. There is a potential conflict of interest between the responsibility of the Adviser to maximize profits from investment and trading and the possible desire of the Adviser to avoid taking risks that might reduce the net asset value of a Fund or value of an underlying investor’s interest and, consequently, reduce the Management Fee payable to the Adviser. In addition, the right of the Adviser or a Fund’s general partner, an affiliate of the Adviser, to receive a Performance Fee may create an incentive for the Adviser to cause a Fund to make investments that involve more risk or are more speculative than would otherwise be the case if the Adviser or its affiliate were entitled only a fixed fee. Because the performance fee is calculated on a basis that includes unrealized appreciation of the Fund’s assets as well as realized appreciation, such performance fee may be greater than if it were based solely on realized gains.

In addition, in the allocation of investment opportunities, performance based fee arrangements may also create an incentive for us to favor higher fee paying Clients over other Clients (including Clients who may not be subject to any Performance Fees) in the allocation of investment opportunities. The Performance Fees received by Dumont or its affiliates are calculated on the basis of the unrealized, as well as the realized, gains and losses. As a result, the Performance Fees could be paid to Dumont or its affiliates in respect of unrealized gains of the Funds that may never be realized. Dumont believes that it has reasonable controls in place to mitigate such potential conflicts of interest. We have adopted an Order Aggregation and Trade Allocation Policy (the “**Allocation Policy**”) designed to ensure that transactions and investment opportunities will be allocated to the Funds (to the extent there is more than one fund in the future) in accordance with each Funds’ investment guidelines and Governing Documents, as well as other factors that do not include the amount of performance-based compensation received by Dumont. We generally expect that this will result in our Clients being treated fairly and equally over time and mitigating the risk of this form of conflict from influencing the allocation of investment opportunities among Clients. We will offer Clients the right to participate in all investment opportunities that we determine are appropriate for the client in view of relative amounts of capital available for new investments, the investment programs, exposure guidelines, and the size of the portfolios of our Clients. In accordance with our Allocation Policy, we endeavor to treat each of our Clients in a fair and equitable manner.

## **ITEM 7**

### **TYPES OF CLIENTS**

We currently provide investment advisory services on a discretionary basis to domestic and offshore private investment funds (each, a “**Fund**”). Investors in the Funds may be individuals or institutions or other entities (including but not limited to pension and profit sharing plans, trusts, estates, charitable organizations, corporations, partnerships, funds of funds, and other business entities).. Our investment advisory services are generally intended for financially sophisticated institutional and high net-worth individual investors and investment vehicles.

The minimum initial subscription amount for investing in the Funds (as set forth in their respective Governing Documents) is \$2,000,000 for all Funds, generally subject to reduction or waiver at the discretion of Dumont, or a Fund’s general partner or board of directors, as applicable..

## ITEM 8

### METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

#### A. Methods of Analysis and Investment Strategies

We use several methods of analysis and investment strategies depending on a particular Fund's investment objectives, including, without limitation, those described below. Our Clients and underlying investors should refer to a particular Fund's Governing Documents for additional details.

**Dumont Fund:** The Fund's primary investment objective is to seek capital appreciation on a risk-adjusted basis. The Fund primarily invests in the theme of health and wellness companies related to cannabis and other active substances. Investment strategies could include long/short strategies, event-driven strategies, credit strategies, and private company investments. The Fund typically will invest in companies operating in the United States and other countries.

The Fund strategy is an evolution of Dumont's focus on "orphaned assets" – a self-defined category of securities that, Dumont believes, are overlooked by traditional investment managers. Orphaned assets are often too niche or too complex to warrant time and attention of larger established managers. Dumont's team believes that focusing on these niche categories may open a less competitive investment environment..

#### B. Risk Factors

The following is a brief summary of certain of the more significant risks associated with Dumont's investment strategies.

Investing in securities involves risk of loss that our Clients and their underlying investors should be prepared to bear, including the loss of their entire investment. The success of our Client's investment will depend entirely upon our skill and expertise and the performance of our investment strategy. In addition, because of the investment techniques we use, investing with us is designed for investors who are investing for the long term. An investment with us is not intended and is not suitable for clients seeking assured income or preservation of capital. While we try to reduce risks by carefully researching securities before they are purchased, diversifying investments and, in some cases, by using hedging techniques, there is no assurance that our Clients will achieve their investment objectives. Because changes in overall market prices can occur at any time, the value of the securities held by our Clients may go up or down.

In addition, we believe that Clients and their underlying investors should be aware of the risk factors delineated below. These risk factors are not a complete explanation of all the risks to Clients and underlying investors from investing with us. Clients should carefully review this brochure, as well as each Fund's Governing Documents, as appropriate, and any other operative agreements, before deciding to invest with the Adviser. Furthermore, while the risks below are generally applicable to our Funds and across our various strategies, Clients should review each Fund's Governing Documents for risks which may be specific to each Fund or strategy.

## **Risk Factors**

**Legal Risk.** Many of the laws that govern private and foreign investment, securities transactions, and other contractual relationships are new and largely untested. As a result, the Fund may be subject to a number of unusual risks, including inadequate underlying investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets and lack of enforcement of existing regulations. Furthermore, it may be difficult to obtain and enforce a judgment. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on the Fund and its operations. In addition, the income and gains of the Fund may be subject to withholding taxes for which underlying investors may not receive a foreign tax credit.

**Inability to Meet Investment Objective.** The Fund is intended for investors who can accept the risks associated with the Fund's investment program. The possibility of partial or total loss of Partnership capital will exist, and prospective investors should not subscribe unless they can readily bear the consequences of such loss. The Fund is a new fund, with a limited operating history.

**Market Conditions.** Unexpected volatility, illiquidity, governmental action, currency devaluation, or other events in markets in which the Fund directly or indirectly holds positions could impair the ability of the Fund to carry out its business and could cause the Fund to incur substantial losses.

**Economic Wind Downs.** Upon the Fund ceasing to carry on business with a view to liquidating economically all of its remaining investment positions (through bids on the secondary market or otherwise), Dumont may work together with its affiliates to carry out a plan of liquidation to liquidate economically all of the Fund's remaining investment positions as they deem appropriate in their sole and absolute discretion (which may include the suspension of withdrawals from the Fund) prior to distributing withdrawal proceeds to the underlying investors. During the course of undertaking the economic liquidation, the value of the Fund's investment positions will be subject to performance over such period as Dumont deems appropriate. Management Fees will be paid and the Performance Allocation will be allocated during the period of the economic liquidation as such accrue and are payable to Dumont or allocable to a Dumont affiliate for services to the Fund and in accordance with the Governing Documents of the Fund.

**Hedging Transactions.** The Fund may utilize financial instruments such as credit default swaps, forward contracts and currency options and interest rate swaps, caps, collars and floors to seek to hedge against fluctuations in the relative values of its investment positions (including, among other things, hedges on currencies, equities and derivatives). Hedging against a decline in the value of a position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus offsetting the decline in the positions' value. Such hedge transactions also limit the opportunity for gain if the value of the position should increase. Dumont is not obligated to hedge any risks and even if certain risks are hedged from time to time, Dumont may choose to terminate such hedging at any time.

**Restriction on Transferability.** Underlying investors may not sell, transfer, exchange, assign, pledge, hypothecate, or otherwise dispose of their interests (or any portion thereof) without the consent of Dumont or its affiliate. Furthermore, transferees must be eligible underlying investors. Moreover, underlying investors may not withdraw any portion of their interests except on Withdrawal Dates applicable to the class of interests. There is no public market for the interests, and no public market is expected to develop.

**Mandatory Withdrawal.** The Fund is entitled to repurchase the interests of any underlying investor at any time if the Fund determines that it is likely that the underlying investor is not a qualified investor, or where the continued participation of an underlying investor would be reasonably likely to be unlawful or harmful or injurious to the business or reputation of the Fund or the Fund or any entity affiliated with the Fund, or for any reason or no reason whatsoever.

**Leverage.** The Fund may use leverage. The use of leverage creates opportunities for greater total return, but also increases the risk of losses. A relatively small movement in the market prices of the instruments held by the Fund can result in immediate and substantial loss to the Fund. Purchasing on margin increases the risk of having to sell at a time when market prices are declining in order to meet margin calls. Also, the Fund may at times not be able to obtain financing at desired levels or on desired terms. This could adversely affect the Fund's returns.

**Illiquidity.** Dumont may, from time to time, have difficulty disposing of certain debt or equity securities because there may be a thin trading market for such securities. Reduced secondary market liquidity may have an adverse impact on market price and the ability to dispose of particular issues when necessary to meet liquidity needs or in response to specific economic events such as deterioration in the creditworthiness of the issuer. To the extent that illiquid investments restrict the Fund's ability to raise cash when needed, such illiquidity may result in borrowings by the Fund in order to meet short-term cash requirements, including those created by the withdrawal of interests. The Fund may invest up to thirty-three and one third percent (33.334%) of its assets in Private Securities, on a cost basis, measured at the time of investment, for which no (or only a limited) market exists or that are subject to legal or other restrictions on transfer. The Fund may also invest from time to time in publicly traded securities that are subject to contractual and/or statutory lock-up provisions which render such securities illiquid. Additionally, the Fund trades securities on certain exchanges (including but not limited to the Canadian Securities Exchange, the Toronto Stock Exchange, the NEO Exchange and the TSX Venture Exchange) that often do not have the same amount of market participants as the equivalent exchanges in the U.S. and therefore such securities are less liquid than if traded on U.S. exchanges. It may take the Fund longer to liquidate such positions (if they can be liquidated) than would be the case for more liquid investments. The prices realized on the resale of Private Securities or other illiquid securities could be less than those originally paid by the Fund. The market prices, if any, for such assets tend to be volatile, and may fluctuate due to a variety of factors that are inherently difficult to predict including, but not limited to, changes in interest rates, prevailing credit spreads, general economic conditions, financial market conditions, domestic or international economic or political events, developments or trends in any particular industry, and the financial condition of obligors on the Fund's assets. The Fund may not be able to sell assets when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. The sale of illiquid assets and restricted securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities

exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale.

