

**PART 2A OF FORM ADV:
FIRM BROCHURE**



STABLE ASSET MANAGEMENT LP

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March 31st, 2022

This “Brochure” provides information about the qualifications and business practices of Stable Asset Management LP. If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer (the “CCO”), Eric Wortman, by email at enw@stableam.com, or by telephone at +1 212 808 2062. The information contained in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Stable Asset Management LP is also available on the SEC's website at www.adviserinfo.sec.gov.

Registration as an investment adviser with the SEC does not imply that Stable Asset Management LP, or any of its principals or employees, possess a particular level of skill or training.

This Brochure does not constitute an offer to sell or the solicitation of an offer to purchase any security or investment products.

Item 2: Material Changes

There have been no material changes made to the Brochure since the Stable Asset Management LP's last annual update, which was filed on February 5, 2021; however, the Stable Asset Management LP has made certain routine updates and clarifying changes to the Brochure.

Item 3: Table of Contents

Item 1: Cover Page.....	1
Item 2: Material Changes.....	2
Item 3: Table of Contents.....	3
Item 4: Advisory Business.....	4
Item 5: Fees and Compensation.....	6
Item 6: Performance-Based Fees and Side-By-Side Management.....	10
Item 7: Types of Clients.....	11
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss.....	11
Item 9: Disciplinary Information.....	23
Item 10: Other Financial Industry Activities and Affiliations.....	23
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	24
Item 12: Brokerage Practices.....	24
Item 13: Review of Accounts.....	25
Item 14: Client Referrals and Other Compensation.....	25
Item 15: Custody.....	25
Item 16: Investment Discretion.....	25
Item 17: Voting Client Securities.....	25
Item 18: Financial Information.....	26

Item 4: Advisory Business

General Description of the Advisory Firm

Stable Asset Management LP (the “**Investment Adviser**”) is an investment management firm that was formed under the laws of the State of Delaware in March 2015 and became registered with the SEC on October 21, 2020. Its offices are located in New York and London. The Investment Adviser is a wholly-owned subsidiary of Stable Holdings, Ltd., a Cayman Islands exempted company. The majority owner of Stable Holdings, Ltd. is Mr. Erik Serrano Berntsen.

The Investment Adviser provides non-discretionary investment sub-advisory services to Stable Asset Management, Ltd. (“**SAM Ltd.**”), a United Kingdom based affiliate and a relying adviser of the Investment Adviser, in respect of the three pooled investment funds set forth in the table below (collectively, the “**Stable Seed Funds II**”).

Stable Seed Funds II	
Stable Seed Fund Master II L.P.	A Cayman Islands exempted limited partnership (the “ Stable Seed Master Fund II ”).
Stable Seed Fund Offshore II L.P.	A Cayman Islands exempted limited partnership that invests substantially all of its assets in Stable Seed Master Fund II (the “ Stable Seed Offshore Feeder II ”).
Stable Seed Fund US II L.P.	A Delaware limited partnership that invests substantially all of its assets in Stable Seed Master Fund II (the “ Stable Seed U.S. Feeder II ”).

The investment manager of each of the Stable Seed Funds II is Stable Asset Management Investments, Ltd. (“**SAMI Ltd.**”), a Cayman Islands exempted company affiliated with the Investment Adviser and SAM Ltd.

The general partner of each of the Stable Seed Funds II is Stable Seed Fund II GP, Ltd. (“**SSF II GP**”), a Cayman Islands exempted company that is a wholly-owned subsidiary of SAMI Ltd.

SAMI Ltd. entered into an agreement with SAM Ltd. pursuant to which SAM Ltd. provides non-discretionary investment sub-advisory services to SAMI Ltd. in respect of the Stable Seed Funds II. SAM Ltd., in turn, entered into a separate agreement with the Investment Adviser pursuant to which the Investment Adviser provides non-discretionary investment sub-advisory services to SAM Ltd. The Investment Adviser, SAM Ltd. and SAMI Ltd are collectively referred to in this Brochure as “**Stable**”.

Stable pursues a “fund-of-funds” investment strategy on behalf of the Stable Seed Funds II pursuant to which the Stable Seed Funds II hold a portfolio of other investment funds. In particular, utilizing its extensive due diligence process, Stable seeks to achieve the investment objective of the Stable Seed Funds II by investing their capital in: (i) private investment funds (the “**Underlying Funds**”) managed, sponsored and/or advised by third-party investment managers (the “**Portfolio Managers**”); and/or (ii) separate accounts managed by the Portfolio Managers (the “**Managed Accounts**”), and collectively with the Stable Seed Funds II’s investments in Underlying Funds, the “**Seed Investments**”).

The Stable Seed Funds II primarily invest with “start-up” Portfolio Managers pursuing a variety of investment strategies that have either not commenced operations or that otherwise have not yet raised large pools of capital. Stable seeks to enhance returns to investors in Stable Seed Funds II by various methods, including, without limitation, by attempting to negotiate fee reductions, capacity rights and other favorable terms from Portfolio Managers in connection with the Seed Investments.

Stable may also: (i) seek to cause the Stable Seed Funds II to acquire revenue participations, or other economic interests, in Portfolio Managers in connection with the Seed Investments (any such amounts with respect to a Portfolio Manager, a “**Profit Interest**”); and (ii) negotiate rights related to a buyout, sale or other realization of a Profit Interest, whether by the related Underlying Fund, the related Portfolio Manager or another person (any such rights with respect to a Portfolio Manager, an “**Exit Interest**”).

Other Advisory Activities of the Investment Adviser’s Affiliated Group Entities

SAM Ltd. and SAMI Ltd. also provide investment advisory services to the three pooled investment funds set forth in the table below (collectively, the “**Stable Seed Funds I**”). The Stable Seed Funds I pursue an investment objective and strategy that are substantially the same as those pursued by the Stable Seed Funds II. The Stable Seed Funds I and the Stable Seed Funds II are collectively referred to in this Brochure as the “**Stable Seed Funds**”.

Stable Seed Funds I	
Stable Seed Fund Master L.P.	A Cayman Islands exempted limited partnership (the “ Stable Seed Master Fund I ”).
Stable Seed Fund Offshore, Ltd.	A Cayman Islands exempted company that invests substantially all of its assets in the Stable Seed Master Fund I (the “ Stable Seed Offshore Feeder I ”).
Stable Seed Fund US LP	A Delaware limited partnership that invests substantially all of its assets in the Stable Seed Master Fund I (the “ Stable Seed U.S. Feeder I ”).

In addition, SAM Ltd. and SAMI Ltd. provide investment advisory services to Stable Sunrise Ltd. (the “**Sunrise Fund**”), a Cayman Islands exempted company. The Sunrise Fund employs a “fund-of-funds” investment strategy pursuant to which the Sunrise Fund invests its capital in Underlying Funds managed, sponsored and/or advised by Portfolio Managers that pursue a variety of investment strategies, and primarily focuses on making investments with emerging Portfolio Managers who have either not commenced operations or who otherwise have not yet raised large pools of capital. The Sunrise Fund seeks to enhance returns to its sole shareholder by employing various methods, including, without limitation, by attempting to negotiate fee reductions, capacity rights and other favorable terms from Portfolio Managers in respect of their Underlying Funds.

SAMI Ltd. also provides investment advisory services to the two pooled investment funds set forth in the table below (collectively, the “**Stable Cavalry Funds**”). The Stable Cavalry Funds are managed to enable investors therein to have exposure to one or more: (i) opportunistic direct investments in securities and/or other financial instruments operated or managed by a third-party (“**Direct Investments**”) that are outside of hedge fund seeding but arise within Stable’s research and investment ecosystem; and/or (ii) Seed Investments (A) that SAMI Ltd. determines are inappropriate for investment by the Stable Seed Funds and/or the Sunrise Fund as a result of their respective investment strategies and/or other factors deemed relevant by SAMI Ltd., including, without limitation, applicable liquidity profiles, investment restrictions, the amount of capital available for investment, preservation of capital for other investment opportunities, current portfolio compositions and risk management considerations, tax considerations, the need for cash to satisfy expenses and/or other considerations or parameters, and (B) to enable investors in the Seed Funds and/or the Sunrise Fund the opportunity to make additional investments in any then-existing investments therein and/or to offer co-investment opportunities in one or more existing or future investments to certain investors therein or third parties.

