

Caden Capital Partners, LP



**Caden Capital Partners, LP
3015 Main Street, Suite 300
Santa Monica, California 90405**

Form ADV Part 2A

March 14, 2023

Item 1 - Cover Page

This brochure ("Brochure") provides information about the qualifications and business practices of Caden Capital Partners, LP ("Caden" or the "Firm"), an investment adviser registered with the United States Securities and Exchange Commission ("SEC"). Any reference to Caden as a "registered investment adviser" or as being "registered," does not imply a certain level of skill or training. The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

This Brochure is neither an offer to sell nor a solicitation of an offer to buy shares or limited partnership interests in any of the investment funds sponsored, managed, or advised by Caden. An offer of such funds can only be made through the offering materials for the relevant investment fund and only in jurisdictions in which such an offer would be lawful.

If you have any questions about the contents of this Brochure, please contact us at 424-426-5128 or yulia@cadencp.com. Additional information about Caden is also available on the SEC's website at www.adviserinfo.sec.gov and at Caden's website at www.cadencp.com.

Item 2 - Summary of Material Changes

The following is a summary of changes to this Brochure since Caden's most recent annual updating amendment filed on March 25, 2022. It does not describe other modifications to this Brochure, such as stylistic changes or clarifications.

- Item 4 has been updated to reflect the amount of regulatory assets under management as of December 31, 2022.

Please review this Brochure carefully and in its entirety.

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Item 4 - Advisory Business

- A. Caden is a Delaware limited partnership that was formed 6/2/2021 and is owned by Barry Simon and Caden Capital Partners GP, LLC. Any references to the “Firm,” “Investment Manager,” “us,” “we,” and “our” in this Brochure refer to Caden. Caden provides discretionary investment advice to one or more pooled investment vehicles structured as private funds (each, a “Fund,” or a “Client”). Any defined terms used in this Brochure not otherwise defined herein, have the definition ascribed to them in the offering documents of the applicable Fund.
- B. Caden is an asset management firm that seeks to outperform broad equity market indices with lower or equivalent risk as measured by a quarterly drawdown capture. We believe that a carefully constructed portfolio of durable quality businesses will allow us to benefit from long term compounding of business value. We seek to invest primarily in public equities and will invest across a variety of sectors and geographies in businesses exhibiting a wide range of growth rates and valuation metrics.

All discussions of the Funds in this brochure, including but not limited to their investments, the strategies used in managing the Funds, the fees and other costs associated with an investment in the Funds, and conflicts of interest faced by the Firm in connection with management of the Funds, are qualified in their entirety by reference to each Fund’s respective offering memorandum and advisory agreement (collectively, “Governing Documents”).

- C. With respect to each Fund that we manage, we tailor our investment advisory services to the strategies and conditions set forth in the Fund’s respective Governing Documents, rather than to the individual needs of any Fund’s underlying investors (“Investors”). It should be noted that as a general matter, in the context of any Fund, we do not tailor our services to take into account any specific conditions of any Investor, and Investors generally may not prescribe additional investment restrictions beyond those described in the applicable Governing Documents.
- D. Caden does not participate in any wrap fee programs.
- E. As of December 31, 2022, Caden managed \$328,350,439 in regulatory assets under management on a discretionary basis. Caden only manages assets on a discretionary basis.

Item 5 - Fees and Compensation

In connection with our Funds, subject to the terms of the applicable Governing Documents, we or an affiliate serving as the Managing Member-or equivalent-of a Fund (“Managing Member”) receives management fees in connection with the services we provide the Funds (“Private Fund Fees”). Notwithstanding the foregoing, in general, Investors are subject to a management fee ranging from 0.85-1.65%. We may waive or reduce all or any portion of the Private Fund Fees with respect to any Investor or Fund. The management fee shall be paid quarterly in advance based on the value of each capital account as of the first day of each calendar quarter, adjusted for contributions and withdrawals made during the quarter. We may, in our sole discretion, change the level at which we receive the Management Fee.

Caden earns a performance-based incentive allocation based on profits earned over the incentive allocation at the time of calculation, which varies by Fund and class, or upon withdrawal. The incentive

allocation is paid from each limited partner's capital account to the general partner. The incentive allocation is calculated on an investor-by-investor basis for each client and generally ranges from 0-20% of the net appreciation of the investor's capital account, subject to a highwater mark or applicable hurdle rates.

Each Fund is responsible for its own costs and expenses as detailed in the Governing Documents. Such costs and expenses include, but are not limited to, organizational expenses, trading costs and expenses include, but are not limited to, organizational expenses, trading costs and expenses (such as brokerage commissions, expenses related to short sales, and clearing and settlement charges), research-related fees and expenses, ongoing legal, accounting, administrative, audit, tax and bookkeeping fees and expenses, governmental registrations, and offering related expenses. The Fund's general partner, Caden Fund GP, LLC, (or an entity designated by it) shall be authorized to incur and pay in the name and on behalf of the Funds all expenses that it deems necessary or desirable. The organizational expenses of each Fund (including expenses of the initial offer and sale of Interests), for net asset value purposes may be amortized over a period of up to 60 months from the date in which each Fund commences operations, although, if the General Partner deems it appropriate, such amounts may be accelerated.

Please see Item 12 "Brokerage Practices" below for a description of the factors that we consider in selecting or recommending broker-dealers for Client transactions and determining the reasonableness of their brokerage fees.

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

Caden currently earns incentive allocations of comparable rates from the Funds, its current clients, as described in Item 5. Advisers concurrently managing several clients subject to differing fees, such as differently calculated performance allocations, may be incentivized to prefer the client subject to higher fees. However, Caden currently earns incentive allocations of comparable rates from each client currently advised, the risk of preferential treatment associated with different performance-based fees is reduced. Additionally, Caden has adopted an allocation policy to ensure that investment opportunities are allocated in a fair and equitable manner between advisory clients and to manage the risks associated with performance-based fees and side-by-side management of clients.

Item 7 - Types of Clients

Caden provides investment advice to our Clients, which at this time, includes only the Funds. Investors ("Investors," or "Limited Partners") in the Funds are generally subject to a minimum investment amount of \$2,000,000 for "Founders' Interests" and \$1,000,000 for "Series A Interests" and "Series B Interests" but we may waive this minimum at our sole discretion depending on the terms of the applicable Governing Documents. Notwithstanding the foregoing, we encourage investors to refer to the relevant Governing Documents for more information on eligibility and the specific minimum investment amount for each Fund we manage.