**Legal and Regulatory Risks.** Except as expressly stated in this Form ADV Brochure or in the Governing Documents (i) the Fund has not applied for registration as an investment company, a regulated mutual fund, or other regulated entity; and (ii) the interests have not been registered for sale under the laws of any jurisdiction. To the extent that any of the foregoing registrations were required but not obtained, such failure to register could have severe adverse consequences.

**Suitability Standards.** Because of the risks involved, investment in the Fund is only suitable for sophisticated investors who are able to bear the loss of substantial portion or even all of the money they invest in the Fund, who understand the high degree of risk involved, believe that the investment is suitable based upon their investment objectives and financial needs and have no need for liquidity of investment.

**Short Selling.** Short selling involves selling securities which are not owned by the short seller and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from a decline in market price to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. The extent to which the Fund engages in short sales will depend upon Dumont's investment strategy and opportunities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Fund of buying those securities to cover the short position. There can be no assurance that the Fund will be able to maintain the ability to borrow securities sold short. In such cases, the Fund can be "bought in" (*i.e.*, forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

**Loans of Portfolio Securities.** The Fund may lend its portfolio securities. By doing so, the 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, the Fund could experience delays in recovering the securities it lent. To the extent that the value of the securities the Fund lent has increased, a loss could be experienced if such securities are not recovered.

**Commodities and Derivative Investments.** The prices of commodities contracts and derivative instruments, including futures and options, are highly volatile. Payments made pursuant to swap agreements may also be highly volatile. Price movements of commodities, futures and options contracts and payments pursuant to swap agreements are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The value of futures, options, and swap agreements also depends upon the price of the commodities underlying them. In addition, the Fund's assets are also subject to the risk of the failure of any of the exchanges on which its positions trade or of its clearinghouses or counterparties.

The Fund may buy or sell (write) both call options and put options, and when it writes options, it may do so on a “covered” or an “uncovered” basis. A call option is “covered” when the writer owns securities of the same class and amount as those to which the call option applies. A put option is covered when the writer has an open short position in securities of the relevant class and amount. The Fund’s option transactions may be part of a hedging strategy (i.e., offsetting the risk involved in another securities position) or a form of leverage, in which the Fund has the right to benefit from price movements in a large number of securities with a small commitment of capital. These activities involve risks that can be substantial, depending on the circumstances.

In general, without taking into account other positions or transactions the Fund may enter into, the principal risks involved in options trading can be described as follows: When the Fund buys an option, a decrease (or inadequate increase) in the price of the underlying security in the case of a call, or an increase (or inadequate decrease) in the price of the underlying security in the case of a put, could result in a total loss of the Fund’s investment in the option (including commissions). The Fund could mitigate those losses by selling short, or buying puts on, the securities for which it holds call options, or by taking a long position (e.g., by buying the securities or buying calls on them) in securities underlying put options.

When the Fund sells (writes) an option, the risk can be substantially greater than when they buy an option. The seller of an uncovered call option bears the risk of an increase in the market price of the underlying security above the exercise price. The risk is theoretically unlimited unless the option is “covered.” If it is covered, the Fund would forego the opportunity for profit on the underlying security should the market price of the security rise above the exercise price. If the price of the underlying security were to drop below the exercise price, the premium received on the option (after transaction costs) would provide profit that would reduce or offset any loss the Fund might suffer as a result of owning the security. The CFTC and certain commodity exchanges have established limits referred to as speculative position limits or position limits on the maximum net long or net short position which any person or group of persons may hold or control in particular futures and options. Limits on trading in options contracts also have been established by the various options exchanges. It is possible that the trading decisions may have to be modified and that positions held may have to be liquidated in order to avoid exceeding such limits. Such modification or liquidation, if required, could adversely affect the operations and profitability of the Fund.

**Private Investments.** Investments by the Fund in the debt or equity of private companies may expose the Fund to a number of risks, including market risk, credit risk, liquidity risk, operational risk, and litigation risk. While companies funded through venture capital and private equity sources offer investors the opportunity for significant gains, such companies also involve a high degree of business and financial risk and can result in substantial losses. The marketability and value of each investment will depend upon many factors beyond Dumont’s control. The investments may have substantial variations in operating results from period to period, face intense competition, and experience failures or substantial declines in value at any stage. The public markets for legal cannabis companies are extremely volatile. Such volatility may adversely affect the development of the Fund’s investments, the ability of the Fund and its underlying investors to dispose of investments and the value of investment securities on the date of sale or distribution by the Fund. In particular, the receptiveness of the public market to initial public offerings by the portfolio companies may vary dramatically from period to period. An otherwise



successful investment may yield poor investment returns if it is unable to consummate an initial public offering at the proper time, find a suitable acquirer, or otherwise provide for stockholder liquidity. Even if an investment effects a successful public offering, the investment's securities may be subject to contractual market standoff provision, generally six (6) months from the public offering. There may also be securities law requirements or other restrictions which may, for a material period of time, prevent the Fund or the underlying investors from disposing of such securities. Similarly, the receptiveness of potential acquirers to an investment will vary over time and, even if an investment is disposed of via a merger, consolidation or similar transaction, the Fund's stock, security or other interests in the surviving entity may not be marketable. There can be no guarantee that any investment will ever become liquid via public offering, merger, acquisition or otherwise. Investments may be long-term in nature and may require many years from the date of initial investment before disposition. Private capital investing tends to be more speculative; there is a greater risk of loss of up to the entire amount invested because the competition for gaining market share or a proven product may be particularly intense. Private capital investments are highly illiquid and there is no guarantee that the Fund will be able to realize such investments in any particular timeframe.

**The Fund May Not Have Control Over an Investment.** The Fund may acquire minority interests in private companies or other assets in which it invests, or rely on independent third-party management or strategic partners with respect to the management of private companies. The Fund may also co-invest with third-parties through partnerships, joint ventures or other types of entities, thereby acquiring non-controlling interests in certain investments. The Fund may also have no right to appoint a director or otherwise exert significant or any influence. In such a case, the Fund will be reliant on the existing management and board of directors of such portfolio company, which may include representatives of other financial investors with whom the Fund is not affiliated and whose interests may conflict with the interests of the Fund. Even if the Fund obtains shareholder rights, as a relatively minor holder in a portfolio company, the Fund is unlikely to have significant information rights or ability to exert control through its vote or exercise of fiduciary obligations to influence the management of any portfolio company. Therefore, the Fund may not be able to exercise control over such investments. A third-party partner or co-venturer may have financial difficulties resulting in a negative impact on such asset, may have economic or business interests or goals which are inconsistent with those of the Fund, or may be in a position to take action contrary to the Fund's investment objectives.

**The Fund May Not Achieve Its Targeted Rate of Return on Its Investments.** Dumont expects to make investments on behalf of the Fund based on its estimates or projections of overall rates of return on such investments, which in turn are based upon, among other considerations, assumptions regarding the performance of private companies, the amount and terms of available financing, marketability and viability of and the manner and timing of dispositions, all of which are subject to significant uncertainty. In addition, events or conditions that Dumont has not anticipated may occur and may have a significant effect on the actual rate of return received on an investment.

**Lack of Liquidity and Need for Additional Capital.** After the Fund has financed a private portfolio company, continued development and marketing of products and/or services may require that additional financing be provided. Dumont expects the private portfolio companies in which the Fund invests to have substantial capital needs that are typically funded over several stages of

investment. No assurance can be given that such additional financing will be available and no assurance can be made as to the terms upon which such financing may be obtained. The Fund will purchase securities in portfolio companies in direct issuances from portfolio companies or through purchases of securities from the founders of such portfolio companies or on the secondary market. Acquisitions from the founders and in secondary market do not contribute any capital to a portfolio company. Accordingly, third-party sources of financing may be required. In addition, such additional capital, if raised, may dilute the holdings of existing investors such as the Fund. The inability of such private companies to attract additional capital may have the effect of halting the development of that private company and may even cause the Fund to lose its investment therein altogether. Also, if such private company is ultimately unsuccessful in its exit strategy such as going public and developing a public market or merging with or being acquired by another company, the Fund's holdings of that company's securities may become worthless or severely devalued.

**Competition for Investments.** The Fund expects to encounter competition from other entities having similar investment objectives. Historically, the primary competition for such investments has been from venture capital partnerships and companies, venture capital affiliates of large industrial companies, wealthy individuals and non-U.S. investors. Additional competition is anticipated from industrial and financial companies investing directly, rather than through venture capital entities, as well as other larger institutional asset management firms. The Fund may co-invest with other investors, and these relationships with other investors may expand the Fund's access to investment opportunities. However, there is no assurance that the Fund will succeed in finding investments on similar or favorable terms in comparison to its competitors.

**Start-up Risks.** The Fund may make investments in companies at the start-up or incubation stage of their development. Particularly in early-stage enterprises, a risk exists that a proposed service or product cannot be developed successfully with the resources available to the private company. There is no assurance that the development efforts of any private company will be successful or, if successful, will be completed within the budget or time period originally estimated. The services and products may also be subject to a high degree of technical obsolescence. There is no assurance that any company can successfully develop future generations of its services or products. Additional funds may be necessary to complete such development, and there is no assurance that such funds will be available from any particular source.

