



FOURSIXTHREE

CAPITAL LP

**520 Madison Avenue Floor 19
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March 2022

This “**Brochure**” provides information about the qualifications and business practices of FourSixThree Capital LP (hereinafter “**FourSixThree**”, “**we**”, “**us**”, “**our**” or the “**Firm**”). If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer (“**CCO**”), William Kelly, by email at compliance@463cap.com. Information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“**SEC**”) or by any state securities authority.

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

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

Item 2: Material Changes

This Brochure is FourSixThree's annual update to the Form ADV Part 2A. Since the Adviser's last update (120 day update on April 29, 2021), the Adviser has entered into three non-discretionary sub-advisory agreements. See Item 4 for more information.

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Item 4: Advisory Business

FourSixThree Capital LP (hereinafter “**FourSixThree**”, “**we**”, “**us**”, “**our**” or the “**Firm**”) is organized as a Delaware limited partnership with a principal place of business in New York. We are an affiliate of the following entities: FourSixThree GP, LLC, and FourSixThree MM LLC, which are collectively referred to as the “**FourSixThree General Partners**.” Scott Balkan, William Kelly, Andrew Newton and Rayan Joshi are the owners of FourSixThree. Mr. Balkan and Mr. Kelly direct the investment activities and operations of all investments.

We serve as the Investment Adviser, with discretionary trading authority, to: (i) private, pooled investment vehicles (each a “Fund” and collectively the “Funds”), (ii) a separately managed account (the “SMA”) and (iii) in a non-discretionary capacity, as a sub-advisor to three private funds under sub-advisory agreements (“SAAs”, and together with the Funds and the SMA, the “Clients”), the securities of which are offered through a private placement memorandum and/or investment management agreement to accredited investors, as defined under the Securities Act of 1933 (the “**Securities Act**”). We do not tailor our advisory services to the individual needs of any investor.

FourSixThree manages the following private, pooled investment vehicles:

- FourSixThree Overseas Fund, Ltd. a Cayman Islands exempted company (the “**Offshore Fund**”);
- FourSixThree Intermediate Fund LP (the “**Intermediate Fund**”);
- FourSixThree Fund LLC, a Delaware limited liability company (the, “**Onshore Fund**”) and
- FourSixThree Master Fund, LP, a Cayman Islands exempted limited partnership (the “**Master Fund**”).

The Master Fund with the Onshore, Offshore, and Intermediate Funds are herein each referred to as a “Fund” and collectively referred to as the “**Funds**.”

The Onshore Fund’s “**Limited Partners**” and the Offshore Fund’s “**Shareholders**” are hereafter collectively referred to as the “**Investors**” where appropriate.

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

The SMA is managed to make investments in positions that may also be held in the portfolio of the Onshore Fund. In accordance with the terms of our investment management agreement with the SMA (the “IMA”), FourSixThree has discretionary trading authority for the SMA, subject to compliance with the investment guidelines, restrictions and other parameters set forth in the SMA IMA.

The SAAs have an investment objective that relates to a specific trade idea, and have a finite life that will conclude with the realization of that trade idea. FourSixThree does not have discretionary trading authority over the SAAs, and makes recommendations to the Investment Advisor of the accounts.

If FourSixThree manages additional SMAs or SAAs in the future, such accounts will be subject to the investment objectives, guidelines and restrictions, fee arrangements and other terms individually negotiated with such Clients. Any such additional relationship would generally involve a significant minimum account size.

We do not currently participate in any Wrap Fee Programs.

The Firm has regulatory assets under management of \$561,603,278, of which \$542,353,056 is managed on a discretionary basis.

Item 5: Fees and Compensation

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

Management Fee

FourSixThree is paid a monthly investment management fee (“**Management Fee**”) which is 1/12 of the annual fee rate ranging from 1.25% to 1.75% per annum of the net asset value of the Funds. The Management Fee is normally charged on the first day of each month and is paid in advance based on the Fund’s net asset value on the first day of the month.

FourSixThree in its sole discretion, may waive or modify the Management Fee at any time.

Other Types of Fees or Expenses

FourSixThree and its General Partners are authorized to incur and pay in the name and on behalf of the Fund all expenses which they deem necessary or advisable.