Caden's products are only offered to certain qualified investors who are "accredited investors" under Regulation D of the Securities Act of 1933, as amended, and "qualified purchasers" as such term is defined in Section 2(a)(51) of the Investment Company Act and who are able to bear the economic risk of the loss of their entire investment and who have a limited need for liquidity in their investments.

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

As discussed above in Item 4, Caden seeks to outperform broad equity market indices with lower or equivalent risk as measured by a quarterly drawdown capture. We believe that a carefully constructed portfolio of durable quality businesses will allow us to benefit from long term compounding of business value. We seek to invest primarily in public equities and will invest across a variety of sectors and geographies in businesses exhibiting a wide range of growth rates and valuation metrics.

Although we believe that our investment program(s) should mitigate the risk of loss through careful selection and monitoring of Client investments, an investment is nonetheless subject to loss, including possible loss of the entire amount invested. No guarantee or representation is made that any investment will be successful, and the investment results will vary, perhaps substantially, over time. All investments in securities and other financial instruments, including an investment in a Fund, involve substantial risk of volatility arising from any number of factors that are beyond our control. Legal, tax, and regulatory changes could occur which in certain cases materially adversely affect the ability of a Client to pursue its investment strategies or achieve its investment objective. There can be no assurance that any Client, including any Fund, will achieve its objectives or that any Client will not incur losses. Clients and Investors must be prepared to lose all or substantially all of their investment with us.

All references to the Funds in this brochure, including, but not limited to, their investments and management strategies, are qualified in their entirety by reference to each Fund's respective offering documents. The following is a general discussion of the methods of analysis, investment strategies and the risk of loss associated with Caden's overall investment strategy. These risk factors may change over time. There can be no assurance that the Funds will achieve their objectives or that the Funds will not incur losses. Investors in the Funds must be prepared to lose all or substantially all of their investment in the Funds.

An investment in a Fund may be deemed to be a highly speculative investment and is not intended as a complete investment program. It is designed only for sophisticated persons who are able to bear the economic risk of the loss of their entire investment in the Fund and who have a limited need for liquidity in their investment. The following risks should be carefully evaluated before making an investment in the Partnership:

THE INFORMATION BELOW IS INTENDED TO SERVE AS A SUMMARY OF POTENTIAL RISKS OF INVESTING. THE FOLLOWING IS NOT A SUBSTITUTE FOR THE OFFERING DOCUMENTS OF THE FUNDS. POTENTIAL INVESTORS IN THE FUNDS MUST REVIEW OFFERING DOCUMENTS IN THEIR ENTIRETY BEFORE INVESTING. THIS INFORMATION MAY BE BOTH SUPPLEMENTED AND SUPERSEDED BY INFORMATION IN THE OFFERING DOCUMENTS FOR THE FUNDS.

Nature of Investments

The Investment Manager has broad discretion in making investments for Clients. Investments will generally consist of equities, equity-related securities, options, derivatives and other assets that may be affected by business, financial market or legal uncertainties. There can be no assurance that the Investment Manager will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investments. Prices of 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 the results of the Client's activities and the value of its investments.

In addition, the value of the Client's portfolio may fluctuate as the general level of interest rates fluctuates. No guarantee or representation is made that the Client's investment objective will be achieved.

Equity-Related Instruments in General

The Investment Manager may use equity-related instruments in its investment program. Certain options and other equity-related instruments may be subject to various types of risks, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk. In addition, equity-related instruments can involve significant economic leverage and may, in some cases, involve significant risks of loss.

Options

The purchase or sale of an option involves the payment or receipt of a premium by the investor and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security, commodity or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses its premium. Additionally, the premium paid for an option is based, in part, on the time to expiration, and with the passage of time, the premium associated with an option declines, assuming all other factors being equal. Selling options involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received (which could result in a potentially unlimited loss). Over-the-counter options also involve counterparty solvency risk.

Use of Leverage

Caden may utilize leverage. This results in the Client controlling substantially more assets than the Client has equity. Leverage increases the Client's returns if the Client earns a greater return on investments purchased with borrowed funds than the Client's cost of borrowing such funds. However, the use of leverage exposes the Client to additional levels of risk, including (i) greater losses from investments than would otherwise have been the case had the Client 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 Client's cost of borrowing such funds. In the event of a sudden, precipitous drop in value of the Client's assets, the Client might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying its losses.

In an unsettled credit environment, the Investment Manager may find it difficult or impossible to obtain leverage for the Client. In such event, the Client could find it difficult to implement its strategy. In addition, any leverage obtained, if terminated on short notice by the lender, could result in the Investment Manager being forced to unwind the Client's positions quickly and at prices below what the Investment Manager deems to be fair value for such positions.

Hedging Transactions

Caden's Clients may utilize a variety of financial instruments such as derivatives, options, swaps, caps and floors, forward contracts for both risk management and general investment and speculation purposes. With respect to the Clients' risk management and hedging transactions, there can be no assurances that a particular hedge is appropriate, or that a certain risk is measured properly. Further, while the Client

may enter into hedging transactions to seek to reduce risk, such transactions may result in poorer overall performance and increased (rather than reduced) risk for the Client than if it did not engage in any such hedging transactions. In addition, the Client may choose not to enter into hedging transactions with respect to some or all of its positions.

Exchange-Traded Funds

Caden's Clients may invest in shares of exchange-traded funds ("ETFs"), including for hedging purposes. As an investor in ETFs, the Client will bear its ratable share of various fees, allocations, and expenses of the ETF, all of which are embedded in the net asset value of the ETF. ETFs represent shares of ownership in either funds or unit investment trusts that hold portfolios of common stocks, bonds or other instruments, which are designed to generally correspond to the price and yield performance of an underlying index. A primary risk factor relating to ETFs is that the general level of stock or bond prices may decline, thus affecting the value of an equity or fixed income ETF, respectively. An ETF may also be adversely affected by the performance of the specific sector or group of industries on which it is based. Moreover, although ETFs are designed to provide investment results that generally correspond to the price and yield performance of their underlying indices, ETFs may not be able to exactly replicate the performance of the indices because of their expenses and other factors. It should also be noted that the Investment Company Act of 1940, as amended (the "Investment Company Act") places certain restrictions on the percentage of ownership that a private investment fund may have in a registered investment company (an ETF is a registered investment company).