Stable Cavalry Funds	
Stable Cavalry L.P.	A Cayman Islands exempted limited partnership (the “ Stable Cavalry Master Fund ”).
Stable Cavalry Offshore L.P.	A Cayman Islands exempted limited partnership that invests substantially all of its assets in Stable Cavalry L.P. Master Fund (the “ Stable Cavalry Feeder Fund ”).

The Sunrise Fund, the Stable Cavalry Funds and the Stable Seed Funds are collectively referred to in this Brochure as the “**Funds**”, and the investors in the Funds are collectively referred to herein as the “**Investors**”. Investment decisions and advice with respect to the Funds are subject to each Fund’s investment objectives and guidelines, as set forth in each Fund’s offering documents (collectively, the “**Offering Documents**”).

SAM Ltd. also provides non-discretionary investment recommendations to certain of its clients that pursue “fund-of-funds” investment strategies (such clients, the “**Advisory Clients**”). The Advisory Clients and the Funds are collectively referred to in this Brochure as the “**Clients**”.

Regulatory Assets Under Management

As of December 31, 2021, Stable had approximately \$2,830,825,037 regulatory assets under management. As of that date, Stable managed \$1,530,406,654 on a discretionary basis and \$1,300,418,383 on a non-discretionary basis.

Availability of Tailored Services for Individual Clients

Stable provides advice to Client accounts based on their respective specific investment objectives and strategies. Under certain circumstances, SAM Ltd and SAMI Ltd will agree to tailor advisory services to the individual needs of its Advisory Clients in accordance with the terms of its investment advisory agreements with those Advisory Clients. Stable generally does not tailor its advisory services to the individual needs of Investors in the Funds; however, the Offering Documents may contain certain investment restrictions (*e.g.*, the amount of capital that may be invested in any single Seed Investment).

Wrap Fee Programs

Stable does not participate in wrap fee programs.

Item 5: Fees and Compensation

Management Fees and Performance-Based Compensation

The fees payable to Stable by the Funds are summarized below and set forth in further detail in each Fund’s Offering Documents. The fees payable to SAM Ltd. by the Advisory Clients are individually negotiated and set forth in SAM Ltd.’s investment advisory agreements with those Advisory Clients.

In consideration for the services SAMI Ltd. renders to the Stable Seed Funds II, the Stable Seed Funds II pay SAMI Ltd. a monthly management fee, payable quarterly in advance, in an amount equal to 0.125% (*i.e.*, 1.5% per annum) of each Investor’s aggregate capital contributions to the Stable Seed Funds II (the “**Stable Seed Funds II Management Fee**”). The Stable Seed Funds II Management Fee will be prorated for any period that is less than a full month. SAMI Ltd. may, in its sole discretion, waive or modify the Stable Seed Funds II Management Fee for persons affiliated with Stable and certain other Investors in the Stable Seed Funds II. SSF II GP (and/or

its designee(s)) is entitled to performance compensation from the Stable Seed Funds II in the form of carried interest in an amount equal to 20% of the distributions made by the Stable Seed Funds II of proceeds attributable to the Profits Interests and/or Exit Interests, subject to a loss carryforward provision (the “**Stable Seed Funds II Carried Interest Amounts**”). SSF II GP may, in its sole discretion, waive or modify the Stable Seed Funds II Carried Interest Amounts for persons affiliated with Stable and certain other Investors in the Stable Seed Funds II.

In consideration for the services SAMI Ltd. renders to the Stable Seed Funds I, the Stable Seed Funds I pay SAMI Ltd. a monthly management fee, payable quarterly in arrears, with respect to each Investor in the Stable Seed Funds I in amounts generally ranging from 0.0833% (*i.e.*, 1.0% per annum) to 0.125% (*i.e.*, 1.5% per annum), depending on the amount of each Investor’s capital contributions to the Stable Seed Funds I (the “**Stable Seed Funds I Management Fee**”). SAMI Ltd. may, in its sole discretion, waive or modify the Stable Seed Funds I Management Fee for persons affiliated with Stable and certain other Investors in the Stable Seed Funds I. In addition, SAMI Ltd. (and/or its designee(s)) is entitled to performance compensation from the Stable Seed Funds I in the form of carried interest in an aggregate amount equal to 20% of distributions made by the Stable Seed Funds I of proceeds attributable to the Profits Interests and/or Exit Interests, subject to a loss carryforward provision (the “**Stable Seed Funds I Carried Interest Amounts**”). SAMI Ltd. may, in its sole discretion, waive or modify the Stable Seed Funds I Carried Interest Amounts for persons affiliated with Stable and certain other Investors in the Stable Seed Funds I.

The Sunrise Fund, which is a fund customized for a single Investor, pays SAMI Ltd. a management fee and an incentive allocation on such terms, as negotiated and agreed to between SAMI Ltd. and such Investor and set forth in the Offering Documents of the Sunrise Fund.

In consideration for the services SAMI Ltd. renders to the Stable Cavalry Funds, the Stable Cavalry Funds pay SAMI Ltd. a management fee (the “**Stable Cavalry Management Fee**”). In connection with each proposed investment by the Stable Cavalry Funds, Stable Cavalry GP, Ltd. (the “**Cavalry GP**”), the general partner of the Stable Cavalry Funds, creates a portfolio supplement to the limited partnership agreements of the Stable Cavalry Funds (each, a “**Portfolio Supplement**”) for those Investors therein that will participate in the particular prospective investment. Each Portfolio Supplement sets forth, among other things, the rate and frequency of the Stable Cavalry Management Fee (if any) payable by the participating Investors in the investment; provided, however, that the Stable Cavalry Management Fee for any Stable Cavalry Fund investment may not exceed 2.0% of an Investor’s aggregate capital contributions to the relevant investment. The Stable Cavalry Management Fee will be prorated for any period that is less than a full month or calendar quarter, as applicable. SAMI Ltd. may, in its sole discretion, waive or modify the Stable Cavalry Management Fee for persons affiliated with Stable and certain other Investors in the Stable Cavalry Funds. In addition, the Cavalry GP (and/or its designee(s)) is entitled to performance compensation from the Stable Cavalry Funds in respect of each investment therein in the form of carried interest in the amount specified in the relevant Portfolio Supplement for the investment (the “**Stable Cavalry Carried Interest Amounts**”); provided, however, that Stable Cavalry Carried Interest Amount for an investment will not exceed 20%. The Stable GP may, in its sole discretion, waive or modify the Stable Cavalry Carried Interest Amounts in respect of any investment for persons affiliated with Stable and certain other Investors in the Stable Cavalry Funds.

The management fees described above are generally deducted from each Fund account by the relevant Fund’s administrator upon SAMI Ltd.’s proper instructions.

In the event that any person affiliated with Stable receives any directors fees, consulting fees, advisory fees, management fees, transaction fees, closing fees, monitoring fees or break-up fees from a counterparty in connection with a Fund’s investment activities, net of any related expenses (collectively, “**Transaction Fees**”), then an amount equal to one hundred percent (100%) of those Transaction Fees will offset and reduce the amount of the management fees otherwise payable to Stable by the Fund with respect to the period immediately following the receipt of such fees.

Other Expenses

The expenses borne by the Advisory Clients are individually negotiated and set forth in SAM Ltd.'s investment advisory agreements with those Advisory Clients.