The Firm is responsible for and shall pay, or cause to be paid, all of their own ordinary administrative and overhead expenses, including, without limitation, all costs and expenses related to rent, salaries, office equipment, computer equipment, supplies, wages, bonuses, and other employee benefits.

The Funds bears all other expenses, its own administrative and operational expenses, including but not limited to, the Management Fees and fees payable to the Administrator; legal, administration, auditing, accounting (including third-party accounting services), tax preparation and other professional expenses; bond surveillance fees; due diligence costs; insurance expenses; the transaction expenses described above; market data expenses; filing fees and expenses (including regulatory filings made in respect of the Fund or the Master Fund such as Form PF preparation and filing expenses); research expenses (including research-related travel); the costs of printing and distributing annual reports and statements and expenses in connection with the ongoing offering of the Interests, including the cost of producing and distributing offering memoranda and other marketing materials, and expenses paid to third-party vendors, including travel and the cost of producing and delivering offering materials, regulatory and compliance expenses directly related to the Funds; software, data bases and other technical and telecommunications services; equipment used in the investment management process and hardware directly related to the Funds; order management and risk management systems; investment expenses such as commissions, interest on margin accounts and other indebtedness; custodial fees; bank service fees; and other operating expenses. Each Fund also bears, as an investor in the Master Fund, its *pro rata* share of the Master Fund’s operational expenses.

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

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

We and our affiliates are entitled to an annual performance-based allocation, ranging from 15% - 20% of realized and unrealized income and gains of the Funds, subject to a high watermark (if applicable), as described in the Offering Documents.

Performance-based allocation arrangements may create an incentive for us to recommend investments which may be riskier or more speculative than those which we would recommend under a different arrangement in an effort to maximize a Client's gross profits and receive greater compensation.

In the event that the investment advisory relationship is terminated (or funds are withdrawn or redeemed) other than at the end of a performance allocation calculation period, such termination (or withdrawal or redemption) date shall typically be treated as the end of a performance allocation calculation period.

Item 7: Types of Clients

Our clients are the Funds, the SMA and the SAAs, as described above.

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

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

Methods of Analysis

The Firm has broad discretion in making investment decisions for the Clients. The Firm utilizes various methods of analysis in formulating its investment management decisions. The Firm seeks to achieve attractive risk-adjusted total returns by combining top-down macro analysis with bottom-up fundamental research intended to identify and capitalize on the mispricing of credit risk throughout the debt markets.

Investment Strategies

The investment strategies for each Client are set forth in the respective governing documents that are provided to investors. The Firm seeks to achieve the Clients' investment objective through investments in credit instruments, primarily in the United States and Europe. The Firm is highly flexible in its ability to select and dispose of investments in response to market opportunities and other circumstances. The Firm's primary focus is investing both long and short in investment grade, high-yield and distressed debt, asset- and mortgage-backed securities (including both residential and commercial), structured credit and sovereign debt.

Investments may include, among other things, any of the following: (i) loans of any kind, which may include, without limitation, investment grade, below investment grade or unrated, senior, subordinate or mezzanine, unsecured or secured, syndicated or unsyndicated; (ii) participations in loans (including pari passu, senior and subordinated participations); (iii) bonds (including, without limitation, corporate, municipal and sovereign bonds) of any kind, including, without limitation, investment grade, below investment grade ("high-yield" or "junk") or unrated, senior, subordinate or mezzanine, unsecured or secured, convertible, exchangeable or neither; (iv) fixed income investments constituting, backed by, or representing an interest in, consumer debt payment obligations and other receivables (consumer or commercial) and financial assets; (v) credit default swaps (including, without limitation, corporate, municipal and municipal bond credit default swaps), total return swaps, put and call options and other derivatives relating to

fixed income and other investments, whether structured, over-the-counter or otherwise; (vi) futures, swaps, forward, option and other derivative contracts or instruments, including, without limitation, credit index and equity index options; (vii) investments, including equity and debt investments, in other entities that make fixed income investments, including leveraged vehicles that issue securities commonly known as “collateralized bond obligations,” “collateralized debt obligations” or “collateralized loan obligations” and warehouse facilities relating to the foregoing and other entities, whether leveraged or unleveraged; (viii) distressed and special situation investments relating to the foregoing, including any of the foregoing acquired in debt-for-equity swaps and other kinds of transactions and trade claims; (ix) credit indices; (x) asset- and mortgage-backed securities (including both residential and commercial); (xi) “new issues”; and (xii) cash or cash equivalents and other short term investments.