**Side Pocket Investments.** As described herein, a portion of the Fund's investments in Private Securities may consist of Side Pocket Investments. Because of the absence of any trading market, or limited trading, for the Side Pocket Investments, Dumont may take longer to liquidate these positions than would be the case for publicly traded securities. Accordingly, the Fund's ability to respond to market movements may be impaired and the Fund may experience adverse price movements upon liquidation of its investments. Although these securities may sometimes be resold in privately negotiated transactions, the prices realized on these sales could be less than those originally paid by the Fund. Additionally, accurately valuing and realizing such investments or closing out positions in such investments at appropriate prices may not always be possible. Moreover, to the extent an underlying investor's capital is invested in a Side Pocket Investment, such underlying investor that withdraws from the Fund will not receive its share of assets attributable to a Side Pocket Investment until Dumont, in its sole discretion, determines that the relevant investment no longer constitutes a Side Pocket Investment, liquidates such investment in

whole or in part (to the extent liquidated) or determines to make an in-kind distribution of the same to the withdrawing underlying investor.

Over time, the Fund may, in the sole discretion of Dumont, take actions in an attempt to realize its investments in Side Pocket Investments or provide means of liquidity to the underlying investors. These actions may include, but are not limited to, a listing of interests in the Fund on a securities exchange, a sale of one or more of the Fund's Side Pocket Investments, one or more in-kind distributions, or a sale of the entire portfolio of Side Pocket Investments. The Fund is under no obligation to take any of these actions and could face contractual, regulatory, market and/or other constraints on its ability to affect any of these actions. The Fund may be required to accept securities or other assets of an acquirer in connection with any disposition of a Side Pocket Investment. For example, if a portfolio company is acquired by or merges with a strategic buyer in a stock-for-stock acquisition by a private company, the Fund may find itself holding illiquid stock in the acquiring company. Due to the illiquid nature of Side Pocket Investments, as well as the uncertainties of the reorganization and active management process, Dumont will be unable to predict with confidence what the exit strategy will ultimately be for any given position, or that one will definitely be available. Exit strategies, which appear to be viable when an investment is initiated, may be precluded by the time the investment is ready to be realized due to economic, legal, political or other factors. Dumont may also establish a liquidating trust, special purpose vehicle, or similar mechanism, for the purpose of holding any Side Pocket Investments or other illiquid investments. Investments which have been placed in a liquidating trust, special purpose vehicle or similar mechanism may not be withdrawn until such time as Dumont determines that such investments are no longer illiquid.

## **Valuation of Private Investments**

*Difficulty in Valuing Private Investments.* Generally, there will be no readily available market for the Fund's private investments and hence such investments will be difficult to value. Due to the absence of readily available market valuations or market quotations for securities of the Fund's privately held portfolio companies, the valuation of the Fund's investment in each such portfolio company is determined by Dumont in accordance with the valuation procedures. The Fund is not required to have such a valuation independently determined. Despite Dumont's efforts to acquire sufficient information to monitor such investments and make well-informed valuation and pricing determinations, Dumont may be able to obtain only limited information at certain times. It is possible that Dumont may not be aware, on a timely basis, of material adverse changes that have occurred with respect to the Fund's private investments. Dumont may have to make valuation determinations without the benefit of an adequate amount of relevant information. Prospective investors should be aware that as a result of these difficulties, as well as other uncertainties, any such valuation made by Dumont may not represent the fair market value of the private securities acquired by the Fund. For example, valuations made by other parties, or transactions entered by others, may reflect different classes of stock, or securities with different rights or held for different purposes. Valuations made for tax purposes, including those made by a portfolio company for pricing stock options, as well as valuations made by mutual funds, underwriters, potential acquirers, and others, may vary in methodology and outcome from those made by Dumont.

*Purchase Prices May Not Reflect True Value.* The purchase prices at which the Fund purchases securities in a portfolio company reflect a negotiated price between the Fund and shareholders in such portfolio company for private secondary transactions, or else primary issuances by a portfolio company. There is no guarantee that such prices reflect actual value of the securities, or that such prices will be or could be obtained at the time in other market transactions, or in the future.

**Control Securities.** The Fund may hold positions in companies where one or more representatives of Dumont or its affiliates sits on the board of directors. As a result, public resale of these securities may be restricted under the Securities Act, as the Fund's investments in these companies may be deemed to be "control securities" under U.S. securities laws. Furthermore, the Fund may be subject to the trading windows and insider trading policies of such companies as well as obligations under Section 16 of the Exchange Act, which, among other things, subjects trading in certain of these companies' securities to the "short swing profit rule." Investing in securities with limited or no liquidity or where one or more representatives of Dumont or its affiliates sits on the board of directors may impair the Fund's ability to dispose of such securities on a timely basis. As a result, the ability of the Fund to timely execute transactions in order to realize gains and avoid losses may be hindered. The Fund's positions in such securities could be substantial.

**Other Instruments.** The Fund may take advantage of opportunities with respect to certain other instruments that are not presently contemplated for use or that are currently not available, but that may be developed, to the extent such opportunities are both consistent with the investment objective of the Fund and legally permissible. Special risks may apply to instruments that are invested in by the Fund in the future that cannot be determined at this time or until such instruments are developed or invested in by the Fund. Certain swaps, options and other derivative instruments may be subject to various types of risks, including market risk, liquidity risk, the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty, legal risk, and operations risk.

**Non-U.S. Financial Instruments.** Investments in financial instruments of non-U.S. issuers (including non-U.S. governments) and financial instruments denominated, or whose prices are quoted, in non-U.S. currencies pose, to the extent not hedged, currency exchange risks (including repatriation restrictions, devaluation and non-exchangeability) as well as a range of other potential risks which could include expropriation, confiscatory taxation, political or social instability, illiquidity, price volatility and market manipulation. In addition, less information may be available regarding securities of non-U.S. issuers and non-U.S. issuers may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of U.S. issuers. Transaction costs of investing in non-U.S. securities markets are generally higher than in the United States. There is generally less government supervision and regulation of exchanges, brokers, and issuers than there is in the United States. The Fund might have greater difficulty taking appropriate legal action in non-U.S. courts. Non-U.S. markets also have different clearance and settlement procedures which in some markets have at times failed to keep pace with the volume of transactions, thereby creating substantial delays and settlement failures that could adversely affect the performance of the Fund. In addition, the value of non-U.S. financial instruments is often dependent on the ability of the holder to recover portions of the cash flow. For example, bonds from which coupon interest has been withheld, acquire value to a holder capable of recovering the withholding. The withholding and redemption practices of non-U.S.

governments may change from time to time without notice, and the ability of the Fund to guarantee recovery of the cash flow is necessarily uncertain.

The fact that evidences of ownership of such financial instruments may be held outside the United States may subject the Fund to additional risks, which include possible adverse political and economic developments, and the attendant risk of seizure or nationalization of foreign deposits, and possible adoption of governmental restrictions which might adversely affect payments on non-U.S. financial instruments or might restrict payments to investors located outside the country of the issuers, whether from currency blockage or otherwise. Custodial expenses for a portfolio of non-U.S. financial instruments generally are higher than for a portfolio of U.S. securities. This is particularly the case in the developing markets, where custodial and transaction charges are generally significantly higher than in the U.S. In addition, dividend and interest payments from, and capital gains in respect of, certain non-U.S. financial instruments may be subject to non-U.S. withholding or other taxes that may or may not be reclaimable.

With respect to any emerging market country, there is the possibility of nationalization, political changes, government regulation, social instability, or diplomatic developments (including war) which could affect adversely the economies of such countries or the value of the investments of the Fund in those countries.

**Forward Trading.** Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and “cash” trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market traded by the Fund due to unusual trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit such forward trading to less than that which Dumont would otherwise recommend, to the possible detriment of the Fund. Market illiquidity or disruption could result in major losses to the Fund.

**Concentration of Investments.** Dumont expects each of the Fund’s investments to represent between 3% and 25% of the Fund’s net asset value, measured at the time of such investment. Because the Fund may invest a significant portion of its assets in the financial instruments of a single issuer (or borrower) or guarantor, and may invest all or most of its assets in a single market sector and region, the negative impact on the Fund of adverse movements in the value of the financial instruments of a single issuer (or borrower), guarantor, region or market sector could be considerably greater than if the Fund were not permitted to concentrate its investments to such an extent.

**Highly Volatile Markets.** The prices of financial instruments in which the Fund may invest can be highly volatile. Price movements of forward and other derivative contracts in which the Fund assets may be invested are influenced by, among other things, interest rates, changing supply and

demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies.

**Counterparty Risk.** Some of the markets in which the Fund may effect transactions are “over-the-counter” or “interdealer” markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of “exchange-based” markets. This exposes the Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not *bona fide*) or because of a credit or liquidity problem, thus causing the Fund to suffer a loss. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Fund has concentrated its transactions with a single or small group of counterparties. The Fund is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. Moreover, the Fund’s internal credit function which evaluates the creditworthiness of its counterparties may prove insufficient. The lack of a complete and “foolproof” evaluation of the financial capabilities of the Fund’s counterparties and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Fund.

**Prime Broker Risk.** The Fund may retain various brokers to act as the Prime Broker. The terms on which services are provided, or upon which such transactions are effected, by the Prime Brokers shall be no less favorable to the Fund than could have been expected had the transaction or service been effected with, by or through an independent third party. The securities in margin accounts maintained with the Prime Brokers and any securities for which the Fund has not fully paid together with all attendant ownership rights may be loaned to the Prime Brokers or to others, or may be used by the Prime Brokers as collateral for their general loans. Such assets may become available to third party creditors of the Prime Brokers.

**Portfolio Turnover.** Consistent with its investment policies, the Fund will purchase and sell securities without regard to the effect on Fund’s portfolio turnover. Higher portfolio turnover (*e.g.*, over 100% per year) will cause the Fund to incur additional transaction costs and may result in taxable gains being passed through to underlying investors.