In addition to paying management fees and performance-based compensation, each Fund will pay (or reimburse Stable) for other expenses in accordance with its Offering Documents, which expenses may include the following:

- (i) the legal fees and other expenses incurred in connection with the Investment Adviser's and its affiliates initial and ongoing registration as an investment adviser with the SEC any and all costs and expenses (including legal fees and expenses) incurred to comply with any law or regulation related to the activities, business, operations and/or holdings of the Fund (including, without limitation, expenses relating to the preparation and filing of Form PF with respect to the Fund's assets, reports to be filed with the Commodity Futures Trading Commission, other regulatory filings of Stable and anti-money laundering compliance expenses);
- (ii) expenses incurred in connection with the organization of the Fund and any alternative investment vehicles established by Stable, including, without limitation, legal, accounting, administrative and other expenses relating to the offer and sale of the Fund's interests or shares (including Form D and "blue sky" filing costs and fee and expenses related to negotiating agreements with prospective and existing Investors (including side letters));
- (iii) Costs and expenses incurred in connection with the evaluation, negotiation, acquisition, monitoring or disposition of investments, whether or not consummated, including, without limitation, loan fees, private placement fees, sales commissions, appraisal fees, taxes, brokerage fees, research fees, interest and commitment fees, transfer taxes and premiums, underwriting commissions and discounts, and legal, accounting, consulting, information services and professional fees, reimbursements to Portfolio Managers and/or their principals for certain expenses deemed advisable by Stable and research related-travel, communications and all other expenses related to the discovery, investigation, development, monitoring, making and disposition of investments and any Profits Interests and/or Exit Interests related thereto;
- (iv) Costs and expenses incurred in connection with the carrying or management of investments, including computer and reporting systems (including risk or other software systems or data subscriptions for monitoring purposes), interest and related expenses and custodial, trustee, record keeping and other administrative fees and expenses;
- (v) Costs and expenses incurred in connection with the incurrence of indebtedness, including, without limitation, borrowings, credit facilities, margin financing and the costs of establishing such indebtedness, the costs of monitoring compliance therewith, and the costs of any commitment, trustee and legal fees and expenses, and any principal, interest, fees, expenses and other amounts due and owing in connection with such indebtedness;
- (vi) Costs and expenses incurred in connection with the preparation and delivery of the Fund's financial statements, reports, tax returns or similar schedules;
- (vii) Costs and expenses incurred in connection with any meetings with Investors;
- (viii) Fees and disbursements of attorneys, accountants and other professional advisors relating to Fund matters;
- (ix) Taxes and other governmental charges that may be incurred or payable by the Fund;

- (x) Insurance premiums or expenses in connection with the activities of the Fund, including errors, omissions, fidelity, directors' and officers' liability and similar coverage for any person acting on behalf of the Fund and/or Stable;
- (xi) Costs and expenses (including legal fees and expenses) incurred in connection with the Offering Documents or similar written agreements or arrangements and any other related documentation; costs and expenses incurred in connection with any litigation or governmental inquiry, investigation or proceeding involving the Fund, including the amount of any judgments, settlements or fines paid in connection therewith; and any legal, accounting and auditing expenses incurred in preparing, printing and delivering all reports;
- (xii) Costs and expenses incurred in connection with any restructuring or amendments to the constituent documents of the Fund and related entities;
- (xiii) Costs and expenses incurred in connection with the winding-up, dissolution, liquidation or termination of the Fund;
- (xiv) Costs and expenses incurred in connection with computing the value of the Fund's assets;
- (xv) Costs and expenses incurred in connection with any meeting of Investors relating to the Fund;
- (xvi) Expenses related to the Fund's indemnification obligations and other extraordinary expenses, such as all expenses relating to any litigation and other actions, suits or proceedings involving the Fund;
- (xvii) Fund administrator and other service provider fees and expenses;
- (xviii) Fees paid to the independent members of the Fund's board of directors;
- (xix) Expenses incurred in connection with the activities of any Investor advisory committee established by Stable;
- (xx) Redemption expenses;
- (xxi) All transaction and investment-related costs and fees, including, without limitation, custodial and banking fees, registrar and transfer agent fees, and bank service fees;
- (xxii) Expenses of any alternative investment vehicles through which the Fund invests; and
- (xxiii) Other reasonable expenses related to the purchase, sale or transmittal of the Fund's assets.

Further, in the case of an unsuccessful Fund investment (*i.e.*, a "broken deal"), all expenses, including diligence, legal and related transactional expenses will be allocated among the participating Fund(s) and any co-investors that are legally bound to fund a co-investment pro rata based on the amount of committed and/or allocated investment at the time the deal is broken. If no co-investors were legally bound at the time the deal is broken, then the full amount of any "broken deal" expenses will be borne by the participating Funds managed by Stable. It should also be noted that any Advisory Clients that co-invest alongside the Funds in an investment, while incurring their own costs, may also directly or indirectly benefit from the due diligence and negotiation of the terms of a strategic relationship with a particular Portfolio Manager, the costs of which are borne by the Funds.

A complete list of expenses borne by each Fund is included in the Fund's Offering Documents.

In addition to the expenses described above, each Investor in the Funds will indirectly bear its pro rata share of: (i) the management fees and incentive fees and allocations of the Portfolio Managers (or

their affiliates) charged on Seed Investments; and (ii) the direct expenses of those Seed Investments.

The allocation of expenses by Stable between it and any Client and among Clients represents a conflict of interest for Stable. Stable allocates expenses to each Client in accordance with the Client's arrangements with Stable (including applicable Client disclosures). Stable generally allocates common Client expenses among multiple Clients pro rata in proportion to the relative amounts invested or in such other manner as Stable determines to be fair and equitable.

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

Stable is entitled to be paid performance-based compensation the Funds as described in Item 5 above. Since Stable and its investment personnel manage multiple Client accounts, including accounts with different fee arrangements, a potential conflict of interest exists for one Client account to be favored over another Client account. In that regard, Stable and its investment personnel have a greater incentive to favor Client accounts that pay Stable (and indirectly its investment personnel) higher performance-based compensation and management fees, or in which Stable's personnel have more significant investments in their respective personal capacities. Accordingly, Stable has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple Client accounts.

In addition, Portfolio Managers of the Underlying Funds and Managed Accounts through which Stable's Clients invest may receive compensation based on the performance of their investments. Such compensation arrangements may create an incentive to make investments that are riskier or more speculative than would be the case if such arrangements were not in effect. In addition, because performance-based compensation is calculated on a basis that includes unrealized appreciation of the Underlying Fund's or the Managed Account's assets, as applicable, such performance-based compensation may be greater than if such compensation were based solely on realized gains. In addition, a particular Portfolio Manager may receive performance-based compensation in respect of its portfolio for a period during which the particular Underlying Fund's or Managed Account's overall portfolio depreciated. It is also possible that Portfolio Managers may make decisions in the exercise of their discretion over the operations, budgets, expenses, compensation and revenues of their firms that may adversely affect the performance of the Portfolio Managers, or cash flows available for distribution by Portfolio Managers to the Funds.

Additional details in respect of the matters outlined above are set forth in each Fund's Offering Documents.

In the event that Stable recommends that a Client, or prospective Client, invest with a Portfolio Manager in which Stable and/or one or more Funds is entitled to a Profit Interest and/or Exit Interest in the Portfolio Manager, Stable will disclose as much to the relevant Client or prospective Client prior to the transaction.

Stable has also developed additional policies and procedures to address the potential conflicts of interest of this practice, including:

- Conducting a full review of the suitability of any investment in the relevant Underlying Fund or Managed Account; and
- Maintaining documentation of the due diligence conducted on the relevant Underlying Fund or Managed Account.

In addition, please note the system and controls outlined in the subsection titled "*Conflicts of Interests*" in Section 8 below.

Stable regularly assesses the allocation of its resources, including investment personnel, among its Clients to ensure adherence to its fiduciary duties.

Stable recognizes that it must treat all Clients fairly and must refrain from favoring one Client's

interests over another's.

Item 7: Types of Clients

As previously described in Item 4 above, Stable's Clients currently consist of the Funds and the Advisory Clients.

The Advisory Clients consist of sovereign wealth funds, family offices and other financial institutions.

With respect to the Funds, any initial and additional subscription minimums are disclosed in the relevant Offering Documents for each Fund. Minimum investment amounts have been, and may in the future be, reduced in the sole discretion of Stable (or by such Fund, as applicable).

Although Stable does not maintain a specific minimum dollar value of assets or other conditions for opening a separately managed account, any such additional account relationship would generally involve a significant minimum account size.

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

The descriptions set forth in this Brochure should not be understood to limit in any way Stable's investment activities. Stable may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that it considers appropriate, subject to each Client's investment objectives and guidelines as set forth in the relevant Offering Documents for the relevant Fund or investment advisory agreement with the applicable Advisory Client.