Risk of Loss Factors

An investment involves significant risks and is suitable only for those persons who can bear the economic risk of the loss of their entire investment, who have limited need for liquidity in their investment, and who have met the conditions set forth in the relevant Clients’ Offering Documents or IMA. There can be no assurances that we will achieve our investment objectives. An investment carries with it the inherent risks associated with investments in publicly-traded stocks and bonds, options, and related instruments. Each prospective investor should carefully review the Offering Documents and the agreements referred to herein before deciding to invest with FourSixThree.

General Investment and Trading Risks. All securities investments present a risk of loss of capital. Volatile financial markets increase that risk. If the Firm’s evaluation of an investment opportunity should prove incorrect, the Client could experience losses as a result of a decline in the market value of securities in which the Client holds a long position or an increase in the value of securities in which the Client holds a short position. The Clients’ investment program, as executed through the Client, will include short sales, which can involve substantial volatility and can, in certain circumstances, substantially increase the adverse impact to which the Client may be subject. The risk management techniques that may be used by the Firm do not provide any assurance that the Clients will not be exposed to a risk of significant investment losses. No guarantee or representation is made that the Clients’ investment program will be successful, that the Clients will achieve its targeted returns or that there will be any return of capital invested to investors in the Clients. In addition, investment results may vary substantially over time.

Economic and Market Conditions. The success of the Firm’s investment decisions may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, developments in governmental regulation and national and international political circumstances. These factors may affect the success of the businesses in which the issuers of the Clients’ portfolio securities are engaged as well as the markets for the securities the Clients hold. Unexpected volatility or illiquidity could impair the Clients’ profitability or result in losses.

Regulatory Restrictions. The investment strategies pursued by the Client may be affected by U.S. state and federal laws governing the beneficial ownership of securities in public companies, which may inhibit the Fund’s ability to freely acquire and dispose of certain securities. Should the Client be affected by such rules and regulations, it may not be able to transact in ways that would realize value for the Fund. In addition, any changes to government regulations could make some or all forms of corporate governance strategies unlawful or impractical. Accordingly, such changes, if any, could have an adverse effect on the ability of the Fund to achieve its investment objective.

Investment Judgment. The profitability of a significant portion of the Clients' investment program depends to a great extent upon correctly assessing the future profitability of the price movements of securities and other investments. There can be no assurance that the Firm will be able to accurately predict the long-term results of any security or other investment.

Hedging. Hedging strategies in general are usually intended to limit or reduce investment risk, but they can also be expected to involve transaction costs and may inherently limit or reduce the potential for profit. In addition, although the Firm may utilize a variety of instruments, including options and other derivatives, for hedging and risk management purposes, it is not obligated to, and may not, hedge against certain risks. Furthermore, the Clients' portfolio will always be exposed to risks that cannot be hedged, such as, for example, credit risk.

Concentration of Investments. The investments of the Clients may be concentrated in a relatively limited number of investments which may tend to result in more rapid changes in the value of the portfolio, upward or downward, than would be the case with greater diversification, with the result that a loss in any such position could have a material adverse impact on the Clients' capital and performance.

Management Risk. The individual investments of the Client may not perform as expected, due to credit, political, or other risks and/or the portfolio management practices applied by the Firm may not achieve the desired result. Various legislative, regulatory, or tax developments may affect the investment techniques available to the Firm.

Changes in Investment Strategy. The Clients' governing documents and the agreements between the Firm and the Clients give the Firm and its affiliates broad discretion to expand, contract or otherwise change the Clients' activities without the consent of the investors. Thus the investment strategies described herein may be altered if the Firm and its affiliates believe the change is in the best interests of the Clients. Any such change could result in the exposure of the Client's capital to additional risks, which may be substantial.

Market Risk Factors

Interest Rate Risk. Fixed-income securities are affected by changes in interest rates. The value of most fixed income securities move in the opposite direction of the change in interest rates. When interest rates decline, the market value of fixed income securities generally can be expected to rise. Conversely, when interest rates rise, the market value of fixed-income securities generally can be expected to decline. The longer the duration or maturity of a fixed-income security, the more susceptible it is to interest-rate risk.