Options on Stock and Bond Indexes

The Client may purchase put and call options on global equity, commodity and fixed income indices and securities to hedge against risks of market-wide price movements affecting its assets. An index measures the movement of a certain group of assets by assigning relative values to the assets included in the index. Options on an index are similar to options on securities. Because no underlying security can be delivered, however, the option represents the holder's right to obtain from the writer, in cash, a fixed multiple of the amount by which the exercise price exceeds (in the case of a put) or is less than (in the case of a call) the closing value of the underlying index on the exercise date. The advisability of using stock or bond index options to hedge against the risk of market-wide movements will depend on the extent of diversification of the Client's investments and the sensitivity of its investments to factors influencing the underlying index. The effectiveness of purchasing or writing index options as a hedging technique will depend upon the extent to which price movements in the Client's investments correlate with price movements in the index selected. In addition, successful use by the Client of options on indices will be subject to the ability of the Investment Manager to predict correctly changes in the relationship of the underlying index to the Client's portfolio holdings. No assurance can be given that the Investment Manager's judgment in this respect will be correct.

Portfolio Turnover

The investment strategy of the Client may require the Investment Manager to actively trade the Client's portfolio, and as a result, turnover and brokerage commission expenses of the Client may significantly exceed those of other investment entities of comparable size.

Non-Diversification

While the Investment Manager intends to maintain a portfolio that it believes is appropriately diversified, the Client's portfolio may at times be concentrated and such concentration may increase the losses suffered by the Client as the investment portfolio of the Client may be subject to more rapid change in value than would be the case if the Client were required to maintain a wider diversification among issuers, market capitalizations, industries, types of securities and geographic areas.

Emerging Markets

Investing in emerging market debt or equity involves certain risks and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include (a) the risk of nationalization or expropriation of assets or confiscatory taxation; (b) social, economic and political uncertainty including war; (c) dependence on exports and the corresponding importance of international trade; (d) price fluctuations, less liquidity and smaller capitalization of securities markets; (e) currency exchange rate fluctuations; (f) rates of inflation; (g) controls on foreign investment and limitations on repatriation of invested capital and on the Client's ability to exchange local currencies for U.S. dollars; (h) governmental involvement in and control over the economies; (i) that governments may decide not to continue to support economic reform programs generally and could impose centrally planned economies; (j) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (k) less extensive regulation of the securities markets; (l) longer settlement period for securities transactions; (m) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; and (n) certain considerations regarding the maintenance of Client portfolio securities and cash with non-U.S. sub-custodians and securities depositories.

Small to Medium Capitalization Companies

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

Counterparty Risk

To the extent that the Client invests in swaps, "synthetic" or derivative instruments, repurchase agreements, forward contracts, certain types of options or other customized financial instruments, or, in certain circumstances, non-U.S. securities, the Client takes the risk of non-performance by the other party to the contract. This risk may include credit risk of the counterparty and the risk of settlement default. This risk may differ materially from those entailed in exchange-traded transactions that generally are supported by guarantees of clearing organizations, daily mark-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default.

Futures Contracts

The use of futures is a specialized activity that involves investment strategies and risks different from those associated with ordinary portfolio securities transactions, and there can be no guarantee that their use will increase the Client's return or not cause the Client to sustain large losses. While the use of these instruments by the Client may reduce certain risks associated with portfolio positions, these techniques themselves entail certain other risks. The Client could experience losses if the values of its futures positions were poorly correlated with its other investments, or if it could not close out its positions because of an illiquid market. In addition, the Client will incur transaction costs, including trading commissions, in connection with its futures transactions and these transactions could significantly increase the Client's investment turnover rate. There is no assurance that a liquid secondary market will exist for futures contracts or options purchased or sold, and the Client may be required to maintain a position until exercise or expiration, which could result in losses. Many futures exchanges limit the amount of fluctuation permitted in contract prices during a single trading day. Once the daily limit has been reached in a particular contract, no trades may be made that day at a price beyond that limit. Contract prices could move to the daily limit for several consecutive trading days permitting little or no trading, thereby preventing prompt liquidation of futures and options positions and potentially subjecting the Client to substantial losses.

Derivatives

To the extent that the Client invests in swaps, derivative or synthetic instruments, or enters into repurchase agreements or other over-the-counter transactions, the Client may take a credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions that generally are backed by clearing organization guarantees, more frequent mark-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default. It is expected that all securities and other assets deposited with custodians or brokers will be clearly identified as being assets (directly or indirectly) of the Client, and hence the Client should not be exposed to a credit risk with regard to such parties. However, it may not always be possible to achieve this segregation, and there may be practical or time problems associated with enforcing rights to its assets in the case of an insolvency of any such party.

Swaps

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

government regulation, could adversely affect the Client's ability to terminate swap transactions or to realize amounts to be received under such transactions.

Fixed Income Securities

The Client may invest in fixed income securities and other debt securities. Certain of these securities may be unrated by a recognized credit-rating agency or below investment grade, which are subject to greater risk of loss of principal and interest than higher-rated debt securities. Accordingly, these securities tend to be more sensitive to economic conditions and tend to reflect individual corporate developments to a greater extent than do higher-rated securities, which primarily react to fluctuations in the general level of interest rates. Issuers of lower-rated debt securities are often highly-leveraged and may not have access to more traditional methods of financing. Furthermore, trading in these types of securities may be limited or disrupted by an economic recession, resulting in an adverse impact on the value of such securities. Moreover, it is likely that an economic downturn could affect the ability of the issuers to repay principal and pay interest thereon resulting in a high potential of default.

Additionally, the Client may invest in debt securities that rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer's assets. The Client may invest in debt securities which are not protected by financial covenants or limitations on additional indebtedness. The Client will therefore be subject to credit and liquidity risks. In addition, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments. Investment in a debt instrument will normally involve the assumption of interest rate risk.

Non-U.S. Securities

The Client may invest outside of the United States. Investing in securities of non-U.S. governments and companies which are generally denominated in non-U.S. currencies and utilization of options and swaps on non-U.S. securities involves certain considerations comprising both risks and opportunities not typically associated with investing in securities of the United States government or 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, 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.