Stable Seed Funds

The investment objective of the Stable Seed Funds is capital appreciation. As described in Item 4 above, in seeking to achieve such investment objective, Stable pursues a "fund-of-funds" investment strategy on behalf of the Stable Seed Funds pursuant to which the Stable Seed Funds will hold a portfolio of other investment funds. In particular, utilizing its extensive due diligence process, Stable will invest the Stable Seed Funds' capital in Seed Investments managed by the Portfolio Managers. The Stable Seed Funds will primarily invest with "start-up" Portfolio Managers pursuing a variety of investment strategies that have either not commenced operations or that otherwise have not yet raised large pools of capital. Stable will seek to enhance returns to Investors in the Stable Seed Funds by various methods, including, without limitation, by attempting to negotiate fee reductions, capacity rights and other favorable terms from the Portfolio Managers in connection with the Seed Investments. Stable may also seek to cause the Stable Seed Funds to acquire revenue participations or other economic interests in Portfolio Managers in Profits Interests and Exit Interests in connection with their respective Seed Investments. Stable generally strives to "institutionalize" new Portfolio Managers in order to mitigate emerging Portfolio Manager business risk through its support and knowledge share of market best practices.

Sunrise Fund

The investment objective of the Sunrise Fund is capital appreciation. In order to achieve this objective, the Sunrise Fund invests its capital in Underlying Funds managed, sponsored and/or advised by Portfolio Managers that pursue a variety of investment strategies, and primarily focuses on making investments with emerging Portfolio Managers who have either not commenced operations or who otherwise have not yet raised large pools of capital. The Sunrise Fund seeks to enhance returns to its sole shareholder by various methods, including, without limitation, by attempting to negotiate fee reductions, capacity rights and other favorable terms from Portfolio Managers in respect of their Underlying Funds.

Stable Cavalry Funds

The investment objective of the Stable Cavalry Funds is capital appreciation. SAMI Ltd. seeks to achieve this investment objective by investing the Stable Cavalry Funds' assets in investments that it believes will generate high-quality, perpetual returns over time. As the Stable Cavalry Funds do not have a specified term, the Cavalry Funds are generally not obligated to exit investments within any particular time horizon. In particular, the Stable Cavalry Funds are managed to enable Investors therein to have exposure to one or more: (i) Direct Investments operated or managed by a third party that are outside of hedge fund seeding but arise within Stable's research and investment ecosystem; and/or (ii) Seed Investments (A) that SAMI Ltd. determines are inappropriate for investment by the Stable Seed Funds and/or the Sunrise Fund as a result of their respective investment strategies and/or other factors deemed relevant by SAMI Ltd., including, without limitation, applicable liquidity profiles, investment restrictions, the amount of capital available for investment, preservation of capital for other investment opportunities, current portfolio compositions and risk management considerations, tax considerations, the need for cash to satisfy expenses and/or other considerations or parameters, and (B) to enable Investors in the Seed Funds and/or the Sunrise Fund the opportunity to make additional investments in any then-existing investments therein and/or to offer co-investment opportunities in one or more existing or future investments to certain Investors therein or third parties.

Advisory Clients

As described in Item 4 above, SAM Ltd. provides non-discretionary investment recommendations to its Advisory Clients that pursue "fund-of-funds" investment strategies. Such investment recommendations are based on the specific investment objectives and strategies of those Advisory Clients as communicated by those Advisory Clients to SAM Ltd. and/or set forth in their respective investment advisory agreements with SAM Ltd.

Risk of Loss

The investment strategies Stable pursues are speculative and entail substantial risks. Investors and Clients should be prepared to bear a substantial loss of capital. There can be no assurance that any of the Clients will achieve their respective investment objectives. The Funds are not intended as a complete investment program.

Investments in the Funds are suitable only for persons (*i.e.* investors) who can bear the economic risk of the loss of their investment, who have limited need for liquidity in their investment and who have met the conditions set forth in the Offering Documents. Past performance is not a reliable indicator of future results.

The risk factors outlined in the following "Summary of Risks" subsection do not purport to be a complete list, or explanation, of the risks involved in an investment in a Fund or provide a full description of the identified risks. Each prospective Investor is advised to review the risk factors set forth in the relevant Fund's Offering Documents for a further discussion of the applicable risks before deciding to invest in the Fund. For the avoidance of doubt, the risks set forth below equally apply, as applicable, to the Sunrise Fund and the Advisory Clients.

Material Risks

- *Market Risks:* The profitability of investments depends to a great extent upon correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that Stable or the Portfolio Managers will be able to predict accurately these price movements for their respective investments. As such, there is always some, and occasionally a significant, degree of market risk.
- *Nature of Investments:* The Portfolio Managers have broad discretion in making investments

for their respective Underlying Funds, and in the case of the Stable Cavalry Funds, Stable has broad discretion in making Direct Investments. The Portfolio Managers and Stable invest in various instruments and other assets that may be affected by business, financial market, or legal uncertainties. There can be no assurance that the Portfolio Managers or Stable will correctly evaluate the nature and magnitude of the various factors that could affect the value of, and return on, seed investments. Prices of underlying financial instruments acquired by the Underlying Funds and the Stable Cavalry Funds in respect of its Direct Investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect their respective performance results.

- *Portfolio Manager Investments:* While any venture capital type investment in Seed Investments offer the opportunity for significant capital gains, such investments involve a high degree of business and financial risks that can result in substantial losses. These include the risks associated with investments in businesses in an early stage of development or with little or no history of operating results.
- *Activities of Portfolio Managers:* Stable will have no control over the operations of any of the Portfolio Managers. As a result, there can be no assurance that every Portfolio Manager engaged by the Funds will invest on the basis expected by Stable. In particular, there is the risk that a Portfolio Manager may deviate from its stated or expected investment strategy over time (“**style drift**”). Stable relies primarily on information provided by a Portfolio Manager in assessing the Portfolio Manager's defined investment strategy and in ultimately determining whether, and to what extent, it will allocate a Fund's assets to particular Underlying Fund or Managed Account managed by that Portfolio Manager. Style drift can occur abruptly if, for example, a Portfolio Manager believes it has identified a particular investment opportunity that may produce higher returns than investments within its stated strategy from a different approach (and the Portfolio Manager disposes of an interest quickly to pursue this approach), or it can occur gradually if, for instance, a “value”-oriented Portfolio Manager gradually increases investments in “growth” stocks. Style drift poses a particular risk for multiple-manager structures since, as a consequence, a Fund may be exposed to particular markets or strategies to a greater extent than was anticipated by Stable due to resulting overlap of investment strategies among various Portfolio Managers. In addition, style drift may affect the investment categorization of a Fund investment as relating to particular discipline, and, as a result, may affect Stable's attempts to monitor the Fund's diversification targets. There can be no assurance that a Fund will not be impacted by style drift of a particular Portfolio Manager.

Additionally, when a Fund allocates its assets to be managed by a Portfolio Manager, it does not have custody of such assets or control over the investment of those assets. Therefore, there is always the risk that the Portfolio Manager could divert or abscond with the assets, provide false reports of operations or engage in other misconduct. The Portfolio Managers with whom a Fund may invest may be private and may not be required to register their investment advisory operations under U.S. federal or state laws.

Furthermore, because one or more Fund investments may be operated by Portfolio Managers that do not have substantial experience in operating the relevant investment(s) and do not have significant track records, those investments may be subject to more significant risks than would be the case if the relevant Fund invested those assets with more “seasoned” Portfolio Managers with longer track records.

- *Non-Diversification of Investments:* Certain Underlying Funds and Managed Accounts may invest in the securities of a single issuer or may otherwise be relatively concentrated with respect to types of investments. Accordingly, such Underlying Funds or Managed Accounts may be subject to more rapid change in value than would be the case if such Underlying Funds or Managed Accounts were required to maintain a wider diversification among types of investments, issuers and geographic areas.
- *Access to Information from Portfolio Managers.* Upon selecting a Portfolio Manager for a prospective Fund investment, Stable will request information from the Portfolio Manager regarding its historical performance, investment strategy and other matters deemed relevant. Stable will also request portfolio information on a continuing basis from each Portfolio Manager. However, Stable may not always be provided with the requested information because such information may in certain instances be considered proprietary information by the particular Portfolio Manager. This lack of access to information may make it more difficult for Stable to select, allocate assets among, and evaluate Portfolio Managers. In addition, Stable may not learn of significant structural events, such as personnel changes, major asset withdrawals or substantial capital growth, until after the fact.