Credit Risk. Credit risk associated with investments in fixed-income securities relates to the ability of the issuer to make scheduled payments of principal and interest on an obligation. The credit quality of fixed-income securities may deteriorate, which could lead to default or bankruptcy of the issuer where the issuer becomes unable to pay its obligations when due.

Investments in Undervalued Financial Instruments. The Clients invest in financial instruments that the Firm perceives to be undervalued. The identification of investment opportunities in undervalued financial instruments is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While investments in undervalued financial instruments offer the opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the Clients' investments may not adequately compensate for the business and financial risks assumed. The Clients may make certain speculative investments in financial instruments which the Firm believes to be undervalued; however, there are no assurances that the financial instruments purchased will in fact be undervalued. In addition, the Clients may be required to hold such financial instruments for a

substantial period of time before realizing their anticipated value. During this period, a portion of the Clients' capital would be committed to the financial instruments purchased, thus possibly preventing the Clients from investing in other opportunities.

Low-Rated Securities Risk. In general, low-rated debt securities (commonly referred to as "high yield" or "junk" bonds) offer higher yields due to the increased risk that the issuer will be unable to meet its obligations on interest or principal payments at the time called for by the instrument. For this reason, these securities are considered speculative and could significantly weaken the Client's returns.

Mortgage-Backed and Asset-Backed Securities Risk. The value of investments in mortgage-backed and asset-backed securities is subject to interest rate risk and credit risk. These securities are also subject to the risk that borrowers will prepay the principal on their loans more quickly than expected (prepayment risk) or more slowly than expected (extension risk), which will affect the yield, average life and price of the securities. In addition, faster than expected prepayments may cause the Clients to invest the prepaid principal in lower yielding securities and slower than expected prepayments may reduce the potential for the Clients to invest in higher yielding securities.

Distressed Investments. The Clients may invest in distressed investments including loans, loan participations, bonds, notes and non-performing and sub-performing mortgage loans, many of which are not publicly traded and which may involve a substantial degree of risk. In certain periods, there may be little or no liquidity in the markets for these securities or instruments. In addition, the prices of such securities or instruments may be subject to periods of abrupt and erratic market movements and above-average price volatility. It may be more difficult to value such securities and the spread between the bid and asked prices of such securities may be greater than normally expected. If the evaluation of the risks and anticipated outcome of an investment in a distressed security should prove incorrect, the Client may lose a substantial portion or all of its investment or it may be required to accept cash or securities with a value less than the original investment.

Loan Participation Risk. In addition to the risks typically associated with fixed income securities, loan participations carry other risks, including the risk of insolvency of the lending bank or other intermediary. Loan participations may be unsecured or not fully collateralized, may be subject to restrictions on resale and sometimes trade infrequently on the secondary market.

Non-U.S. Securities. Investing in securities of non-U.S. companies which are generally denominated in non-U.S. currencies and utilization of options on non-U.S. securities involves certain considerations comprising both risks and opportunities not typically associated with investing in securities of United States companies. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, foreign government restrictions, less government supervision of exchanges, brokers and issuers, greater risks associated with counterparties and settlement, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

Short Selling Risk. The Clients may participate in the short sales of securities. Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on the Clients' portfolio. Short selling involves the sale of a security that the Clients do not own and must borrow in order to make delivery in the hope of purchasing the same security at a later date at a lower price. In order to make delivery to its purchaser, the Clients must borrow securities from a third-party lender. Theoretically, securities sold short are subject to unlimited risk of loss because there is no limit on the price that a security may appreciate

before the short position is closed. In addition, the supply of securities that can be borrowed fluctuates from time to time. The Clients may be subject to losses if a security lender demands return of the lent securities and an alternative lending source cannot be found.

Derivatives in General. The Clients may make use of various derivative instruments, such as convertible securities, options, futures, forwards and interest rate, credit default, total return and equity swaps. The use of derivative instruments involves a variety of material risks, including the extremely high degree of leverage sometimes embedded in such instruments. The derivatives markets are frequently characterized by limited liquidity, which can make it difficult as well as costly to close out open positions in order either to realize gains or to limit losses. The pricing relationships between derivatives and the underlying instruments may not correlate with historical patterns, resulting in unexpected losses.