Currency Risks

The Client may have exposure to fluctuations in currency exchange rates. It may, in part, seek to offset the risks associated with this exposure or enter into foreign exchange transactions to increase its returns. These transactions involve a significant degree of risk and foreign exchange markets are volatile, specialized and technical. Significant changes, including changes in liquidity and prices, can occur in these markets within very short periods of time. Changes in exchange rates over time are the result of many factors directly or indirectly affecting the economic and political conditions in the country or economic region associated with a specific currency. Exchange rates fluctuate for a number of reasons, including:

- existing and expected rates of inflation,
- existing and expected interest rate levels,

- the balance of payments between the relevant country and its major trading partners,
- political, civil or military unrest in the relevant country or economic region; and
- monetary, fiscal and trade policies of the relevant country or economic region (including pegging, de-pegging, flooring or capping an exchange rate relative to another currency).

Governments use a variety of techniques, such as intervention by their central banks or imposition of regulatory controls or taxes, to affect the exchange rate of their currencies. Foreign exchange rates can either be fixed by sovereign governments or floating. Exchange rates of most economically developed nations are permitted to fluctuate in value relative to the value of other currencies. However, governments do not always allow their currencies to float freely in response to economic forces. Governments use a variety of techniques, such as intervention by their central bank or imposition of regulatory controls or taxes, to affect the trading value of their respective currencies. They may also issue a new currency to replace an existing currency or alter the exchange rate or relative exchange characteristics by devaluation or revaluation of a currency. The value of the Client could be affected by the actions of sovereign governments, which could change or interfere with theretofore freely determined currency valuation, fluctuations in response to other market forces and the movement of currencies across borders. Additionally, market perceptions of the relative strength or cohesion of a specific political state or monetary union can dramatically affect the value of a currency. Fluctuations in exchange rates may negatively impact the value of an investment in the Client to the extent the Client has currency exposure in the form of a hedge, a non-U.S. dollar denominated instrument or as a standalone position.

Private Investments in Public Equity (“PIPEs”)

PIPEs are private (unregistered) offerings of common stock or other securities, usually at a discount to current market price, issued by public companies. The typical PIPE is subject to a “lockup” agreement that prohibits the owner from reselling the PIPE security until it is registered or until a designated holding period has elapsed. On occasion, the SEC has refused to allow PIPE securities to be registered due to the immediate impact such registration could have on the public market for such securities (for example, if certain owners of such PIPEs have sold the securities short in anticipation of their registration). Substantial illiquidity could remain even after a PIPE security becomes registered for public sale. Moreover, the Client’s entire investment in PIPE securities may be lost if such securities never become registered. To the extent that the Client invests in PIPEs, such investments may be extremely difficult to value accurately. In light of the foregoing, there is a risk that a Limited Partner who withdraws all or part of his investment while the Client holds such PIPEs investments will be paid an amount less than he would otherwise be paid if the actual value of such PIPEs investments is higher than the value designated by the Client. Similarly, there is a risk that such Limited Partner might, in effect, be overpaid if the actual value of the PIPEs investments is lower than the value designated by the Client.

Unlike the purchase of freely tradable common stock in the open market, the Client’s investment in PIPEs would generally involve contractual obligations by the issuer of such securities requiring the issuer to take certain actions, such as registering the securities or, in the case of convertible securities, issuing the underlying securities upon exercise of convertible securities and registering the convertible securities and the underlying securities with the appropriate federal and state authorities for resale. In order for the Client’s investment strategy to be effective, the issuer of such securities must abide by its contractual obligations. If an issuer fails to meet its contractual obligations, in addition to the possibility of being

involved in costly litigation, the Client may be unable to dispose of the securities at appropriate prices if at all, or may experience substantial delays in doing so, and thus the Client may not be able to realize the anticipated profit with respect to such investment for a substantial period of time, if ever. There can be no assurances that any issuer will succeed in registering for public resale the securities held by the Client or that registration of securities pursuant to any such arrangement will create liquidity.

Effects of Health Crises and Other Catastrophes

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 Client and the Investment Manager's operations. For example, any preventative or protective actions that governments may take in respect of such diseases or events may result in periods of business disruption, inability to obtain raw materials, supplies and component parts, and reduced or disrupted operations for portfolio companies. In addition, under such circumstances the operations, including functions such as trading and valuation, of the Investment Manager and other service providers could be reduced, delayed, suspended or otherwise disrupted. Further, the occurrence and pendency of such diseases or events could adversely affect the economies and financial markets either in specific countries or worldwide.

Cyber Security Breaches and Identity Theft

The Investment Manager's information and technology systems 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. Although the Investment Manager 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, the Investment Manager, the Client and/or the Master Fund 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 the Investment Manager's, the Client's and/or the Master Fund's 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). Such a failure could harm the Investment Manager's, the Client's and/or the Master Fund's reputation, subject any such entity and their respective affiliates to legal claims and otherwise affect their business and financial performance.

Master-Feeder Fund Structure

The Client invests through a "master-feeder" structure. The Client contributes substantially all of its assets to the Master Fund. The master-feeder fund structure, in particular the existence of multiple investment vehicles investing in the same portfolio, presents certain unique risks to investors. Smaller investment vehicles investing in a Master Fund may be materially affected by the actions of larger investment vehicles investing in the Master Fund. For example, if a larger investment vehicle withdraws from a Master Fund, the remaining funds may experience higher pro rata operating expenses, thereby producing lower returns. Similarly, a Master Fund may become less diverse due to a redemption by a larger investment vehicle, resulting in increased portfolio risk.

Brokerage and Custodial Risk

There are risks involved in dealing with the custodians or prime brokers who settle Client trades. The Client maintains a custody account with its prime brokers and custodians as provided in the “Directory” of this Memorandum (the “Prime Brokers”). Although the General Partner monitors the Prime Brokers and believes that they are appropriate custodians, there is no guarantee that the Prime Brokers, or any other custodian that the Client may use from time to time, will not become bankrupt or insolvent. While both the U.S. Bankruptcy Code and the Securities Investor Protection Act of 1970 seek to protect customer property in the event of a bankruptcy, insolvency, failure, or liquidation of a broker-dealer, there is no certainty that, in the event of a failure of a broker-dealer that has custody of Client assets, the Client would not incur losses due to its assets being unavailable for a period of time, the ultimate receipt of less than full recovery of its assets, or both.