In addition, one or more Portfolio Managers may engage in improper or fraudulent conduct, including unauthorized changes in investment strategy, misappropriation of assets and unsupportable valuations of portfolio securities. Stable and the Funds may rely upon representations made by Portfolio Managers, accountants, attorneys and other investment professionals. If any such representations are misleading, incomplete, or false, this may result in the selection of Fund investments that might otherwise have been eliminated from consideration had more accurate and complete information been made available to Stable. In addition, the processes of identifying and conducting due diligence on a Portfolio Manager and negotiating and executing agreements can be time consuming and burdensome and result in significant transaction costs, which generally are borne by the Funds.

- *Drawbacks of Emerging Portfolio Managers:* Emerging Portfolio Managers have traditionally been difficult to invest in, as top-quality emerging Portfolio Managers are hard to find and diligence. There are many smaller Portfolio Managers in the asset manager universe, making the identification and selection of talented early stage Portfolio Managers that are appropriate for the Funds' criteria difficult. This is further compounded by smaller Portfolio Managers having less marketing budget and resources, which makes the right smaller fund difficult to find. Investment risks can be higher when investing in emerging Portfolio Managers as their strategies often have shorter track records and are less adept at providing institutional quality narrative and interaction during the sales process, which means they are less understood by investors. Smaller Portfolio Managers also have less resources and experience to be able to build institutional quality businesses required to meet the demands of the current regulatory environment.
- *Due Diligence Risks.* Before making investments, Stable intends to conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence and making an assessment regarding an investment, Stable will rely on resources available to it, including information provided by the target of the investment and, in some circumstances, third party investigations. The due diligence process may at times be subjective with respect to newly-organized companies for which only limited information is available. Accordingly, there can be no assurance that the due diligence investigation that Stable will carry out with respect to any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Further, there can be no assurance that such an investigation will result in an investment being successful. Stable may be required to undertake its investment analyses and decisions on an expedited basis in order to take advantage of investment opportunities. Therefore, no assurance can be given that Stable

will have knowledge of all circumstances that may adversely affect an investment.

- *Multiple Portfolio Managers:* No assurance can be given that the collective investment performance of the Portfolio Managers will result in profitable returns for the Funds as a whole. The good performance achieved by one or more Portfolio Managers may be neutralized by poor investment performance experienced by other Portfolio Managers.
- *Diversification:* Stable has portfolio diversification guidelines in place for the Funds' respective portfolios. If the Funds' assets are concentrated in a particular investment, asset category, trading style or financial or economic market, the Funds' portfolios will then become more susceptible to fluctuations in value resulting from adverse economic conditions affecting the performance of that particular investment, asset category, trading style or financial or economic market.
- *Proprietary Investment Strategies:* The Portfolio Managers may use proprietary investment strategies that are based on considerations and factors that are not fully disclosed to Stable. These strategies may involve risks under some market conditions that are not anticipated by Stable.
- *Lack of Liquidity of Seed Investments:* The Funds' interests in Seed Investments generally will be illiquid and the Investors ability to withdraw from the Funds may be adversely affected to varying degrees by the liquidity terms of the Seed Investments depending on, among other things, the length of any restricted periods imposed by the Seed Investments, the amount and timing of a requested withdrawal by an Investor in relation to the time remaining of any restricted periods imposed by Seed Investments, the aggregate amount of withdrawal requests, the next regularly scheduled withdrawal dates of such Seed Investments, the imposition of "gates" or suspensions, the decision by Portfolio Managers to satisfy Seed Investment withdrawals in-kind, the implementation of side pockets and/or other methods by Portfolio Managers to separate liquid and illiquid assets, and the satisfaction of other conditions. Further, the Seed Investments may invest in non-publicly traded securities and private debt instruments for which the number of potential purchasers and sellers, if any, is very limited.
- *Reliance on Key Personnel:* Stable will rely on the experience, relationships and expertise of its investment committee and other key personnel of Stable. Mr. Serrano Berntsen is the key person and a senior member of Stable's investment committee. The loss of Mr. Serrano Berntsen, or of another significant member of the investment committee, could cause Stable to delay investments and could have a material adverse effect on the Funds. In addition, if members of the investment committee cannot agree on decisions affecting the Funds, the investment results may be adversely affected.

Further, some of the Portfolio Managers to whom Stable may allocate capital may consist of only one principal. If that individual were to die or become incapacitated, the Funds might sustain losses in the Seed Investment managed by such Portfolio Manager.

- *Misconduct of Personnel, Counterparties and/or Third-Party Service Providers:* Each Client relies on a substantial number of personnel of Stable and its affiliates, counterparties and other service providers. Significant losses could result from misconduct by such personnel, including, for example, binding a Client to transactions that are not properly authorized, concealing unsuccessful trading activities, improperly using or disclosing confidential or material non-public information and misappropriating assets. Although Stable has adopted measures that seek to prevent and detect misconduct of its personnel and ensure that each Client transacts with reliable counterparties and third-party service providers, such efforts may not be effective in all cases.

- *Limited Transfer and Redemption Rights; In-Kind Distributions:* An investment in the Funds provides limited or no liquidity. Because of the limitations or restrictions, as applicable, on withdrawal rights, and the fact that interests in the Funds are not freely transferable, and furthermore, due to the fact that the Funds may invest in Seed Investments that do not permit frequent withdrawals and that Seed Investments will be subject to lock-up periods, an investment in a Fund is a relatively illiquid investment and involves a high degree of risk. If a Fund requests a withdrawal from a Seed Investment and that Seed Investment does not have a sufficient amount of cash or liquid securities, the Portfolio Manager might elect to meet such withdrawal through distributions of illiquid securities or instruments of the Seed Investment directly to the Fund or to a liquidating trust or liquidating account. Transfers of interests in each Fund will generally only be permitted with the prior written consent of Stable. Accordingly, interests in the Funds should only be acquired by persons who can afford a substantial loss of their investment and who are willing and able to commit their funds for an appreciable period of time.
- *Business and Regulatory Risks of Private Funds:* Legal, tax and regulatory changes could occur during the term of the Funds that may adversely affect the Funds and/or the Portfolio Managers, including, for example, increased compliance and legal costs, the prohibition of certain types of trading and/or the inhibition of the ability of the Portfolio Managers to pursue their investment strategies.
- *Failure to Fund Capital Commitments; Consequences of Default:* If one or more Investors in a Fund fail to fund their capital commitments to the Fund when due, the Fund's ability to complete an investment may be substantially impaired. In that regard, if an Investor fails to fund all or any portion of its capital commitment to a Fund when required, such Investor's interest in the Fund may be diminished and/or forfeited.
- *"Fund-of-Funds" Structure:* Under certain circumstances, the Funds' "fund-of-funds" structure may be disadvantageous to Investors as compared with maintaining investments directly. The Funds' respective operating expenses will be in addition to their share of the investment and other expenses of the Seed Investments. Further, strategies utilized by certain Portfolio Managers retained by the Funds may require frequent trading and, as a result, portfolio turnover and brokerage commission expenses may significantly exceed those of other investment entities of comparable size. Moreover, such trading will be out of the direct control of Stable. Accordingly, the expenses of the Funds may be a higher percentage of net assets than in other investment entities.
- *Cyber Security Breaches and Identity Theft:* The information and technology systems of Stable and of key service providers to Stable and the Clients, including banks, broker-dealers, custodians and their affiliates, may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by its professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. For instance, cyber-attacks may interfere with the processing or execution of Stable's transactions on behalf of a Client, cause the release of confidential information, including private information about Clients, subject Stable, a Client or any of their respective affiliates to regulatory fines or financial losses, or cause reputational damage. Additionally, cyber-attacks or security breaches (e.g., hacking or the unlawful withdrawal or transfer of funds), affecting any of Stable's and/or a Client's key service providers may cause significant harm to Stable or a Client, including the loss of capital. Similar types of cybersecurity risks are also present for issuers of securities in which Stable may invest on behalf of a Client. These risks could result in material adverse consequences for such issuers, and may cause a Client's investments in such issuers to lose value. Although Stable has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, Stable and/or the Clients may have to make a significant investment

to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Stable's and/or the Clients' operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to Investors (and the beneficial owners of Investors), which may result in identity theft. Such a failure could harm Stable's and/or the Clients' reputations, subject any such entity and their respective affiliates to legal claims and otherwise affect their business and financial performance.