Credit Default Swaps and other Credit Derivatives. The Clients also invest and trade in credit default and total return swaps. A primary risk associated with credit default swaps is that if a certain event were to occur with respect to the underlying entity which is the object of the swap (i.e., bankruptcy, debt restructuring or acceleration, or the failure to pay principal or interest when due), the Clients (if the seller of the protection) would have to make a settlement payment to the buyer of the protection under the swap. In addition to the risks involved in using derivatives generally, a risk posed in investing in total return swaps is that the Firm will inaccurately predict the future value of the referenced asset. Swaps and certain options and other customized instruments are subject to the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of such counterparty.

Options. Trading options is highly speculative and may entail risks that are greater than investing in other securities. Prices of options are generally more volatile than prices of other securities. In trading options, the Firm speculates on market fluctuations of securities and securities exchange indices while investing only a small percentage of the value of the securities underlying such option. A change in the market price of the underlying securities or underlying market index will cause a much greater change in the price of the option contract. In addition, to the extent that the Firm purchases options that it does not sell or exercise, the Clients will suffer the loss of the premium paid in such purchase. To the extent the Firm sells options and must deliver the underlying securities at the option price, there is a theoretically unlimited risk of loss if the price of such underlying securities increases. If the Clients must buy those underlying securities, the Clients risk the loss of the difference between the market price of the underlying securities and the option price. Any gain or loss derived from the sale or exercise of an option will be reduced or increased, respectively, by the amount of the premium paid. The expenses of option investing include commissions payable on the purchase and on the exercise or sale of an option. Furthermore, the risk of non-performance by the obligor on an option may be greater and the ease with which the Firm can dispose of such an option may be less than in the case of an exchange traded option.

Futures and Commodities Trading Risks. Trading futures and/or commodities (or options thereon) is a highly risky strategy for the Clients and the Firm. Whenever the Clients purchase a particular future and/or commodity (or an option thereon), there is a substantial possibility that it may sustain a total loss of its purchase price. The prices of futures and/or commodities are, in general, much more volatile than prices of securities such as stocks and bonds. As a result, the risk of loss in trading futures and/or commodities is substantially greater than in trading securities. Prices of futures react strongly to the prices of the underlying commodities. The prices of these underlying products, in turn, rise and fall based on changes in interest rates, international balances of trade, changes in governments, wars, weather and a host of other factors that are entirely beyond the control of the Clients or the Firm and that are very difficult (and perhaps impossible) to predict.

Equities. Equities invested in by the Clients may involve substantial risks and may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. There are no absolute restrictions in regard to the size or operating experience of the companies in which the Clients may invest (and relatively small companies may lack management depth or the ability to generate internally, or obtain externally, the Clients necessary for growth and companies with new products or services could sustain significant losses if projected markets do not materialize).

Item 9: Disciplinary Information

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

Item 10: Other Financial Industry Activities and Affiliations

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

FourSixThree meets the definition of a commodity pool operator ("CPO") and, depending on the amount of commodity interests that we trade, we may be required to register with the CFTC and become a member of the National Futures Association ("NFA"). However, we currently plan to claim an exemption from registration pursuant to CFTC Rule 4.13(a)(3) and 4.14 based on our trading a *de minimis* level of commodity interests.

We do not recommend or select other investment advisers for our clients.

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

Code of Ethics

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

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

- Employees must at all times place the interests of the Clients and Investors first;
- Employees must ensure that all personal securities transactions are conducted consistent with the Code of Ethics' Employee Investment Policy (summarized below); and
- Employees should not take inappropriate advantage of their position at the Firm.

Personal Securities Trading

Employees are not permitted to trade single name securities, including but not limited to; equity securities, options on equities, publicly-traded bonds or other fixed income or debt investments

(including derivatives), futures or commodities, without written pre-approval from the CCO. Employees are permitted to liquidate positions held at the time of employment (a “**Liquidating Trade**”) subject to pre-clearance by the CCO. Employees are prohibited from participating in Initial Public Offerings (“**IPOs**”). Furthermore, employees are also prohibited from personally, or on behalf of a Client, purchasing or selling securities that appear on the Firm’s Restricted List. Employees are permitted to trade cryptocurrencies subject to the CCO’s pre-approval.

Employees must obtain pre-approval from the CCO before: (i) making a Liquidating Trade; (ii) engaging in any outside business activities that may present a conflict with the employees’ duties at the Firm; or (iii) making any private investments.