**Potential Conflicts of Interest/Management or Advice of other Funds or Accounts.** The success of the Fund depends primarily upon Dumont and its Affiliates. Dumont devotes significant amounts of time to managing other funds and accounts and will only devote such amount of time to the management of the Fund, as it deems reasonably necessary for the Fund to achieve their investment objectives. Dumont and its Affiliates may manage or advise other investment funds, client or proprietary accounts that invest in the Fund or in assets that may also be purchased or sold by the Fund. Because of different objectives or other factors, an asset may be purchased for one or more funds (including the Fund) or accounts managed by Dumont or one of its Affiliates (including proprietary accounts) at the same time that the asset may be sold for another fund (including the Fund) or account managed by Dumont or one of its Affiliates. In addition, the Fund may engage in cross trades or principal trades with other funds and accounts managed by Dumont whereby the Fund would buy securities from, or sell securities to, such other funds and accounts.

If Dumont decides that one or more of such funds (including the Fund) or accounts would be best served by selling a certain type of asset at the same time that one or more of such funds (including

the Fund) or accounts would be best served by purchasing the same type of asset, transactions in such assets will be made for the respective funds and accounts in a manner determined by Dumont to be equitable to all. Further, Dumont may decide that a client account or other fund that it advises may be best served by selling its investment in the Fund. Circumstances may exist in which the purchase or sale of assets for one or more funds or accounts advised by Dumont or its Affiliates or the sale by clients or Dumont of their investments in the Fund will have an adverse effect on other funds (including the Fund) or accounts advised by Dumont. Dumont may cause the Fund to enter into transactions with Dumont and its Affiliates, including, among other things, brokerage or financing arrangements.

**Interests are Illiquid, Lack Transferability.** Because of the limitations on withdrawals and the fact that Interests are not tradable, an investment in the Fund is a relatively illiquid investment and involves a high degree of risk. A subscription for interests should be considered only by investors who are financially able to maintain their investment and who can afford to lose all or a substantial part of such investment. Furthermore, there is not now, and there is not likely to develop, any market for the resale of the interests. Neither the Fund, Dumont nor any of their Affiliates has agreed to purchase or otherwise acquire from any underlying investor any interests or assume the responsibility for locating prospective purchasers of underlying investors' interests. Even if a purchaser for interests were available, approval of the transfer by Dumont or its affiliate and satisfaction of certain requirements specified in the Governing Documents would be required before any transfer could occur. In addition, as stated earlier, the interests have not been registered under the securities laws of any jurisdiction and the Fund has no plan, and is under no obligation, to register the interests under any such law. Generally, interests may not be transferred unless registered under applicable securities laws or unless appropriate exemptions from such laws are available.

**Reliance on Management.** Dumont or its affiliate has authority for the management and control of the Fund. Underlying investors will have no right or power to take part in the management and control of the business of the Fund, including the management of the Fund's investments. Accordingly, no person should invest in the Fund unless willing to entrust all aspects of the management of the Fund and its investments to Dumont, having evaluated their capabilities to perform such functions.

**Reliance on Key Personnel.** The portfolio managers are deemed to be key persons with respect to the successful implementation of the Fund's investment strategy. If these persons were not available to Dumont, Dumont may be impaired, at least to some degree, in its ability to pursue the Fund's investment objective and implement its investment strategy; however, it is not currently anticipated that these persons will not be available to continue to manage the Fund's assets.

**Lack of Management Control by Underlying Investors.** Underlying investors cannot take part in the management or control of the Fund's business, which will be the sole responsibility of Dumont or its Affiliates. Dumont will have wide latitude in making investment decisions. Dumont or its affiliate, in certain circumstances, will have the right to dissolve the Fund. The underlying investors will have certain limited rights to consent, including the right to consent to only those amendments to certain Governing Documents that adversely affect the rights attaching to underlying investors' interests (as are more particularly set out in the Fund's Governing

Documents), but will not have any authority or power to act for or bind the Fund or to receive notice of, or attend or vote at meetings of the underlying investors.

**ERISA-Related Risks.** Employee benefit plans subject to the Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), individual retirement accounts (“**IRAs**”), Keogh plans and other benefit plans may subscribe for shares in the Fund. The Fund do not intend to permit investments by “benefit plan investors,” as defined in Section 3(42) of ERISA and applicable regulations of the Department of Labor as modified by Section 3(42) of ERISA, (the “**Plan Asset Rules**” and “**Benefit Plan Investors**”) to equal or exceed 25% of the equity value of any class of interests in the Fund as calculated under the Plan Asset Rules, but reserve the right to do so at any time.

The following consequences, among others, would arise in the event that the 25% threshold is reached and the assets of the Fund are deemed to be ERISA plan assets: (a) the prudence and diversification standards, bonding requirements and other provisions of Part 4 of Title I of ERISA applicable to investments by ERISA plans and their plan fiduciaries would extend to the actions of the Dumont regarding investments by the fund, (b) certain transactions that the Fund has entered into or might seek to enter into might constitute “prohibited transactions” under ERISA or the Code, subject to a requirement that, absent compliance with an available exemption, such transactions may be required to be rescinded and result in potential penalties or excise tax liability and other fiduciary liability of Dumont, or service providers to the Fund, or counterparties to transactions with the Fund, and otherwise may potentially impact investment return by limiting investments of the Fund, and (c) Dumont and, potentially, its affiliates would be required to disclose certain financial information concerning the Fund to the plan fiduciaries of any Benefit Plan Investors.

**Early Termination.** In the event of the early termination of the Fund, the Fund would have to distribute to the underlying investors their pro rata interests in the assets of the Fund after satisfaction of the Fund’s liabilities. Certain assets held by the Fund may be highly illiquid and might have little or no marketable value. It is possible that at the time of such sale or distribution, certain securities held by the Fund would be worth less than the initial cost of such securities, resulting in a loss to the underlying investors.

**Effect of Substantial Withdrawals.** Substantial withdrawals by underlying investors within a short period of time could require Dumont to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of the Fund’s assets. The resulting reduction in the Fund’s assets could make it more difficult to generate a positive rate of return or to recoup losses due to a reduced equity base.

**Compulsory Withdrawals of an Underlying Investor.** Dumont or its affiliate, may, at any time and for any reason or no reason, require any underlying investor (or his or her permitted assignee, if any) to withdraw all or a portion of such underlying investor’s investment in the Fund upon at least five (5) calendar days’ written notice. Such mandatory withdrawal may create adverse tax and/or economic consequences to the underlying investor (or assignee) depending on the timing thereof in respect of the Fund and/or the underlying investor (or assignee).



**Preferential Liquidity Rights.** Certain investors and other accounts that participate in the Fund's investment strategy may receive liquidity terms preferential to those set forth herein. Substantial withdrawals by underlying investors that have preferential liquidity terms or by other account holders within a short period of time could adversely affect the remaining underlying investors.

**Potential Multi-Class Structure.** Additional separate classes of interests of the Fund may be established and maintained from time to time. Each Fund is one separate legal entity, and in the event of the insolvency of any Fund, all of the assets of such Fund, regardless of the class to which they are attributable, will be available to meet all of the unsatisfied liabilities of such Fund.

**New Issues Risk.** Dumont may purchase New Issue Securities within the meaning of FINRA's Rule 5130. New Issue Securities are defined as an initial public offering of an equity security. When Dumont places market orders for New Issue Securities, it risks receiving an execution substantially away from the market or offering price. This risk may be significantly reduced if a limit order is utilized. However, it is possible that a limit order will not be executed. In determining if and for how long it should hold New Issue Securities, Dumont must gauge whether other investors are likely to buy this stock on the secondary market and how long the attraction for the stock is likely to last as well as other factors. The market for these stocks is untested. Because the offering is on a first-time basis, there is generally no market information about the stock to help determine its value or its outlook.

**Cross Class Liabilities.** Each separate class of interests will be maintained with separate accounting records. However, the Fund is a single legal entity. Thus, all of the assets of the Fund may be available to meet all of the liabilities of the Fund, regardless of the separate account to which such assets or liabilities are attributable. In practice, cross class liability will usually only arise where any class becomes insolvent or exhausts its assets and is unable to meet all of its liabilities. At the date of this document, Dumont is not aware of any such existing or contingent liability.

**Other Accounts of Dumont.** Dumont manages other accounts, some of which it may have incentives to favor over the Fund. Dumont is not subject to any absolute restrictions on taking new accounts, which could increase the competition for its time and adversely impact the performance of the Fund.

**Underlying Investor Concentration.** At any one point in time, the majority of assets that employ the Fund's strategy may be held by a few investors. Substantial withdrawals by these investors within a short period of time could require Dumont to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of the Fund's assets. The resulting reduction in the Fund's assets could make it more difficult to generate a positive rate of return or to recoup losses due to a reduced equity base.

**Transparency.** Certain investors and other accounts that participate in the Fund's investment strategy may have access to portfolio information not available to other investors.

**Side Letter Agreements.** Dumont has the discretion to enter into side letter agreements with investors who may negotiate more favorable terms on liquidity, reporting, fees, withdrawal rights and other terms based on the size or scope of their investment or other factors. Not all underlying

investors will be able to obtain such additional rights. Notwithstanding the authority of Dumont to enter into such letter agreements or similar arrangements, Dumont may not enter into any side letter that would violate applicable laws, rules, and regulations or that would not be in the best interests of the Fund.

**Absence of Regulatory Oversight.** While the Fund may be considered similar to an investment company, it is not required to, and do not intend to, register as such under the Investment Company Act, and, accordingly, the provisions of the Investment Company Act are not applicable. For example, the Fund is not required to maintain custody of its securities or place its securities in the custody of a bank or a member of a U.S. securities exchange in the manner required of registered investment companies under rules promulgated by the SEC. A registered investment company which places its securities in the custody of a member of a U.S. securities exchange is required to have a written custodian agreement, which provides that securities held in custody will be at all times individually segregated from the securities of any other person and marked to clearly identify such securities as the property of such investment company and which contains other provisions complying with SEC regulations. The Fund generally maintains such accounts at brokerage firms which do not separately segregate such assets as would be required in the case of registered investment companies. Under the provisions of the U.S. Securities Investor Protection Act of 1970, as amended, the bankruptcy of any such brokerage firms might have a greater adverse effect on the Fund than would be the case if the accounts were maintained to meet the requirements applicable to registered investment companies.