- *Operational Risk:* Operational risks include the possibility of mistakes being made in the confirmation or settlement of transactions, transactions not being properly booked, evaluated or accounted for, or other similar disruptions in Stable's or the Portfolio Manager's operations. These mistakes may arise, for example, due to keystroke errors that occur when entering trades into an electronic trading system, failures of oral communication between the investment staff and trading staff, or typographical or drafting errors related to derivatives contracts or confirmations or similar agreements. These events may originate with Stable's, a Client's, a Portfolio Manager's and/or an Underlying Fund's service providers and cause the relevant Client to suffer financial loss, disruption of business, liability to clients or third parties, regulatory intervention or reputational damage.
- *Risk Control Framework:* No risk control system is fail-safe, and no assurance can be given that any risk control framework employed by the Portfolio Managers will achieve its objective. Target risk limits developed by the Portfolio Managers may be based upon historical trading patterns for the securities and financial instruments in which the Underlying Funds invest. No assurance can be given that such historical trading patterns will accurately predict future trading patterns.

Moreover, although Stable attempts to identify, monitor and manage significant risks, these efforts do not take all risks into account and there can be no assurance that these efforts will be effective. Moreover, many risk management techniques, including those employed by Stable, are based on historical market behavior, but future market behavior may be entirely different and, accordingly, the risk management techniques employed on behalf of the Funds may be incomplete or altogether ineffective. Similarly, Stable may be ineffective in implementing or applying risk management techniques. Any inadequacy or failure in risk management efforts could result in material losses to the Funds.

- *United Kingdom ("UK") Exit from the European Union ("EU"):* The UK is no longer part of the EU and single market. The consequences of the UK's withdrawal from the EU may lead to instability, significant currency fluctuations and/or other adverse effects on international markets, international trade agreements and/or other existing cross-border cooperation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise). In addition, the UK's withdrawal could have a destabilizing effect in which other Member States may consider withdrawing from the EU. The decision for any other Member State to withdraw from the EU could exacerbate such uncertainty and instability and may present similar and/or additional potential risks and consequences for the Funds.
- *Effects of Health Crises and Other Catastrophic Events.* Health crises, such as pandemic and epidemic diseases, as well as other catastrophes that interrupt the expected course of events, such as natural disasters, war or civil disturbance, acts of terrorism, power outages and other unforeseeable and external events, and the public response to or fear of such diseases or events, have and may in the future have an adverse effect on the Funds' investments and Stable's operations. In that regard, any preventative or protective actions that governments may take in respect of such diseases or events may result in periods of business disruption, inability to obtain raw materials, supplies and component parts, and reduced or disrupted operations for portfolio companies of the Seed Investments. In addition, under such circumstances the operations, including functions such as trading and valuation, of the Portfolio Managers and other service providers of the Funds, the

Portfolio Managers and/or the Seed Investments could be reduced, delayed, suspended or otherwise disrupted. Further, the occurrence and pendency of such diseases or events could adversely affect the economies and financial markets either in specific countries or worldwide.

Risks Associated with the Investment Portfolio

- *Commodity and Futures Contracts:* Trading in commodity and futures contracts and options thereon are highly specialized activities. While such trading activities may increase the total return of a Portfolio Manager's investments, such activities entail greater than ordinary investment risks. Commodity futures markets are highly volatile and are influenced by factors such as changing supply and demand relationships, governmental programs and policies, national and international political and economic events, and changes in interest rates. In addition, because of the low margin deposits normally required in commodity futures trading, a high degree of leverage may be typical of a commodity futures trading account. As a result, a relatively small price movement in a commodity futures contract may result in substantial losses to the trader. Commodity futures trading may also be illiquid. Certain commodity exchanges do not permit trading in particular futures contracts at prices that represent a fluctuation in price during a single day's trading beyond certain set limits. If prices fluctuate during a single day's trading beyond those limits, Stable could be prevented from promptly liquidating unfavorable positions and thus be subject to substantial losses. Commodity options, like commodity futures contracts, are speculative, and their use involves risk. Specific market movements of the cash commodity or futures contract underlying an option cannot be predicted, and no assurance can be given that a liquid offset market will exist for any particular futures option at any particular time.
- *Counterparty Risk:* Some of the markets in which the Portfolio Managers may affect 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 Portfolio Managers 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 Portfolio Managers 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 Portfolio Managers are not restricted from dealing with any particular counterparty or from concentrating any or all of their transactions with one counterparty. The ability of the Portfolio Managers to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for Seed Investment losses.
- *Currency Risks:* The Portfolio Managers' investments that are denominated in non-U.S. currencies are subject to the risk that the value of a particular currency will change in relation to one or more other currencies.
- *Derivative Financial Instruments and Techniques:* The Portfolio Managers may invest the assets of the Seed Investments in derivative financial instruments. The risks posed by such instruments and techniques, which can be extremely complex and may involve leveraging of the Seed Investments' assets, include: (i) credit risks (the exposure to the possibility of loss resulting from a counterparty's failure to meet its financial obligations); (ii) market risk (adverse movements in the price of a financial asset); (iii) legal risks (the characterization of a transaction or a party's legal capacity to enter into it could render the financial contract unenforceable, and the insolvency or bankruptcy of a counterparty could preempt otherwise enforceable contract rights); (iv) operations risk (inadequate controls, deficient procedures, human error, system failure or fraud); (v) documentation risk (exposure to

losses resulting from inadequate documentation); (vi) liquidity risk (exposure to losses created by inability to prematurely terminate the derivative); (vii) system risk (the risk that financial difficulties in one institution or a major market disruption will cause uncontrollable financial harm to the financial system); (viii) concentration risk (exposure to losses from the concentration of closely related risks such as exposure to a particular industry or exposure linked to a particular entity); and (ix) settlement risk (the risk faced when one party to a transaction has performed its obligations under a contract but has not yet received value from its counterparty).

Use of derivatives and other techniques, such as short sales, involves certain additional risks, including: (i) dependence on the ability to predict movements in the price of the securities hedged; (ii) imperfect correlation between movements in the securities on which the derivative is based and movements in the assets of the Seed Investment; and (iii) possible impediments to effective portfolio management or the ability to meet short-term obligations because of the percentage of a Seed Investment's assets segregated to cover its obligations. In addition, by hedging a particular position, any potential gain from an increase in value of such position may be limited.

- *Short Sales:* Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on the Underlying Funds' portfolios. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There is a risk that the Underlying Funds would have to return the securities it borrows, in connection with a short sale, to the securities lender on short notice. If a request for return of borrowed securities occurs at a time when other short sellers of the security are receiving similar requests, a "short squeeze" can occur, and the Underlying Funds may be compelled to replace borrowed securities previously sold short with purchases on the open market at the most disadvantageous time, possibly at prices significantly in excess of the proceeds received in originally selling the securities short.
- *Special Situations:* The Cavalry Funds in respect of its Direct Investments and/or any of the Underlying Funds may invest in companies involved in (or the target of) acquisition attempts or tender offers or in companies involved in or undergoing work-outs, liquidations, spin-offs, reorganizations, bankruptcies or other catalytic changes or similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Cavalry Funds or the relevant Underlying Fund of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Cavalry Funds or the relevant Underlying Fund may be required to sell their investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which the Cavalry Funds and/or an Underlying Fund may invest, there is a potential risk of loss by the Cavalry Funds or the relevant Underlying Fund of its entire investment in such companies. Such investments could, in certain circumstances, subject the Cavalry Funds or an Underlying Fund to certain additional potential liabilities that may exceed the value of the Cavalry Funds' or the Underlying Fund's original investment therein. Under certain circumstances, payments to the Cavalry Funds or an Underlying Fund, and distributions by the Cavalry Funds to its Investors or by Underlying Funds to their respective investors may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, preferential payment, or similar transaction under applicable bankruptcy and insolvency laws. Furthermore, investments in restructurings may be adversely affected by local statutes relating to, among other things, fraudulent conveyances voidable preferences lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims. In connection with such transactions (or otherwise), the Cavalry Funds or an Underlying Fund may purchase securities on a when-issued basis,

which means that delivery and payment take place sometime after the date of the commitment to purchase and is often conditioned upon the occurrence of a subsequent event, such as approval and consummation of a merger, reorganization or debt restructuring. The purchase price or interest rate receivable with respect to a when-issued security can be fixed when the Cavalry Funds or the Underlying Fund enters into the commitment. Such securities are subject to changes in market value prior to their delivery.