The Client and/or the Prime Brokers may appoint sub-custodians in certain non-U.S. jurisdictions to hold the assets of the Client. The Prime Brokers may not be responsible for cash or assets which are held by sub-custodians in certain non-U.S. jurisdictions, nor for any losses suffered by the Client as a result of the bankruptcy or insolvency of any such sub-custodian. The Client may therefore have a potential exposure on the default of any sub-custodian and, as a result, many of the protections that would normally be provided to a fund by a custodian may not be available to the Client. Under certain circumstances, including certain transactions where the Client’s assets are pledged as collateral for leverage from a non-broker-dealer custodian or a non-broker-dealer affiliate of the Prime Brokers, or where the Client’s assets are held at a non-U.S. custodian, the securities and other assets deposited with the custodian or broker may not be clearly identified as being assets of the Client and the Client could be exposed to a credit risk with regard to such parties. Custody services in certain non-U.S. jurisdictions remain undeveloped and, accordingly, there is a transaction and custody risk of dealing in certain non-U.S. jurisdictions. Given the undeveloped state of regulations on custodial activities and bankruptcy, insolvency, or mismanagement in certain non-U.S. jurisdictions, the ability of the Client to recover assets held by a sub-custodian in the event of the sub-custodian’s bankruptcy or insolvency could be in doubt, as the Client may be subject to significantly less favorable laws than many of the protections that would be available under U.S. laws. In addition, there may be practical or timing problems associated with enforcing the Client’s rights to its assets in the case of a bankruptcy or insolvency of any such party.

Lack of Liquidity of Client Investments

While the Investment Manager expects the majority of the Client’s portfolio to be liquid, the Client assets may, at any given time, include securities and other financial instruments or obligations that are thinly-traded or for which no market exists and/or which are restricted as to their transferability under applicable securities laws. The sale of any such investments may be possible only at substantial discounts, and it may be extremely difficult to accurately value any such investments. In addition, some of these investments may not have an established trading market. In the absence of an established trading market, the Client will, in accordance with its valuation policies then in effect, value such investments in good faith at each time the Client’s net asset value (“NAV”) is determined. Accordingly, the NAV of the Client may be based in part on the valuations placed on Master Fund assets by the Investment Manager without reference to an established trading market for such investments.

Limited Withdrawal and Transfer Rights

A Limited Partner generally will be permitted to withdraw all or any part of its Capital Account only in accordance with the terms described herein. Transfers of the Interests will be permitted only with the written consent of the General Partner. Accordingly, the Interests should only be acquired by investors willing and able to commit their funds for an appreciable period of time.

The Administrator will use reasonable efforts to acknowledge in writing all transfer or assignment requests that are fully executed by each of the transferor and the transferee in good order. A transferor failing to receive such written acknowledgment from the Administrator within five Business Days should contact the Administrator to obtain the same. Failure to obtain such a written acknowledgment from the Administrator may render the transfer void, unless otherwise permitted by the General Partner.

Side Letters

In addition to the Strategic Investor Agreement, through which the Funds were capitalized by a seed investor who is entitled to a portion of the Firm's net profits, the Client may enter into agreements ("Side Letters"), with certain prospective or existing Limited Partners whereby such Limited Partners may be subject to terms and conditions that are more advantageous than those set forth in this Memorandum. For example, such terms and conditions may provide for special rights to make future investments in the Client, other investment vehicles or managed accounts; special withdrawal rights, relating to frequency or notice; a reduction or rebate in management fees or incentive allocations to be paid by the Limited Partner and/or other terms; rights to receive reports from the Client on a more frequent basis or that include information not provided to other Limited Partners (including, without limitation, more detailed information regarding portfolio positions) and such other rights as may be negotiated by the Client and such Limited Partners. The modifications are solely at the discretion of the Client and may, among other things, be based on the size of the Limited Partner's investment in the Client or affiliated investment entity, an agreement by a Limited Partner to maintain such investment in the Client for a significant period of time or other similar commitment by a Limited Partner to the Client, or may be granted to founding or strategic Limited Partners. In connection with the foregoing, although the Strategic Investor's investment is subject to a lock-up, the Strategic Investor may withdraw its investment from the Client on special Withdrawal Dates before the lock-up expires in the event certain withdrawal triggers occur. If the Strategic Investor's investment represents a significant portion of the Client's assets at such time, the Client may need to dissolve.

Incentive Allocation

The allocation of a percentage of the Client's net profits to the General Partner may create an incentive for the Investment Manager, an affiliate of the General Partner, to cause the Client to make investments that are riskier or more speculative than would be the case if this allocation were not made. Since the allocation is calculated on a basis that includes unrealized appreciation of assets, such allocation may be greater than if it were based solely on realized gains. Furthermore, in the event that a Limited Partner makes a complete or partial withdrawal from its Capital Account, or is required to retire at any time other than at the end of a fiscal year, the Incentive Allocation may be computed and charged to such Partner as though the date of such Limited Partner's withdrawal of capital or retirement was the last day of a fiscal year. This may result in the Limited Partner being charged an Incentive Allocation during the year even though the Limited Partner does not have net profits based on the entire year's performance (i.e., due to losses that occur after the withdrawal).

Unrelated Business Taxable Income for Certain Tax-Exempt Investors

Pension and profit-sharing plans, Keogh plans, individual retirement accounts and other tax-exempt investors may realize “unrelated business taxable income” as a result of an investment in the Client since the Client may employ leverage. See Section 15, “Taxation.” Any tax-exempt investor should consult its own tax adviser with respect to the effect of an investment in the Client on its own tax situation.

Accounting for Uncertainty in Income Taxes

The Financial Accounting Standards Board has released Accounting Standards Codification Topic 740 (“ASC 740”) (formerly known as “FIN 48”), to provide consistent guidance on the recognition of uncertain tax positions. ASC 740 prescribes, among other things, the minimum recognition threshold that a tax position is required to meet before being recognized in an entity’s financial statements. A prospective Limited Partner should be aware that, among other things, ASC 740 could have a material adverse effect on the periodic calculations of the value of the net assets of the Client, including reducing the value of the net assets of the Client to reflect reserves for income taxes that may be payable in respect of prior periods by the Client. This could adversely affect certain Limited Partners, depending upon the timing of their purchase and withdrawal of their Interests.

No Operating History

Each of the general partner, the Investment Manager, and the Clients are newly formed entities and has limited operating history upon which investors can evaluate its likely performance. Accordingly, an investment in the Client entails a significant degree of risk.