The Dumont Master Fund and Dumont Offshore Feeder Fund are registered with the Cayman Islands Monetary Authority in the Cayman Islands. However, neither the Cayman Islands Monetary Authority nor the Cayman Islands Government has examined or will examine the merits of the Fund or undertake any supervision of the investment performance of the Fund. Being registered as a mutual fund in the Cayman Islands does not mean or imply that the activities of the Fund are guaranteed by the Cayman Islands Monetary Authority or by the Cayman Islands Government or that any regulatory authority in the Cayman Islands has passed on the merits of this offering or reviewed this document. There is no financial obligation or compensation scheme imposed on or by the government of the Cayman Islands in favor of or available to the investors in the Fund.

**Bad Actor Disqualification.** In 2013, the SEC adopted amendments to the private placement exemption in Rule 506 under Regulation D of the Securities Act (“**Rule 506**”) that disqualify an issuer (such as the Fund) from relying on the Rule 506 exemption if any of its “Covered Persons” commits a “bad act”<sup>1</sup> (a “**Disqualified Person**”). “Covered Persons” include the Fund; any affiliated fund; any director, executive officer or other officer participating in the offering, any

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<sup>1</sup> Examples of “bad acts” that would disqualify a Covered Person include: “(i) criminal convictions, court injunctions or restraining orders in connection with the purchase or sale of a security, or making of a false filing with the SEC; (ii) final orders from certain regulators (including the CFTC) that bar the issuer from associating with a regulated entity or engaging in the business of securities, or are based on fraudulent, manipulative, or deceptive conduct; (iii) certain SEC disciplinary orders relating to brokers, dealers, investment companies, and investment advisers and their associated persons; (iv) SEC cease-and-desist orders related to violations of certain anti-fraud provisions and registration requirements of the federal securities laws; and (v) suspension or expulsion from membership in a self-regulatory organization (SRO) or from association with an SRO member.”

beneficial owner of 20% or more of the Fund's outstanding voting equity securities (a "**Covered Investor**"); any paid solicitor; Dumont, or a participating officer or director, of the Fund, an affiliated fund or an investment manager of any of them, or of a solicitor.

The bad acts that could result in the Rule 506 exemption being unavailable to an issuer are not limited to acts that the Fund or Dumont can control or prevent. Covered Persons include issuers (for example, a Covered Investor), and persons affiliated with issuers, other than the Fund or funds managed by Dumont. Any bad acts committed by certain of those issuers and/or their Covered Persons could cause the Fund (if and to the extent the Fund relies on the Rule 506 exemption) to be disqualified and lose its ability to rely on the Rule 506 exemption. If the Fund were to lose the ability to continue to rely on the Rule 506 exemption, it could have a devastating effect on its and consequently the Fund's business.

Rule 506 creates a reasonable care exception that would apply if an issuer could establish that it did not know and, in the exercise of reasonable care, could not have known that a disqualification existed because of a bad act by a Covered Person. In order to rely on the reasonable care exception, a factual inquiry must be conducted based on various factors relevant to an issuer and any Covered Persons. To establish reasonable care, the Fund and/or Dumont intend to conduct due diligence on Covered Persons, and may, among other procedures, require Covered Persons (including Covered Investors) to provide information to the Fund concerning bad acts that occurred prior to September 23, 2013, and to notify the Fund of future bad acts and of becoming a Disqualified Person. There is no guarantee that these procedures will successfully detect bad actors or that they will be deemed to satisfy reasonable care standards.

**Possibility of Additional Government or Market Regulation.** Market disruptions and the dramatic increase in the capital allocated to alternative investment strategies during recent years have led to increased governmental as well as self-regulatory scrutiny of the "hedge fund" industry in general. Certain legislation proposing greater regulation of the industry periodically is considered by the U.S. Congress, as well as the governing bodies of non-U.S. jurisdictions. It is impossible to predict what, if any, changes in the regulations applicable to the Fund, Dumont, the markets in which they trade and invest or the counterparties with which they do business may be instituted in the future. Any such regulation could have a materials adverse impact on the profit potential of the Fund, as well as require increased transparency as to the identity of the underlying investors.

**General Economic and Financial Conditions.** The success of any investment activity is influenced by general economic and financial conditions that may affect the level and volatility of equity prices, interest rates, and the extent and timing of investor participation in the markets for both equity and interest-rate-sensitive securities. Unexpected volatility, illiquidity, governmental action, currency devaluation, or other events in global markets in which the Fund directly or indirectly holds positions could impair the Fund's ability to carry out its business and could cause the Fund to incur substantial losses.

**Tax Risks.** The Fund will not request any ruling from the Internal Revenue Service (the "**IRS**") or from any non-U.S. equivalent or any opinion from counsel as to any U.S. or non-U.S. tax consequences relating to the structure and operation of the Fund. There can be no assurance that

any tax position taken by the Fund will not be challenged by the IRS or any non-U.S. equivalent, and any adverse ruling by the IRS or such equivalent could have a material adverse effect on the Fund and its investments. Prospective investors should carefully review the section “Certain Tax Considerations” below and are urged to consult with their tax adviser regarding the potential tax consequences of investing in the Fund.

**Cybersecurity Risks.** The Fund, Dumont, and any of their respective service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. For example, the Fund expects to provide underlying investors all statements, reports, notices, updates, requests and any other communications required under the Fund’s Partnership Agreement or under any side letter in electronic form, such as e-mail or posting on a web-based reporting site or other Internet service, in lieu of or in addition to sending such communications as hard copies via fax or mail. These systems are subject to a number of different threats or risks that could adversely affect the Fund and the underlying investors, despite the efforts of Dumont, and its service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks, e-mail and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Fund and the underlying investors.

Cyber incidents refer to both intentional attacks and unintentional events including: processing errors, human errors, technical errors including computer glitches and system malfunctions, inadequate or failed internal or external processes, market-wide technical-related disruptions, unauthorized access to digital systems (through “hacking” or malicious software coding), computer viruses, and cyber-attacks which shut down, disable, slow or otherwise disrupt operations, business processes or website access or functionality (including denial of service attacks). For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to the systems of Dumont, or any of its service providers or counterparties or data within those systems without the knowledge of system users. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of Dumont’s, or any of their service providers’ systems to disclose sensitive information in order to gain access to their data or that of the Fund’s investors.

A successful penetration or circumvention of the security of Dumont’s or any of its service providers’ systems could result in the loss or theft of an underlying investor’s data or funds, the inability to access electronic systems, disruption of its business, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause the Fund, Dumont, or any of their respective service providers to incur regulatory penalties, reputational damage, and additional compliance costs associated with corrective measures, liability to clients or third parties, regulatory intervention or financial loss. The Fund and Dumont make no assurances, representations, or warranties in relation to these matters, and have not obtained representations or warranties in relation to these matters from all of their respective service providers. In addition, Dumont, the Fund and each of their respective affiliates reserve the right to intercept, monitor and retain e-mail messages to and from its systems as permitted by applicable law. Substantial costs may be incurred in order to prevent any cyber incidents in the future. While the Fund’s service providers have established business continuity plans in the event of, and risk management systems to prevent, such cyber incidents, there are inherent limitations in such plans and systems including the

possibility that certain risks have not been identified. Furthermore, the Fund cannot control the cybersecurity plans and systems put in place by its service providers or any other third parties whose operations may affect the Fund.

### **Cannabis Industry Specific Risks.**

Regulation of Cannabis in the United States. Substances contained in and derived from the cannabis plant (specifically, the substances “tetrahydrocannabinols” (“THC”) and “Marijuana extract”) are classified as Schedule I controlled substances under the U.S. Controlled Substances Act of 1970, as amended (the “*Controlled Substances Act*”) and are therefore illegal under federal law for any purpose. Even in those states in which the use of cannabis has been legalized, its use remains a violation of federal law with state and federal laws regarding cannabis often conflicting. Since federal law criminalizing the use of cannabis preempts state laws that legalize its use, strict enforcement of federal law regarding cannabis would likely cause significant financial harm to the businesses in which the Fund invests and the ability of the Fund to pursue its investment strategy. Schedule I controlled substances by definition have a high potential for abuse, have no currently “accepted medical use” in the United States, lack accepted safety for use under medical supervision, and may not be prescribed, marketed or sold in the United States. In August 2016, the U.S. Drug Enforcement Agency announced it would allow more research into the effects and medical efficacy of cannabis, including by approving more cultivation centers to provide cannabis for research.

As of the date of this Document, thirty-seven (37) states and the U.S. territories of Guam, Puerto Rico, the Northern Mariana Islands, and the U.S. Virgin Islands have legalized cannabis for medical purposes and eighteen (18) states and the District of Columbia, the Northern Mariana Islands, and Guam have legalized cannabis for adult use. Legalization in the cannabis context means the abolishment of laws that ban the possession and personal use of cannabis. Legalization enables governments to regulate and tax cannabis use and sales. Many other states have decriminalized cannabis. Decriminalization means a loosening of criminal penalties and in the cannabis context generally means that possession of certain small amounts of cannabis for personal consumption may be a civil or local infraction but will no longer rise to the level of being a state crime or may constitute the lowest misdemeanor with no possibility of jail time.

These state laws are in conflict with the Controlled Substances Act, a federal law which makes cannabis use and possession illegal on a national level. A prior U.S. administration attempted to address the inconsistent treatment of cannabis under state and federal law in a memorandum (the “**Cole Memorandum**”) which former Deputy Attorney General James Cole sent to all U.S. Attorneys in August 2013 that outlined certain priorities for the U.S. Department of Justice (“**DOJ**”) relating to the prosecution of cannabis offenses. The Cole Memorandum held that enforcing federal cannabis laws and regulations in jurisdictions that have enacted laws legalizing cannabis in some form, and that have also implemented strong and effective regulatory and enforcement systems to control the cultivation, processing, distribution, sale and possession of cannabis, was not a priority for the DOJ; provided that the relevant businesses operated in compliance with those laws and regulations. The DOJ did not provide (and has not provided since) specific guidelines for what regulatory and enforcement systems would be deemed sufficient under the Cole Memorandum.