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

To the extent that options, swaps, swaptions and other "synthetic" or derivative financial instruments are used by the Underlying Funds, it should be noted that they inherently contain much greater leverage than a non-margined purchase or sale of the underlying security, commodity or instrument. This is due to the fact that generally only a very small portion (and in some cases none) of the value of the underlying security, commodity or instrument is required to be paid in order to make such investments. In addition, many of these products are subject to variation or other interim margin requirements, which may force premature liquidation of investment positions. Depending on conditions in the credit markets at any given time, the amount that the Underlying Funds are required to pay in order to make such investments in "synthetic" or derivative financial instruments may increase substantially, thereby making it difficult or impossible for the Underlying Funds to obtain leverage for their portfolios. Since leveraging assets may be an integral part of the investment strategy of an Underlying Fund, in such event the relevant Portfolio Manager could find it difficult to implement its strategy.

- *Non-U.S. Investments:* Investing in the securities of issuers located in non-U.S. countries may involve certain risks and special considerations not typically associated with investing in other established economies or securities markets. Such risks may include (i) the risk of nationalization or expropriation of assets or confiscatory taxation; (ii) social, economic and political instability including war; (iii) dependence on exports and the corresponding importance of international trade and commodities prices; (iv) less liquidity of securities markets; (v) currency exchange rate devaluations and fluctuations; (vi) potentially higher rates of inflation (including hyper-inflation); (vii) controls on foreign investment and limitations on repatriation of invested capital and the Portfolio Managers' ability to exchange local currencies for U.S. dollars; (viii) a higher degree of governmental involvement in and control over the economies; (ix) government decisions to discontinue support for economic reform programs and imposition of centrally planned economies; (x) differences in auditing and financial reporting standards which may result in the unavailability of material information about economies and issuers; (xi) less extensive regulatory oversight of securities markets; (xii) longer settlement periods for securities transactions; (xiii) less stringent laws regarding the fiduciary duties of officers and directors and protection of investors; (xiv) certain consequences regarding the maintenance of the Underlying Funds' portfolio securities and cash with sub-custodians and securities depositories in such countries; and (xv) difficulty in enforcing contractual obligations. All of the foregoing factors lead to greater market volatility.

- *Interest Rate Risk:* Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed income securities tends to increase. This risk will be greater for long-term securities than for short-term securities. The Portfolio Managers may attempt to minimize the exposure of the Seed Investments to interest rate changes through the use of interest rate swaps, interest rate futures and/or interest rate options. However, there can be no guarantee that the Portfolio Managers will be successful in fully mitigating the impact of interest rate changes on their Seed Investments' portfolios. Frequently, the Portfolio Managers will not be attempting to mitigate this risk but may instead be attempting to exploit the direction of interest rate movements.
- *Special Purpose Acquisition Companies:* A special purpose acquisition company (a "SPAC") is a publicly traded company formed for the purpose of raising capital through an initial public offering to fund the acquisition, through a merger, capital stock exchange, asset acquisition or other similar business combination, of one or more undervalued operating businesses. Following the acquisition of a target company, a SPAC typically would exercise control over the management of such target company in an effort to increase the value of such target company. Capital raised through the initial public offering of securities of a SPAC is typically placed into a trust until the target company is acquired or a pre-determined period of time elapses. Investors in a SPAC would receive a return on their investment in the event that a target company is acquired and such target company's value increased. In the event that a SPAC is unable to locate and acquire target companies by the deadline, the SPAC would be forced to liquidate its assets, which may result in losses due to the expenses and liabilities of the SPAC. Investors in a SPAC are subject to the risk that, among other things: (i) such SPAC may not be able to locate or acquire target companies by the deadline; (ii) assets in the trust may be subject to third party claims against such SPAC, which may reduce the per share liquidation price received by the investors in the SPAC; (iii) such SPAC may be exempt from the rules promulgated by the SEC to protect investors in "blank check" companies, such as Rule 419 promulgated under the Securities Act of 1933, as amended, so that investors in such SPAC may not be afforded the benefits or protections of those rules; (iv) such SPAC may only be able to complete one business combination, which may cause it to be solely dependent on a single business; (v) the value of any target company may decrease following its acquisition by such SPAC; (vi) the value of the funds invested and held in the trust decline; (vii) the inability to redeem due to the failure to hold the securities in the SPAC on the record date or the failure to vote against the acquisition; and (viii) if the SPAC is unable to consummate a business combination, public stockholders will be forced to wait until the deadline before liquidating distributions are made. In addition, most SPACs are illiquid and have a concentrated shareholder base that tends to be composed of hedge funds (at least at inception). The Cavalry Funds may invest in a SPAC that, at the time of investment, has not selected or approached any prospective target businesses with respect to a business combination. In such circumstances, there may be limited basis for Stable to evaluate the possible merits or risks of such SPAC's investment in any particular target business. To the extent that a SPAC completes a business combination, it may be affected by numerous risks inherent in the business operations of the acquired company or companies. For these and additional reasons, investments in SPACs are speculative and involve a high degree of risk.
- *SPAC Derivatives:* The Cavalry Funds may invest in or hold SPAC derivatives, specifically warrants and rights. Warrants are securities giving the holder the right, but not the obligation, to buy the stock of an issuer at a given price (generally higher than the value of the stock at the time of issuance), on a specified date, during a specified period, or perpetually. Rights are similar to warrants, but normally have a shorter duration. Warrants and rights may be acquired separately or in connection with the acquisition of securities. Warrants and rights do not carry with them the right to dividends or voting rights with respect to the securities that they entitle their holder to purchase, and they do not represent

any rights in the assets of the issuer. As a result, warrants and rights may be considered more speculative than certain other types of investments. In addition, the value of a warrant or right does not necessarily change with the value of the underlying securities, and a warrant or right ceases to have value if it is not exercised prior to its expiration date.

- *SPAC Sponsors:* The Stable Cavalry Funds may invest in SPAC sponsors. There are significant risks associated with owning SPAC sponsor equity, including risks associated with owning such securities indirectly through a membership interest in the relevant sponsor. SPAC sponsors typically have broad powers to forfeit, transfer, exchange or otherwise affect the sponsor equity securities to which each of its non-managing members, including the Stable Cavalry Funds, will be entitled. If a sponsor deems it necessary in connection with a SPAC's initial business combination, the sponsor typically can forfeit, transfer or exchange all or any portion of the sponsor equity. The sponsor may make this determination to, among other potential reasons, avoid significant dilution of a target company's existing shareholders if such dilution is preventing the target company from entering into the business combination. If a SPAC sponsor determines to forfeit, transfer or exchange any of its sponsor equity, the amount of sponsor equity allocable to each member of the sponsor (including the portion allocable to the Stable Cavalry Funds) will be reduced on a pro rata basis, which would adversely affect the Stable Cavalry Funds' investment, and may render the relevant investment worthless depending on the extent of the forfeiture. SPAC sponsors typically may also amend the terms of, restrictions applicable to, or other provisions relating to, their sponsor equity in their sole discretion. Generally speaking, all of the SPAC sponsor securities are subject to various trading restrictions. Unlike the public common shares of a SPAC, the founder common shares do not have voting rights and are not entitled to a pro rata portion of the trust proceeds if the business combination does not occur. Founder shares and founder warrants will become worthless if there is not a successful business combination.
- *Private Investments:* Investments in private equity and hedge fund-related assets are subject to various risks, including adverse changes in national or international economic conditions, adverse local market conditions, the financial conditions of portfolio companies, changes in the availability or terms of financing, changes in interest rates, exchange rates, corporate tax rates and other operating expenses, environmental laws and regulations, and other governmental rules and fiscal policies, energy prices, changes in the relative popularity of certain industries or the availability of purchasers to acquire companies, risks due to dependence on cash flow, risks and operating problems arising out of the presence of certain construction materials, as well as acts of God, uninsurable losses, war, terrorism, earthquakes, hurricanes or floods and other factors which are beyond the control of Stable.