Reliance on Mr. Simon

The Client relies heavily on the services of Barry Simon. Mr. Simon is solely responsible for the investment decisions made with respect to the Client. Should Mr. Simon determine to discontinue managing the affairs of, or withdraw from, the Investment Manager or should Mr. Simon die, become incapacitated or, for some other reason, be unable to effectively manage the affairs of the Investment Manager, the business and results of the operations of the Client may be adversely affected and a Limited Partner’s withdrawal terms may be altered (as described in Section 12 - “Withdrawals; Retirement; Distributions – Special Withdrawal Rights”).

No Separate Counsel; No Responsibility or Independent Verification

Seward & Kissel LLP represents the General Partner, the Investment Manager, the Clients (collectively, the “Parties”) as U.S. counsel. Mourant Ozannes acts as Cayman Islands counsel to the Master Fund. The Client does not have counsel separate and independent from counsel to the Investment Manager. Neither Seward & Kissel LLP nor Mourant Ozannes represent investors in the partnership and no independent counsel has been retained to act on behalf of the Limited Partners. Neither Seward & Kissel LLP nor Mourant Ozannes is responsible for any acts or omissions of the Parties (including their compliance with any guidelines, policies, restrictions or applicable laws, or the selection, suitability or advisability of their investment activities) or any administrator, accountant, custodian/prime brokers or other service providers to the Parties. Seward & Kissel LLP’s and Mourant Ozannes’ representation of the Parties is limited to specific matters as to which they have been consulted by the applicable Party. There may exist other matters that could have a bearing on a Party as to which Seward & Kissel LLP and Mourant Ozannes have not been consulted. In connection with the preparation of this Memorandum, Mourant Ozannes’

responsibility is limited to matters of Cayman Islands law and Mourant Ozannes does not accept responsibility in relation to any other matters referred to or disclosed in this Memorandum. This Memorandum was prepared based on information furnished by the General Partner and the Investment Manager; neither Seward & Kissel LLP nor Mourant Ozannes have independently verified such information.

Absence of Regulatory Oversight

While the Client may be considered similar to an investment company, it does not intend to register as such under the Investment Company Act in reliance upon an exemption available to privately offered investment companies, and, accordingly, the provisions of the Investment Company Act (which, among other matters, require investment companies to have disinterested directors, require securities held in custody to at all times be individually segregated from the securities of any other person and marked to clearly identify such securities as the property of such investment company and regulate the relationship between the adviser and the investment company) will not be afforded to the Client or the Limited Partners.

Business and Regulatory Risks of Hedge Funds

The regulatory environment for hedge funds is evolving, and changes in the regulation of hedge funds may adversely affect the value of investments held by the Client and the ability of the Client to obtain the leverage it might otherwise obtain or to pursue its trading strategies. In addition, securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. Regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The regulation of derivative transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial actions. The effect of any future regulatory change on the Client could be substantial and adverse.

Non-Disclosure of Positions

In an effort to protect the confidentiality of its positions, the Client generally will not disclose its positions to Limited Partners on an ongoing basis, although the General Partner, in its sole discretion, may permit such disclosure on a select basis to certain Limited Partners.

Potential Conflicts of Interest

Time and Commitment. The Investment Manager will use its reasonable best efforts in connection with the purposes and objectives of each Client and will devote so much of its time and effort to the affairs of our Clients as may, in its sole judgment, be necessary and appropriate to accomplish the purposes of the Client. Each Client agreement specifically provides that the Investment Manager (or its members, principals, affiliates and employees) may conduct any other business, including any business within the financial industry and for its other entities, funds or accounts (the "Other Clients"), whether or not such business is in competition with the Client. Without limiting the generality of the foregoing, the Investment Manager (or its members, principals, affiliates and employees) may act as general partner, investment adviser or investment manager for others, may manage funds or capital for others, may have, make and maintain investments in its own name or through other entities and may serve as an officer, director, consultant, partner or stockholder of one or more companies, investment funds, partnerships, securities firms or advisory firms. In connection with the foregoing, the Investment Manager (and its members,

principals, affiliates and employees) serve as investment adviser or investment manager to Other Clients and may conduct investment activities for their own accounts.

It will not always be possible or consistent with the investment objectives of the various persons or entities described above and of the Client for the same investment positions to be taken or liquidated at the same time or at the same price or to pursue certain rights that it may be possible to exercise in relation to a particular investment held by an Other Client. In this regard, certain Other Clients may, in the future, be structured as separately managed accounts or similar proprietary structures that are subject to less restrictive liquidity terms than those of the Client. Accordingly, the returns associated with the Funds may be adversely affected if Other Clients are able to withdraw their investments prior to withdrawals by Fund investors.

Different Levels of Compensation from Other Clients. The level of incentive compensation and fixed fees that the Investment Manager and its affiliates are entitled to receive may vary between Clients and Other Clients (in certain instances the Client's fees may be lower than the fees charged to the Other Clients), and the Investment Manager and its affiliates may have significant personal investments in certain Other Clients. As a result, the Investment Manager and its affiliates and investment personnel will have an incentive to favor accounts that pay the Investment Manager and its affiliates higher incentive compensation and fees or in which they have a more significant proprietary interest, including in the allocation of investments, time and attention.

Allocation of Investment Opportunities. The Investment Manager (or its members, principals, affiliates and employees) may give advice or take action with respect to the Other Clients that differs from the advice given with respect to the Client. To the extent a particular investment is suitable for both the multiple Clients, the Investment Manager will have policies in place to determine which client should be allocated such investment. From the standpoint of the Client, this will be deemed to limit the universe of potential investments in which the Client may invest. In addition, in some cases the Investment Manager may be exposed to material non-public information in connection with its review of potential investments for Other Clients, which would then limit the Client from investing in such companies until such information is either made public or is no longer material.

Expense Allocations. Each Client bears its own expenses as described in each respective offering document. Each Other Client bears its own expenses as set forth in its respective investment management or other agreement with the Investment Manager or its affiliates. Expenses borne by the Other Clients may differ from the expenses borne by the Client. In certain instances, the Client may bear expenses that the Investment Manager has agreed to bear for one or more Other Clients. In other instances, Clients may bear expenses that the Investment Manager has agreed to bear for the Client.