On January 4, 2018, former U.S. Attorney General Jefferson B. Sessions issued a memorandum to U.S. Attorneys (the “**Sessions Memorandum**”), which rescinded the Cole Memorandum effective upon its issuance. The Sessions Memorandum stated, in part, that current law reflects “Congress’s determination that marijuana is a dangerous drug and that marijuana activity is a serious crime”, and Mr. Sessions directed all U.S. Attorneys to enforce the laws enacted by Congress and to follow well-established principles when pursuing prosecutions related to cannabis activities. There can be no assurance that the federal government will not enforce federal laws relating to cannabis in the future. Under the current administration, there is no guarantee that this policy regarding the low priority enforcement of federal laws will not change. Additionally, any future administration could change this policy and decide to enforce the federal laws more strictly. Any such change in the federal government’s enforcement of current federal laws would likely cause significant financial damage to the Fund.

Although cannabis remains a Schedule I controlled substance, the Rohrabacher-Farr amendment (also known as the Rohrabacher-Blumenauer amendment) prohibits the use of federal funds in connection with investigating and prosecuting persons and entities complying with state medical cannabis laws. The Rohrabacher-Farr amendment has been renewed annually for the last several years as part of the appropriations process in Congress. Any failure to renew the Rohrabacher-Farr amendment or a new approach to cannabis from the DOJ could have a chilling effect on the industry’s growth and be materially adverse to the Fund and its portfolio investments.

Through due diligence and appropriate warranties and covenants in its investment documentation, as well as its rights as an investor in portfolio companies, the Fund will seek to avoid the risks associated with investing in companies whose businesses may run afoul of guidance provided in the Cole Memorandum and seek to prevent them from doing so after the investment is made. However, it remains the case that the business of certain portfolio companies will be illegal under federal law and that by investing in the Fund, underlying investors may be deemed to be violating federal law. There are no assurances that investments in the Fund will not subject the underlying investors to arrest, criminal prosecution, civil penalties, criminal or civil forfeiture of personal assets, loss of federal benefits, or other negative criminal or administrative consequences. Underlying Investors should be aware that cannabis may never be legalized federally in the United States.

The cultivation of industrial hemp (defined as cannabis and cannabis derivatives with no more than 0.3% of THC on a dry weight basis) was made legal in the United States in late 2018 with the enactment of the Agriculture Improvement Act of 2018 (the 2018 Farm Bill). Nevertheless, states control the regulatory structure for the cultivation of hemp. Nearly all states allow hemp cultivation for commercial, research or pilot programs, although not all such states have functioning hemp programs and the rules and regulations around the evolving field of hemp derived CBD remain unclear. Furthermore, the U.S. Food and Drug Administration (the “**FDA**”) has since issued a statement saying that despite the new status of hemp, CBD remains illegal to add to food or health products without the agency’s approval. As a result, the FDA may regard the promotion of the Fund’s cannabis-based investments as the promotion of an unapproved drug in violation of the U.S. Federal Food, Drug and Cosmetic Act of 1938, as amended (the “**FDCA**”). FDA enforcement action against the Fund’s portfolio companies could result in a number of negative consequences, including fines, disgorgement of profits, recalls or seizures of products, or a partial or total suspension of the products or distribution of such portfolio companies. Such events, if they

occurred, could have a material adverse effect on the Fund's business, prospects, financial condition and operating results.

The Fund's investments will be concentrated in an industry or group of related industries. The value of the Fund's investments may rise or fall more than the value of a broadly diversified group of investments.

The legal cannabis industry in the U.S. is at an early stage of its development. Cannabis has been, and is expected to continue to be, a controlled substance for the foreseeable future. Consumer perceptions regarding legality, morality, consumption, safety, efficacy and quality of cannabis are mixed and evolving. Consumer perception can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favorable to the cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favorable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for cannabis and on the business, results of operations, financial condition and cash flows of the Fund's portfolio investments and accordingly the Fund. Further, adverse publicity reports or other media attention regarding cannabis in general, or associating the consumption of cannabis with illness or other negative effects or events, could have such a material adverse effect. Underlying Investors should be aware that cannabis may never be legalized federally in the United States.

Portfolio Companies May Have Difficulty Operating in the Face of Stringent and Inconsistent Regulation. As a consequence of cannabis' classification as a Schedule I substance under the Controlled Substances Act and U.S. anti-money laundering ("**AML**") laws under the U.S. Bank Secrecy Act of 1970, as amended (the "**Bank Secrecy Act**"), cannabis-related companies may not be able to open or maintain bank accounts or access products and services of traditional financial institutions, such as credit facilities and payment processing. In February 2014, the Financial Crimes Enforcement Network (FinCEN) of the U.S. Treasury Department issued guidance (the "**FinCEN Guidance**") (which is non-binding and revocable) for financial institutions providing banking services to cannabis-related businesses. The FinCEN Guidance does not provide any safe harbors or legal defenses from examination or regulatory or criminal enforcement actions by the DOJ, FinCEN or other federal regulators. Under current U.S. Treasury guidance, financial institutions must file "Marijuana Limited" Suspicious Activity Reports (each, a "**MLSAR**") when conducting transactions involving funds derived directly or indirectly from a cannabis related activity that is in compliance with applicable state law and not in violation of the Cole Memo priorities. MLSARs are generally not considered "red flags" and are differentiated from standard Suspicious Activity Reports which would need to be filed if funds are derived from activities that violate the Cole Memo priorities. Therefore, banks servicing private investment funds may in fact file MLSARs with respect to subscriptions or redemptions from a fund investing in state-legal cannabis companies. For these reasons, most banks and other financial institutions in the United States are generally not comfortable providing banking services to cannabis-related businesses, even if they rely on, and fully comply with, the FinCEN Guidance which can be amended or revoked at any time by the administration.

In addition to the foregoing, banks may refuse to process debit card payments and credit card companies generally refuse to process credit card payments for cannabis-related businesses. As a result, the Fund and its portfolio companies may have limited or no access to banking or other financial services in the United States. Furthermore, as mentioned above, federal anti-money laundering statutes and Bank Secrecy Act regulations discourage financial institutions from working with any organization that sells a controlled substance, regardless of whether the state in which it resides permits cannabis sales. Consequently, businesses involved in the cannabis industry, including the Fund, often have trouble finding a bank or other financial institutions willing to accept their business. The inability to open bank accounts may make it difficult for the portfolio companies in which the Fund invests to conduct business and grow. Moreover, the success of the Fund depends in part upon its ability to select service providers. Unlike other private funds that do not invest in the cannabis industry, the Fund may experience challenges in retaining the services of certain third-parties as a result of its investment strategy, which limits the universe of potential service providers that the Fund would otherwise be able to engage

Laws and regulations affecting the cannabis industry are constantly changing, which could detrimentally impact the businesses in which the Fund invests. The companies in which the Fund invests are subject to various laws, regulations and guidelines relating to the manufacture, management, transportation, storage and disposal of cannabis, as well as being subject to laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. Litigation, complaints and enforcement actions could consume considerable amounts of financial and other corporate resources of the Fund's portfolio companies, which could have a negative impact on their sales, revenues, profitability, and growth prospects.

Local, state and federal cannabis laws and regulations are broad in scope and subject to evolving interpretations, which could require the Fund to incur substantial costs associated with compliance or alter its business plan. In addition, violations of these laws or regulations, or allegations of such violations, could disrupt the Fund's business and result in a material adverse effect on its operations. In addition, it is possible that regulations may be enacted in the future that will be directly applicable to portfolio companies and the Fund. Dumont cannot predict the nature of any future laws, regulations, interpretations or applications, nor can it determine what effect additional governmental regulations or administrative policies and procedures, when and if promulgated, could have on portfolio companies and the Fund.

Businesses involved in the cannabis industry face intense competition, may have limited access to the services of banks, may have substantial burdens on company resources due to litigation, complaints or enforcement actions, and are heavily dependent on receiving necessary permits and authorizations to engage in medical or other cannabis research or to otherwise cultivate, possess or distribute cannabis. Variations in state and local regulation and enforcement in states that have legalized cannabis for medical or adult-use purposes that may restrict cannabis related activities, which may negatively affect the Fund's investment returns.

Individual state cannabis laws rarely conform to other individual state cannabis laws. A number of states have decriminalized cannabis to varying degrees, other states have created exemptions specifically for recreational use and/or medical purposes, and some states have both laws that decriminalize cannabis and laws that permit cannabis use for medical purposes. Many variations exist among states that have legalized, decriminalized, and/or created medical cannabis



exemptions. For instance, some states require vertically integrated cannabis businesses and other states prohibit vertical integration. These conflicts and variations make difficult for the Fund's portfolio investments to gain scale and efficiency.

Because the use of cannabis is illegal under federal law, many courts have denied cannabis businesses bankruptcy protections, thus making it very difficult for lenders to recoup their investments in the cannabis industry in the event of a bankruptcy. In addition, portfolio companies will not be able to register any U.S. federal trademarks for their cannabis products. Because producing, manufacturing, processing, possessing, distributing, selling, and using cannabis is illegal under the Controlled Substances Act, the United States Patent and Trademark Office will not permit the registration of any trademark that identifies cannabis products. As a result, portfolio companies likely will be unable to protect their cannabis product trademarks beyond the geographic areas in which they conduct business, thus inhibiting the creation of true national brands. The use of its trademarks outside the states in which they operate by one or more other persons could have a material adverse effect on the value of such trademarks.