A Client may hold one or more investments in a private company. Any such investments may include an investment in early stage, mid-stage or late stage companies. A private company may have modest revenues and may or may not be profitable. Further, a Client may invest in securities of unseasoned private companies with little or no operating history. These companies represent highly speculative investments. In some cases, a Client may be the first source of professional financing for such companies. Private companies may require additional capital, after the Client's investment, to develop technologies and markets, acquire customers and achieve or maintain a competitive position. This capital may not be available at all, or on acceptable terms. Further, the technologies and markets of such companies may not develop as anticipated, even after substantial expenditures of capital. Such companies may face intense competition, including competition from established companies with much greater financial and technical resources, more extensive development, manufacturing, marketing and service capabilities, and a greater number of qualified managerial and technical personnel. Portfolio companies may have substantial variations in operating results from period to period and experience failures or substantial declines in value at any state.

A Client's or an Underlying Fund's ability to realize value from an investment in a private company will depend largely upon successful completion of the company's initial public offering or the sale of the company to another company, which may not occur for a period of several years after the date of the Client's or the Underlying Fund's investment, or may not occur at all. There can be no assurance that any of the companies in which a Client or an Underlying Fund invests will complete public offerings or be sold, or, if such events occur, as to the timing and value of such offerings or sales.

Conflicts of Interest

The Funds and Stable are subject to a number of actual and potential conflicts of interest. Stable may engage in business activities unrelated to the Funds that may create potential conflicts of interest.

Stable may also provide discretionary investment management and/or advisory services to additional clients in the future, including other private investment funds, separately managed accounts and special purpose vehicles, some of which may have investment objectives similar to those of the Funds and/or engage in transactions in the same type of securities and instruments as the Funds.

These relationships and the activities of such private investment funds may raise actual and potential conflicts of interest, including the determination of whether and to what extent investments should be allocated to the Funds and/or such other investment funds.

Stable has implemented appropriate policies and procedures designed to ensure that its Clients and Investors are treated fairly. Stable takes all appropriate steps to identify and to prevent, or manage, actual or potential conflicts of interest.

Stable's systems and controls in this respect include, amongst others, policies and procedures regarding:

- Investment Allocation;
- Conflicts of Interests;
- Corporate Governance Arrangements;
- Employees' Personal Account Dealing;
- Outside Business Interests;
- Pay to Play;
- Anti Bribery Policy
- Allocation of Expenses; and
- Internal Compliance Monitoring.

Stable will seek to eliminate or to make full and fair disclosure of material conflicts of interest that it identifies. Conflicts are monitored on an ongoing basis by the CCO.

Item 9: Disciplinary Information

This Item is not applicable.

Item 10: Other Financial Industry Activities and Affiliations

This Item is not applicable.

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

Stable has adopted a “**Code of Ethics**” that establishes the standard of conduct that Stable expects of its employees, including senior managers and directors. Further, Stable has implemented a Personal Account Dealing Policy, which includes procedures regarding Stable’s employees’ personal trading of securities.

Stable’s employees are required to certify their adherence to the terms set forth in the Code of Ethics and the Personal Account Dealing Policy upon commencement of employment and annually thereafter. Employees also are required to provide quarterly certifications of compliance with certain Code of Ethics and Compliance Manual provisions.

The foundation of Stable’s Code of Ethics is based upon the following underlying fiduciary principles:

- Employees must at all times place the interests of the Funds and Investors first;
- Employees must ensure that all personal securities transactions are conducted consistent with Stable’s Personal Account Dealing Policy; and
- Employees should not take inappropriate advantage of their position at the Firm.

Given the nature of the transactions and markets Stable operates in, Stable has established a Personal Account Dealing Policy for the pre-clearance of all securities transactions other than mutual funds (closed and open-ended), exchange-traded funds (“ETFs”), UCITS funds, and their related derivatives from Covered Accounts (as such term is defined in Stable’s Personal Account Dealing Policy).

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

Stable will provide a copy of the Code of Ethics and other relevant compliance policies to its Clients and Investors, or any prospective Client or Investor, upon request.

Stable is subject to significant conflicts of interest resulting from its simultaneous negotiation of the terms of the Seed Investments, the Profit Interests and the Exit Interests. In particular, Stable will negotiate with each Portfolio Manager with which the Funds invest the general terms of the Seed Investment (such as the size of the investment, the length of the applicable lock-up period, and the amount of management and incentive fees payable). At the same time, Stable will also negotiate with the Portfolio Manager the terms related to any Profit Interest and/or Exit Interest (such as the duration and amount of any profit-sharing, etc.). Since Stable is entitled to receive performance-based compensation solely on the Profit Interests and Exit Interests, Stable may have an incentive to accept less advantageous terms on the Funds’ respective capital investments with a Portfolio Manager in order to obtain better terms with respect to the Profit Interest and/or Exit Interest. The Investors have no right to reject proposed Seed Investment and no independent committee or other third party will be engaged to review and approve the terms of each proposed transaction and the fairness thereof. Therefore, Investors must rely exclusively on Stable’s judgments regarding the terms of Seed Investments.

Item 12: Brokerage Practices

This Item is not applicable as the Funds’ assets are invested in Underlying Funds and/or Managed Accounts and Stable provides investment advisory services to the Advisory Clients on a non-discretionary basis.

Item 13: Review of Accounts

Stable continuously monitors and analyses the transactions, positions and investment levels of the Funds to ensure that they conform with the investment objectives and guidelines that are stated in the Offering Documents.

The Funds will:

- Furnish to its Investors annual reports containing financial statements audited by the Funds' independent auditor in compliance with regulatory timelines applicable to the Funds and Stable for delivery of such financial statements, but in any event, within one-hundred and eighty (180) days following the end of each fiscal year; and
- Furnish each Investor with unaudited quarterly capital statements within forty-five (45) days following the end of each fiscal quarter.

Stable will use its reasonable best efforts to fulfil other reasonable reporting requests from Investors. In some instances, the Funds may offer certain Investors additional information and reports that other Investors may not receive. In addition, Investors will generally be provided, upon request, with an opportunity to inspect a copy of the Funds' books of account at Stable's principal office during ordinary business hours.

Item 14: Client Referrals and Other Compensation

This Item is not applicable.

Item 15: Custody

Stable is deemed to have custody of the Funds' assets and intends to comply with Rule 206(4)-2 under the Investment Advisers Act of 1940, as amended (the "**Advisers Act**"), by meeting the conditions of the pooled vehicle annual audit provision.

Item 16: Investment Discretion

Stable receives discretionary investment authority from the Funds through an investment management agreement, or similar agreement. As such, Stable has discretionary investment authority over the Funds' assets. In exercising such discretion, Stable will at all times observe the investment policies, limitations and restrictions set forth in each Fund's Offering Documents.

As previously described in Item 4 above, SAM Ltd. provides non-discretionary investment recommendations to the Advisory Clients pursuant to the terms of its investment advisory agreements with those Advisory Clients.

Item 17: Voting Client Securities

In accordance with Rule 206(4)-6 of the Advisers Act, it is the policy of Stable to vote all proxies in the best interests of its Clients.

Stable will generally vote proxy proposals, amendments, consents or resolutions relating to Client securities, including interests in private investment funds, if any, on a case-by-case basis and in accordance with the following guidelines:

1. Support a current management initiative if management is favorable;
2. Vote to change the management structure of an issuer if it would increase shareholder value;
3. Vote against management if there is a clear conflict between management and shareholder interest;
4. In some cases, though Stable supports an issuer's management, there may be corporate governance issues that Stable believes should be subject to shareholder approval; and/or
5. Stable may abstain from voting proxies when it is determined that the cost of voting the proxy exceeds the expected benefit to its Clients.

Stable maintains an appropriate Proxy Voting Policy. Clients may obtain a copy of Stable's Proxy Voting Policy and information about how Stable voted a Client's proxies by contacting the CCO by email at enw@stableam.com, or by telephone at +1 212 808 2062.

Item 18: Financial Information

This Item is not applicable.