Common expenses may be incurred on behalf of multiple Clients. The Investment Manager will seek to allocate those common expenses among the Client and the Other Clients in a manner that is fair and reasonable over time. However, expense allocation decisions will involve potential conflicts of interest (e.g., an incentive to favor accounts that pay higher incentive fees, or conflicts relating to different expense arrangements with certain clients). Under its current expense allocation policies, the Investment Manager generally expects to allocate common expenses among the Client and the Other Clients pro rata based on relative assets under management. The Investment Manager may, however, use other methods to allocate certain common expenses among the Client and the Other Clients if it deems another method more appropriate based on relative use of the product or service, the nature or source of the product or service, the relative benefits derived by the Client and the Other Clients from the product or service, or

other relevant factors. Nonetheless, because the Investment Manager's expense allocations often depend on inherently subjective determinations, the portion of a common expense that the Investment Manager allocates to the Client for a particular product or service may not reflect the relative benefit derived by the Client from that product or service in any particular instance. As a result of the foregoing, the Investment Manager (and its members, principals, affiliates and employees) may have conflicts of interest in allocating its time and activity between the Client and the Other Clients, in allocating investments among the Client and the Other Clients and in effecting transactions between Clients, including ones in which the Investment Manager (and its members, principals, affiliates and employees) may have a greater financial interest.

Valuation. While the Client's portfolio will typically be based on pricing from independent sources, in calculating the Client's net assets, the Administrator will be entitled to rely on information provided by the Investment Manager. Because the Investment Manager receives the Management Fee and the General Partner, an affiliate of the Investment Manager, is allocated a percentage of the Client's net profits, the Investment Manager's involvement regarding valuation of the Client's portfolio presents a potential conflict of interest because the Investment Manager would benefit from higher valuations.

Co-Investments. There are risks and conflicts associated with the offering of co-investment opportunities, co-investments and related expenses. The Investment Manager may, but is not required to, provide co-investment opportunities to third parties, including Limited Partners, strategic investors and/or other third parties not affiliated with the Investment Manager (or its members, principals, affiliates and employees). Co-investment opportunities are determined in the sole discretion of the Investment Manager, and a Limited Partner that desires to participate in a potential co-investment may not receive the full amount, or any amount, of its desired co-investment. When offering co-investment opportunities to a particular third party, the Investment Manager considers a variety of factors, including whether the co-investor may provide strategic value to the Investment Manager, its clients, the Investment Manager's prior experience with the co-investor (if any), legal, tax and regulatory matters and whether such third party has previously expressed an interest in participating in co-investment opportunities. The Investment Manager (or its members, principals, affiliates and employees) may also participate, directly or indirectly, in co-investments and accordingly, this may reduce the availability of co-investment opportunities for third parties. The terms applicable to any co-investment opportunity will be established in the sole discretion of the Investment Manager, and co-investors may not be subject to any fee in relation to the co-investment opportunity.

Investments by Investment Management Personnel. The investment management personnel may choose to personally invest, directly and/or indirectly, in the Client. Investors in the Funds, these investment management personnel are in possession of information relating to the portfolio that is not available to other Limited Partners and prospective Limited Partners. It is expected that, if such investments are made by these investment management personnel, the size and nature of these investments will change over time without notice to other Limited Partners. These Limited Partners may also be subject to lower or no fees.

INVESTING INVOLVES RISK OF LOSS THAT CLIENTS SHOULD BE PREPARED TO BEAR. CADEN DOES NOT REPRESENT OR GUARANTEE THAT ITS SERVICES OR METHODS OF ANALYSIS CAN OR WILL PREDICT FUTURE RESULTS, SUCCESSFULLY IDENTIFY MARKET TOPS OR BOTTOMS, OR INSULATE CLIENTS FROM LOSSES DUE TO MARKET CORRECTIONS OR DECLINES. CADEN CANNOT OFFER ANY GUARANTEES OR PROMISES THAT FINANCIAL GOALS AND OBJECTIVES WILL BE MET. PAST PERFORMANCE IS NOT AN INDICATION OF FUTURE PERFORMANCE.

Item 9 - Disciplinary Information

There are no legal or disciplinary events to report.

Item 10 - Other Financial Industry Activities and Affiliations

- A. Neither Caden nor any of our management persons are registered or applying to register as broker-dealers or representatives of any broker-dealer.
- B. Neither Caden nor any of our management persons are registered or applying to register as futures commissions merchants, commodity pool operators, commodity trading advisors, or associated persons of the foregoing entities. To the extent a client trades or is deemed to trade in commodity interests, Caden will maintain certain exemptions from registration with the U.S. Commodity Futures Trading Commission as a commodity pool operator or commodity trading adviser, as applicable, with respect to such clients.
- C. An affiliate of Caden serves as general partner to the Funds. Caden does not have any arrangements with a related person who is a broker-dealer, securities dealer, government securities dealer or broker, investment company or other pooled investment vehicle, investment adviser, financial planning firm, banking or thrift institution, accountant or accounting firm, lawyer or law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships that are material to its advisory services.

Principals, employees, and affiliates of Caden may hold significant investments in the Funds from time to time.

- D. Caden does not have any formal arrangements or agreements to recommend or select other investment advisers for its clients.

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

We have adopted a Code of Ethics (the "Code of Ethics") that reflects our commitment to conducting our business in accordance with all applicable laws and regulations and in an ethical and professional manner. In addition, we recognize that we have a fiduciary duty to the Funds and other accounts we manage, and that all of our partners, employees, and representatives must conduct their business on our behalf in a manner that enables us to fulfill this fiduciary duty. In this regard, we have developed policies and procedures in our Code of Ethics that are premised on fundamental principles of openness, integrity, honesty, and trust. In addition, among other things, our Code of Ethics governs personal investment transactions by our employees, our policies with respect to gifts and entertainment, outside business activities, compliance with applicable federal securities laws, the manner in which violations of our Code of Ethics are to be reported, and certain other outside activities of our employees. With certain limited exclusions, personal securities transactions by employees require the pre-approval of the Chief Compliance Officer. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

Caden's personal trading policy prohibits our access persons from trading in securities that are also held in Client accounts. All transactions by Caden access persons in these, and other securities, must comply

with our Code of Ethics, which places restrictions and/or prohibitions on transactions in any securities on the Firm's restricted trading, and with certain limited exclusions, requires pre-approval by the Firm's CCO for personal securities transactions. Caden's Code of Ethics mandates periodic reporting of all personal trading and disclosure of all personal trading accounts to ensure compliance with our standards. Caden monitors access person holdings through regular reports of holdings and preapproval requirements.