Cannabis is an agricultural product. There are risks inherent in the cultivation business, such as insects, plant diseases and similar agricultural risks. Although the products are usually grown indoors or in green houses under climate-controlled conditions, with conditions monitored, there can be no assurance that natural elements will not have a material adverse effect on production and, consequentially, on the business, financial condition and operating results of the Fund's portfolio investments.

The foregoing list of risk factors is for illustrative purposes only and does not purport to be a complete analysis or explanation of all the risks associated with Navy's investment strategies and, as applicable, with an investment in the Funds. Prospective investors in a Fund should read the relevant Fund's Governing Documents for a more detailed list of risk factors applicable to that particular Fund and consult with their own advisors before deciding whether to invest in such Fund.

**C. Recommendation of a Particular Type of Security**

We do not recommend any particular type of security. There are no material limitations to the types of securities in which we may invest our Clients (subject to anything to the contrary in the relevant IMA, offering document, or organizational documents of a particular Client).

**ITEM 9**  
**DISCIPLINARY INFORMATION**

The Adviser does not have any disciplinary information to disclose.

**ITEM 10**  
**OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

The Adviser and its management personnel are not registered as broker-dealers or registered representatives and do not have any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer.

The Adviser and its management personnel are not registered as futures commission merchants (“**FCM**”), commodity pool operators (“**CPO**”), and commodity trading advisors (“**CTA**”) with the CFTC and do not have any application pending to register with the CFTC or the National Futures Association as a FCM, CPO, CTA, or an associated person of a FCM, CPO, or CTA.

We do not recommend or select other investment advisers for our clients from whom we receive compensation, directly or indirectly, or have other business relationships with any such advisers that create a material conflict of interest.

**ITEM 11**  
**CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS  
AND PERSONAL TRADING**

**A. Code of Ethics**

As a fundamental mandate, the Adviser demands the highest standards of ethical conduct and care from all of its associated employees, officers, and directors. All employees of the Adviser must abide by this basic business standard and must not take inappropriate advantage of their position with the Adviser. Each employee is under a duty to exercise his or her authority and responsibility for the primary benefit of our Clients and the Adviser and may not have outside interests that inappropriately conflict with the interests of the Adviser or of the Adviser's Clients. Each employee must avoid circumstances or conduct that adversely affect or that appear to adversely affect our Clients. Every employee must comply with applicable federal securities laws and must report violations of its Code of Ethics to our Chief Compliance Officer.

In recognition of the Adviser's fiduciary duty to its Clients and the Adviser's desire to maintain its high ethical standards, the Adviser adopted a Code of Ethics, pursuant to Rule 204A-1, promulgated under the Advisers Act, containing provisions designed to prevent improper personal trading, identify conflicts of interest, prevent insider trading, and provide a means to resolve any actual or potential conflicts in favor of the Adviser's Clients. Clients or prospective clients may review a copy of the Adviser's Code of Ethics by contacting our Chief Compliance Officer.

**B. Recommending, Buying, or Selling Securities in which We or a Related Person Have a Material Financial Interest, Invest, or Buy or Sell at the Same Time; Conflict of Interests**

Conflicts of interest may occur when we, or our related persons, invest in the same securities, trade in the same securities at or about the same time, or have a material financial interest in the same securities that we recommend to our clients. For example, the Adviser and its related persons may invest their personal funds in the Funds, and, therefore, such persons may hold an indirect interest in the same securities as other investors in the Funds. In addition, certain employees of the Adviser may own securities in their personal accounts that are also recommended by the Adviser to its clients.

The Adviser has established procedures, including a Code of Ethics and a personal trading policy, intended to limit conflicts of interest in cases where the Adviser, a related person or any employee, buys, sells or otherwise has an interest in, securities recommended by the Adviser to its clients.

On rare occasions, the Adviser may deem it to be in the best interests of its clients to reallocate or "cross" securities transactions between client accounts. Similarly, on rare occasions, the Adviser may enter into "principal transactions" in which the Adviser or an Affiliate act as principal for its own account or as broker for the account of a client with respect to the sale of a security to or purchase of a security from another client. The Adviser maintains policies and procedures intended to limit the potential conflicts of interest inherent in cross or principal

transactions. Cross or principal transactions will only be effected if they are deemed to be in the best interests of the particular clients involved and will be conducted in compliance with our policies and procedures and applicable law.

### **Personal Trading**

We believe restricting our employees' personal trading is one way of avoiding conflicts of interest between our clients and our employees. Accordingly, we include a "Personal Investment Policy" (the "**Personal Investment Policy**") as part of our Code of Ethics.

Generally, our Personal Investment Policy restricts employees from trading in a broad-definition of securities. Employees who already own specific securities must obtain permission from our senior management prior to selling the specific security. Employees are permitted to invest in the following: mutual fund shares, U.S. Government obligations, investment grade debt securities, exchange traded funds (ETFs) and other indexed-linked securities, and "blind pools" (investments in an account which the employee does not exercise any influence or control.)

We also maintain a restricted security list (the "**Restricted Securities List**") composed of companies or issuers whose securities are subject to the Adviser's imposed trading activity prohibitions or restrictions. If an employee's proposed transaction involves a security on the Restricted Security List, the transaction will not be approved for personal trading without preapproval resulting from review and documentation of the facts and circumstances. It is the policy of the Adviser that all personnel shall strictly observe such trading activity prohibitions or restrictions.

In addition, in general, the personnel covered by the Adviser's Personal Investment Policy must provide our Chief Compliance Officer with all of their securities holdings at the commencement of employment with the Adviser and (i) monthly brokerage statements, and/or (ii) quarterly reports of any securities transactions not previously reported on a brokerage statement. Furthermore, the personal accounts of the personnel covered by the Adviser's personal trading policy are reviewed on a regular basis. Any transactions that are believed to be a violation of the Adviser's personal trading policy will be reported promptly to the management of the Adviser.

## **ITEM 12**

### **BROKERAGE PRACTICES**

Pursuant to each Client's Governing Documents, we are generally authorized to select the broker or dealer to effect transactions on behalf of our Clients; however, our selection of the broker or dealer may be tailored to a particular client's investment guidelines or restrictions, where appropriate. Accordingly, portfolio transactions will be allocated to brokers based on best execution and in consideration of such broker's provision or payment of the costs of research and other services.

#### **A. Selection of Broker-Dealers and Reasonableness of Compensation**

We have a duty to obtain "best execution" of the securities transactions being effected for our clients' accounts. To fulfill this obligation, we generally must execute securities transactions in such a manner that the Client's total cost or proceeds in the transaction is the most favorable under the circumstances. The SEC has stated that in deciding what constitutes best execution, the determinative factor is not the lowest possible commission cost, but whether the transaction represents the best qualitative execution. In seeking best execution, we consider the full range of the broker's services, including the value of research provided and execution capability, commission rate, financing rates and financial reputation, responsibility and responsiveness. In selecting brokers or dealers to execute transactions, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost.

The Adviser considers the full range and quality of a broker-dealer's service in selecting broker-dealers. The determinative factor is whether the broker-dealer will provide the best overall qualitative execution for our Clients. As a starting point, the primary consideration is the trade price/cost and imputed mark-up/mark-down. These things being equal or fairly equal among brokers, the following qualitative factors, among others and where relevant, are considered:

- Order flow sent to the broker-dealers;
- Gross compensation paid to each broker-dealer;
- Liquidity of the securities traded and current market conditions;
- Allocation of limited investment opportunities;
- Ability to maintain the confidentiality of trading intentions/activity;
- Market intelligence regarding trading activity;
- Ability/willingness to place trades in difficult market environments;
- Frequency and correction of trading errors and fairness in resolving disputes;
- Quality and value of the research services provided;
- Ability to access a variety of market venues;
- Execution facilitation services provided;
- Expertise as it relates to specific securities;
- Timeliness of execution and trade confirmations;
- Intermediary compensation (dealer spreads);
- Willingness to commit capital;
- Financial condition and business reputation;
- Access to underwritten offerings and secondary markets; and

- Block trading and block positioning capabilities.

Generally, the Adviser prepares and regularly reviews trade summaries which document our trading activities, and which include, among other things, information about the pricing and execution our Clients received from particular broker-dealers.

### **1. Research and Other Soft Dollar Arrangements**

Research and related products or services furnished by brokers will be limited to services that constitute research within the meaning of Section 28(e) of the Securities Exchange Act of 1934, as amended. Accordingly, research and related products or services may include, but are not limited to, written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts, as well as discussions with research personnel; financial and industry publications; statistical and pricing services, along with hardware, software, data bases and other technical and telecommunication services, lines, and equipment (including updates, replacement parts, repairs and service thereon) utilized in the investment management process. The research and related products or services may include both proprietary research created or developed by the broker-dealer and research created or developed by a third party. Research services obtained by the use of commissions arising from a Fund's portfolio transactions may not only benefit such Fund's trading, but may be used by the Adviser in its other investment activities.

When we use client brokerage commissions to obtain research or other products or services, we receive a benefit because we do not have to produce or pay for the research, products, or services. The receipt of research and other "soft-dollar" benefits from broker-dealers provides an incentive for us to select or recommend a broker-dealer based on our interest in receiving the research or other products or services, rather than on our clients' interest in receiving the most favorable execution. Using a broker who provides us with research or other "soft-dollar" benefits may cause clients to pay commissions higher than the commissions charged by broker-dealers who do not so provide.

In the last fiscal year, we acquired the following these types of research and related products or services using brokerage commissions: written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts, as well as discussions with research personnel; financial and industry publications; statistical and pricing services, along with software, data bases and other technical and telecommunication services utilized in the investment management process.

### **2. Brokerage for Client Referrals**

In selecting or recommending broker-dealers, we do not consider whether we, or any of our affiliates, receive client or investor referrals from a broker-dealer or other third party.