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

Participation or Interest in Client Transactions

Neither we nor our related persons generally purchase any securities for our own accounts from, or sell any securities for our own accounts to, the Clients. We may solicit qualified clients to invest in a Fund. We could be considered to have recommended an investment in the Fund as suitable for a client as a result of our relationship with the Fund. We will inform each client of our relationship with a Fund prior to the client’s investment, but we do not intend to advise clients as to the appropriateness of the investment and we will not receive any compensation for selling interests in a Fund (except to the extent that we receive our Management Fee and Performance Allocation from Investors).

We disclose these, and other potential conflicts of interest, to Investors in the Fund’s Offering Documents. Offering Documents are delivered to Investors prior to their investment and Investors are given the opportunity to ask questions and seek answers regarding, among other things, potential conflicts involving us, our affiliates, or the executive officers of the foregoing.

Item 12: Brokerage Practices

FourSixThree is authorized to determine the broker-dealer to be used for executing securities transactions for the Clients. In selecting broker-dealers to execute transactions, we do not need to solicit competitive bids and do not have an obligation to seek the lowest available commission cost. The Clients’ securities and other assets are held in securities accounts at our prime brokers that are “Qualified Custodians” as defined in the Advisers Act.

Best Execution

In selecting brokers and negotiating commission rates, we will take into account the financial stability and reputation of brokerage firms, and the research, brokerage, or other services provided by such brokers.

In selecting an appropriate broker-dealer to effect a client trade, we seek to obtain “**Best Execution**,” meaning generally the execution of a securities transaction for a client in such a manner that a client’s total costs or proceeds in the transaction are most favorable under the circumstances. Accordingly, in seeking Best Execution, we will take into consideration the price of a security offered by the broker-dealer, as well as a broker-dealers’ full range and quality of their services including, among other things, their facilities, reliability and financial responsibility, execution capability, commission rates, responsiveness to us, brokerage and research services provided to us (for example, research ideas, analysis, and investment strategies), special execution and block positioning capabilities, clearance, and settlement and custodial services.

Soft Dollars

The Firm may make use of “**Soft Dollars**”. In cases where the Master Fund’s trading activities through its selected prime brokers may engage in capital introductions to the Funds, there will be no additional charge from the prime brokers. We intend to keep any such arrangements within the parameters of the safe harbor of Section 28(e) of the Securities Exchange Act of 1934.

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

Item 13: Review of Accounts

Our CIO will continuously monitor and analyze the transactions, positions, and investment levels of the Clients to ensure that they conform with the investment objectives and guidelines that are stated in the Clients’ Offering Documents and IMA. In these reviews, we pay particular attention to any changes in the investment’s fundamentals, overall risk management and changes in the markets that may affect price levels. Further, the CCO will periodically review the Firm’s trading to ensure consistency with applicable laws and regulations.

We will distribute annual audited financial statements with respect to the previous fiscal year to all Investors within 120 days of the relevant Client’s fiscal year end. We may also distribute other interim reports to Investors.

Item 14: Client Referrals and Other Compensation

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

Item 15: Custody

We will comply with Advisers Act’s Custody Rule by meeting the conditions of the pooled vehicle annual audit approach. Upon completion of the relevant Client’s annual audit by an independent auditor that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board (PCAOB), we will distribute the Client’s audited financials to Investors within 120 days of the Client’s fiscal year end.

Item 16: Investment Discretion

FourSixThree will have discretionary authority to manage the assets of each Client. This discretionary authority is conferred to the Firm pursuant to investment management agreements between FourSixThree and each respective Client. The investment management agreements provide that FourSixThree has complete discretion regarding the investment of a Clients’ assets in accordance with the investment objectives, policies and parameters set forth in the applicable governing documents of each Client.

Item 17: Voting Client Securities

In compliance with the Advisers Act’s Proxy Voting Rule, we have adopted proxy voting policies and procedures. The general policy is to vote all proxy proposals, amendments,

consents or resolutions (collectively, “**Proxies**”) in a prudent and diligent manner which will serve the applicable client’s best interests and is in line with each client’s investment objectives.

Generally, clients may not direct our vote in a particular solicitation. Clients may obtain a copy of our Proxy voting policies and procedures by contacting the CCO. Client may obtain and our Proxy voting record upon request.

Item 18: Financial Information

FourSixThree is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to clients and has not been the subject of a bankruptcy petition at any time during the past ten years.