Access persons may hold legacy positions in securities that the Firm also trades. Access Persons are granted permission to divest these legacy securities upon approval from the CCO.

Item 12 - Brokerage Practices

Selection of Brokers

Subject to the terms of the applicable Governing Documents, we often hold the authority to determine the broker or dealer to be used for Client securities transactions. Where we hold such authority, we generally need not solicit competitive bids and do not have an obligation to seek the lowest available commission cost. It is not our practice to negotiate "execution only" commission rates, and thus, Clients may be deemed to be paying for research, brokerage or other services provided by the broker which are included in the commission rate.

Although we will make a good faith determination that the amount of commissions paid is reasonable in light of the products or services provided by a broker, commission rates are generally negotiable and thus, selecting brokers on the basis of considerations that are not limited to the applicable commission rates may result in higher transaction costs than would otherwise be obtainable.

In selecting brokers and negotiating commission rates, we take into account the financial stability and reputation of brokerage firms, and the research, brokerage or other services provided by such brokers. We may place transactions with a broker or dealer that (i) provides Caden (or an affiliate) with the opportunity to participate in capital introduction events sponsored by the broker-dealer or (ii) refers investors to the Fund or other products advised by Caden (or an affiliate), if otherwise consistent with seeking best execution; provided Caden is not selecting the broker-dealer in recognition of the opportunity to participate in such capital introduction events or the referral of investors.

Soft Dollar

Section 28(e) of the Securities Exchange Act of 1934, as amended, is a "safe harbor" that permits us to use commissions or "soft dollars" to obtain research and brokerage services that provide lawful and appropriate assistance in the investment decision-making process. Except for services that would be a Fund expense, we will limit the use of "soft dollars" to obtain research and brokerage services to services which constitute research and brokerage within the meaning of Section 28(e). When we use soft dollars or receive soft dollar benefits, we receive a benefit because we do not have to produce or pay for such products or services ourselves, and we may have an incentive to select or recommend a broker-dealer based on our interest in receiving soft dollar benefits rather than a Client's interest in receiving most favorable execution. Caden closely monitors soft dollar usage and conducts quarterly best execution reviews to monitor this potential conflict of interest.

In some instances, we may receive a product or service that may be used only partially for functions within Section 28(e) (e.g., an order management system, trade analytical software or proxy services). In such

instances, we will make a good faith effort to determine the relative proportion of the product or service used to assist us in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e). The proportion of the product or service attributable to assisting us in carrying out our investment decision-making responsibilities will be paid through brokerage commissions generated by client transactions and the proportion attributable to administrative or other purposes outside Section 28(e) will be paid for by us from our own resources.

Research and brokerage services obtained by the use of commissions arising from the Fund's portfolio transactions may be used by Caden in its other investment activities and thus, the Partnership may not necessarily, in any particular instance, be the direct or indirect beneficiary of the research or brokerage services provided.

Trade Aggregation

When appropriate, Caden may, but is not required to, aggregate client orders to achieve more efficient execution or to provide for equitable treatment among accounts. Clients participating in aggregated trades will be allocated securities based on the average price achieved for such trades.

Item 13 - Review of Accounts

Our portfolio managers and analysts review Client accounts on a regular basis. As determined by the applicable Governing Documents, these reviews frequently include daily review and monitoring of portfolio positions to ensure that each Client's account(s) are managed in a manner consistent with the relevant Governing Documents.

Apart from regular reviews, Client accounts may be reviewed in response to significant changes to the Client, the capital markets more broadly, or other exigent circumstances that we believe warrant review or consideration.

We generally provide Investors with written reports as specified in the applicable Governing Documents, including audited annual financial statements pursuant to our obligations under Rule 206(4)-2 of the Advisers Act, if applicable; periodic performance reports, such as quarterly reports reflecting the net asset value of an Investor's account(s); for certain Investors, tax documentation relating to their respective Fund investments necessary for US income tax purposes; and/or any other reports otherwise specified in the applicable Governing Documents.

Any other reports or reviews not specified above will be conducted pursuant to the applicable Governing Documents.

Item 14 - Client Referrals and Other Compensation

We reserve the right to engage solicitors to whom we pay remuneration, or a portion of the advisory fees paid by Investors or Clients referred to it by those solicitors, where appropriate. In such cases, this practice is disclosed to the Investor or Client, and we will comply with the other requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940 (the "Advisers Act"), to the extent required by applicable law.

Item 15 - Custody

Where appropriate, we or our affiliates enter into agreements with qualified custodians to maintain custody of each Fund's assets as and to the extent required by Rule 206(4)-2 under the Advisers Act. While we typically never have actual physical custody of any Client's assets, as the investment manager of the Funds, where we serve as the managing member, general partner, or equivalent, Caden will generally be deemed to have custody of such Client's. In such cases, we will deliver audited financial statements for each Fund to its respective Investors within 120 days after the end of such Fund's fiscal year. Additionally, subject to the terms of the applicable Governing Documents, Investors receive monthly, unaudited account statements in our discretion.

Item 16 - Investment Discretion

Caden has discretionary authority over the Funds pursuant to the Funds' respective Governing Documents. Investors generally may not place any limits on our authority beyond the limitations set forth in the Funds' Governing Documents and/or Caden's internal compliance manual.

Item 17 - Voting Client Securities

Proxies will be voted in the best interests of Caden Clients. Neither Clients nor investors can direct proxy votes in any manner. The portfolio manager, or his/her designee, will coordinate, review, and vote proxies for each security managed. Caden maintains discretion to vote Client securities and has adopted a policy governing such arrangement that includes a screening process for conflicts of interests prior to casting a vote. Proxy issues involving potential conflicts of interest will be evaluated carefully by the Firm's portfolio manager, or his/her designee, who will assess and annotate the economic impact of any vote. Any portfolio manager, and/or designee, with any conflict of interest is required to recuse themselves from the voting process and advise the CCO of such conflict who will review the proxy vote with other members of the Firm's advisory team.

A complete copy of Caden's proxy voting policy and proxy voting record is available to clients by contacting Yulia Perruzzi, CCO, at yulia@cadencp.com.

Item 18 - Financial Information

Caden is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to the Funds and has not been the subject of a bankruptcy petition at any time during the past ten years.