### **3. Directed Brokerage**

"Directed brokerage" refers to instances in which a client retains the discretion to choose brokers and instructs the Adviser to direct portfolio transactions to a particular broker-dealer. We generally do not permit any directed brokerage arrangements at this time. If we change our policy

on directed brokerage, we will adopt appropriate policies and procedures. Directed brokerage restricts the Adviser's discretion to select brokers and negotiate commission rates and may adversely affect the Adviser's ability to obtain best price and execution.

## **B. Aggregating Orders for Various Client Accounts**

As a general principle, the Adviser will only aggregate transactions when it believes that such an aggregation is lawful and consistent with its duty to seek best execution for its Clients, and is consistent with the pertinent Governing Documents. In such cases, individual investment advice and treatment will be accorded to each Client and we will not receive any additional compensation or remuneration of any kind as a result of the proposed aggregation.

As may be reasonably necessary and appropriate in order to ensure best execution, orders for the same security entered on behalf of more than one Fund will generally be aggregated (*i.e.*, blocked or bunched), provided that aggregation is in the best interests of all participating Funds – or, in any case, the transaction will be effectuated in a manner that permits each of the participating Funds to participate in a fair and equal manner and receive best execution.

Trades for our Clients in the same security on the same trading day with the same dealer or multiple dealers (either multiple sales or multiple buys), may be effected in a manner so as to give each Client the average price of the transactions. If multiple buys or multiple sells in a particular security are executed with the same dealer on the same day, reasonable efforts will be made to aggregate the trades with that dealer into one weighted-average cost ticket, except if doing so would subject participating Clients to unintended risks. If a trade is allocated, priced, and hedged for a group of Funds, a later trade in the day in that same security will not be aggregated with the first trade if it would have the consequence of subjecting participating Clients to unintended risks.

## **C. Trade Errors**

Trade errors may occur as a result of mistakes made on the part of an executing broker, or mistakes on the part of our personnel including, but not limited to, portfolio managers, traders and operations staff. To the extent that errors occur, we maintain trade error policies and procedures. In accordance with such procedures, trade errors are: (i) corrected by us as soon after discovery as practicable, and (ii) corrected in a manner whereby we minimize any gain and loss as a result of trade errors. We strive to correct all trade errors prior to settlement. Any gain that results from a trade error is left in the account of the applicable Client. Broker-dealers that cause trade errors as a result of their own mistakes should be responsible for any losses that result from such errors. We do not compensate broker-dealers with soft dollars for absorbing trade errors.

Pursuant to various exculpation and indemnification provisions in our Clients' Governing Documents, the Adviser and our personnel generally will not be liable to Clients for any act or omission, absent bad faith, gross negligence, willful misconduct or fraud. In addition, Clients generally will be required to indemnify such persons against any losses they may incur by reason of any act or omission related to the Client, absent bad faith, gross negligence, willful misconduct or fraud. As a result of these provisions, the Client (and not the Adviser) will be responsible for any losses resulting from trading errors and similar human errors, absent bad faith, gross negligence, willful misconduct or fraud. Trading errors might include, for example, keystroke



errors that occur when entering trades into an electronic trading system, failures of oral communication between and among investment staff, trading staff and operations staff, or typographical or drafting errors related to derivatives contracts or similar agreements. Investors are advised that trading errors (and similar errors) will occur and Clients, in such cases, will be responsible for any resulting losses, even if such losses result from the negligence (but not gross negligence) of the personnel of the Adviser.

**ITEM 13**  
**REVIEW OF ACCOUNTS**

**A. Periodic Review of Client Accounts**

Our senior management (which includes our Portfolio Managers, Chief Financial Officer, Chief Compliance Officer and/or Risk Manager) reviews on a daily basis the holdings of all our clients' accounts. These holdings are reviewed and monitored to ensure investment suitability and compliance with a Client's organizational documents and investment guidelines.

**B. Additional Review of Client Accounts**

The Chief Compliance Officer and/or the Chief Financial Officer will periodically review Clients' portfolios, performance and prospects in order to ensure compliance and identify any irregularities and/or inappropriate positions.

**C. Contents and Frequency of Account Reports to Clients**

Subject to reasonable delays, within 120 days of the end of a Fund's fiscal year, the Adviser will send each underlying investors in the Funds audited financial statements of the relevant Fund. The Adviser also intends to send, by mail or electronic means, semi-annual unaudited reports to underlying investors of the Funds. All results will be reported in U.S. dollars. The Adviser will also provide Clients and underlying U.S. taxable investors with K1 forms and other reasonably available annual income tax information.

Moreover, we generally provide each Fund's underlying investors with a monthly newsletter, which includes an analysis of the Fund's performance and an estimate of the Fund's gains or losses. The underlying investors in a Fund also receive a monthly statement of account from the Fund's administrator.

**ITEM 14**  
**CLIENT REFERRALS AND OTHER COMPENSATION**

**A. Economic Benefits for Providing Services to Clients**

We do not receive an economic benefit for providing investment advice or other advisory services to Clients from anyone other than our Clients.

**B. Compensation to Non-Supervised Persons for Client Referrals**

The Adviser may engage placement agents or solicitors to obtain underlying investors for the Funds. Such placement agents or solicitors may receive a cash referral fee, directly or indirectly, from the Funds. To address potential conflicts of interest, we require such placement agents or solicitors to provide details, or we provide details, of any referral fees relating to a particular underlying investor to that investor at the time of any solicitation activities.

## **ITEM 15**

### **CUSTODY**

Rule 206(4)-2 promulgated under the Advisers Act (the “**Custody Rule**”) (and certain related rules and regulations under the Advisers Act) imposes certain obligations on registered investment advisers that have custody or possession of any funds or securities in which any client has any beneficial interest. While Dumont does not maintain physical custody of Clients’ assets, Dumont is deemed, under the Advisers Act, to have custody of the assets of Funds because of the authority of Dumont affiliates (in their capacity as general partner of such Funds) over the accounts and assets of such Funds. Such Fund assets are held at a qualified custodian (unless otherwise exempt from such requirement). Dumont relies on the annual audit exception for investment funds provided under Rule 206(4)-2 under the Advisers Act with respect to the Funds. Each Fund is audited annually by an independent public accountant that is both registered and inspected by the Public Company Accounting Oversight Board. Audited financial statements of the Funds are distributed to investors in the Funds within 120 days of each Fund’s fiscal year end. Investors in the Funds are urged to carefully review such statements and compare them to account information that Dumont provides.

## **ITEM 16**

### **INVESTMENT DISCRETION**

The Adviser provides investment advisory services on a discretionary basis to its clients. We exercise this discretion subject to the investment policies, limitations, and restrictions, if any, imposed by a Client in an IMA. In these agreements, our Clients may place limitations on our investment authority, including, without limitation, designating types of permitted investments, percentage of permitted investments, or prohibiting certain types of investments.

For a complete discussion of our advisory business and the services we provide to our clients, please see Item 4, “Advisory Business,” above.

## ITEM 17

### VOTING CLIENT SECURITIES

We have accepted, and in the future will continue to accept, the authority to vote our clients' securities. As such, we have adopted policies and corresponding procedures to comply with Rule 206(4)-6 promulgated under the Advisers Act and with our fiduciary obligations (the **"Proxy Voting Policies"**). The Proxy Voting Policy applies to voting securities held by our Clients and has been designed to ensure that we vote proxies in the best interest of our Clients.

For most matters, our policy is not to vote a proxy if we believe the proposal is not adverse to the best interest of the Funds or, if adverse, the outcome of the vote is not in doubt in order to avoid the unnecessary expenditure of time and the cost to review the proxy materials in detail and carry out the vote. In the situations where we do vote a proxy, our primary objective is to make decisions in the best interest of our Clients. In fulfilling our obligations to our Clients, we will act in a manner deemed to be prudent and diligent to enhance the economic value of the underlying securities held by each of our Clients. In acting upon these matters on behalf of our Clients, we will seek to avoid material conflicts of interest between our interests and the interests of our Clients.

A member of our senior management will be responsible for making voting decisions with regard to all of our Clients' proxies. When voting proxies, or determining not to vote, some, but not all, of our considerations include:

- the view and opinion of management of the companies in which our Client holds a position and the effect of management's position on the value of our Client's investment;
- with regard to corporate governance matters, the purpose underlying the Client's investment position, including the investment horizon and the current or planned ownership position and degree of our involvement, on behalf of our Client, in management;
- with regard to proposals related to stock option plans and other management compensation issues, the company's need to recruit and retain highly qualified individuals in competitive labor markets and the relevant industry standards and practices;
- the purpose of proposed changes to the capital structure of a company and the likely effect of the change on the Client's investment; and
- with regard to proposals related to social and corporate responsibility, we will generally defer to company management, but will not support any proposals that may conflict with the company's ability to maximize long-term profits or may have an adverse effect on our Client's investment.

When deciding whether and how to vote proxies, certain conflicts of interest may arise. For example, companies in which different Clients are invested may be competing for or involved

in similar transactions, investments, lines of business, or types of research. Voting a proxy with regard to one Client's company may adversely affect the prospects or business of another Client's company. Because we serve as investment advisers to several Clients, a proxy vote in one manner may benefit one Client and a proxy vote in the same manner would adversely affect other Clients. In acting upon these matters on behalf of our Clients, we will seek to avoid material conflicts between our interests on the one hand and the interests of our Clients on the other. In addition, each Client's organizational documents may include provisions for the identification and mitigation of conflicts of interest.

If a Client has authorized us to vote proxies on its behalf, we will generally not accept instructions from the Client regarding how to vote on a particular proxy or solicitation. We will maintain proper records in connection with our Proxy Voting Policies, as required under the Advisers Act.

**ITEM 18**  
**FINANCIAL INFORMATION**

We are not aware of any financial condition that is reasonably likely to impair our ability to meet contractual and fiduciary commitments to clients. We have never been the subject of a bankruptcy petition.