

Form ADV Part 2A

Caravel Management, LLC

888 Seventh Avenue, 30th Floor

New York, NY 10106

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This brochure provides information about the qualifications and business practices of Caravel Management LLC (“Caravel” or the “Firm”). If you have any questions about the contents of this brochure, please contact Margaret Engelhardt, Caravel’s Chief Compliance Officer (“CCO”) by email at mengelhardt@caravelfund.com.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Caravel Management LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

Any reference to Caravel Management LLC as a “registered investment adviser” or being “registered” does not imply a certain level of skill or training.

ITEM 2 - MATERIAL CHANGES

The rules promulgated under the Investment Advisers Act of 1940, as amended (the “Advisers Act”) require the Firm to identify and discuss any material changes made to its brochure since the last annual update. There have been no material changes since the Firm’s last filing dated March 9, 2022.

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ITEM 4 – ADVISORY BUSINESS

Caravel Management LLC (“**Caravel**” or the “**Firm**”), a Delaware limited liability company, was organized in March 2006 and is headquartered in New York, NY. Caravel and controlled by the following Members:

- James Harmon – Owner, Chairman, and Chief Investment Officer
- Margaret Engelhardt – Director of Investor Relations, Chief Administrative Officer, and Chief Compliance Officer
- Jeanette Kirazian – Chief Financial Officer

Caravel provides investment advisory services on a discretionary basis to a pooled investment vehicle, the Caravel Egyptian Treasury Fund L.P. (the “**Caravel Fund**” or the “**Fund**”), a Delaware limited partnership.

Caravel manages the Caravel Fund pursuant to investment guidelines set forth in the relevant governing and offering documents of the Caravel Fund, including any limited partnership agreement, investment management agreement, private placement memorandum and/or subscription agreement (each an “**Offering Document**”, and collectively, the “**Offering Documents**”). The Offering Documents contain more detailed information about the Caravel Fund, including a description of the investment objectives and strategy or strategies employed by the Fund and related restrictions that serve as a limitation on Caravel’s advice or management. Each individual investor (each an “**Investor**” or a “**Caravel Fund Investor**” and collectively the “**Investors**” or the “**Caravel Fund Investors**”) in the Caravel Fund is strongly encouraged to undertake appropriate due diligence, including but not limited to a review of relevant Offering Documents and the additional details about Caravel’s investment strategies, methods of analysis and related risks in Item 8 of this Brochure in considering whether Caravel’s advisory services or an investment in the Caravel Fund are appropriate to its own circumstances based on all relevant factors including, but not limited to, the Investor’s own investment objectives, liquidity requirements, tax situation and risk tolerance before making an investment decision.

Caravel will not tailor its advisory services to the Caravel Fund Investors, or provide Caravel Fund Investors with the right to specify, or restrict the Caravel’s Fund’s investment objectives or any investment or trading decisions.

The Caravel Fund will rely on the exception from the definition of an “investment company” provided by Section 3(c)(7) of the U.S. Investment Company Act of 1940, as amended (the “**Investment Company Act**”).

Caravel Partners LLC will serve as the general partner of the Caravel Fund (the “**General Partner**”) and will have ultimate responsibility for decisions relating to management and operations made on behalf of the Fund and has the ultimate responsibility for the investment decisions made on behalf of the Fund.

Additional detailed information about Caravel is provided below, including information about Caravel's advisory services, investment approach, personnel and affiliations.

Caravel will not participate in wrap fee programs.

As of December 31, 2022, the Firm managed \$64,375,637 in regulatory assets under management ("RAUM") all on a discretionary basis.

ITEM 5 – FEES AND COMPENSATION

Management Fees

Each Investor should review the appropriate Offering Documents for the Fund in conjunction with this brochure for more complete information on the applicable management fees.

As an investment adviser to the Caravel Fund, Caravel will receive a management fee, calculated at an annual rate of 1% of each Investor's capital account. The management fee will be calculated and paid quarterly in arrears and calculated separately in respect of each series of interests (the "**Series**") offered by the partnership, in an amount equal to a percent, on an annualized basis, of the total subscription amounts to a Series. Investors will share the management fee in respect of a Series pro rata in proportion to their respective subscription amounts. The management fee will be calculated on an annualized basis but will accrue to a Series only through the maturity date of the relevant underlying Egyptian treasury notes purchased by such Series.

Other Expenses

The Caravel Fund bears and shall be responsible for its own expenses, including, but not limited to, all ordinary organizational and operating expenses incidental to administering the Fund, including, without limitation, the cost of investing the Fund's assets, annual audit fees and expenses, legal fees and expenses and costs related to overhead and staffing for the Caravel Fund and the General Partner.

The General Partner and Caravel bear their own expenses, including but not limited to indemnification expenses, taxes, fees and expenses to incurred in connection with any tax audit by any U.S. federal, state or local authority, including, without limitation, any related administrative settlement and judicial review; and fees and expenses incurred in connection with legal actions to enforce or defend the value of the Fund's assets or to enforce credit documents related to the value of the Fund's assets and will also include fees and expenses with respect to the reorganization, dissolution, winding-up or termination of the Fund.

To the extent that Caravel pays such expenses on behalf of the Fund, the Fund may reimburse the Firm for such amounts advanced for such expenses. To obtain reimbursement, Caravel must determine, in its reasonable judgment that it can fairly and equitably allocate the amount to be reimbursed among each Series. If the Firm determines that reimbursement is appropriate, such amounts will be debited from proceeds received in respect of a Series upon maturity of their underlying investment.

Neither Caravel nor any of its supervised persons accept compensation for the sale of securities or other investment products.

ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

The existence of performance-based distributions may create an incentive for investment advisers to make investments on behalf of clients that are riskier than would be the case if the General Partner were not entitled to receive such performance-based distributions.

The Caravel Fund is not currently structured to take any performance-based fees. If at any time Caravel enters into an investment management agreement that includes performance-based fees, this section will be amended accordingly.

ITEM 7 – TYPES OF CLIENTS

Caravel shall provide discretionary investment advisory services to the Caravel Fund, and not individually to the Investors in the Caravel Fund.

The Investors in the Caravel Fund are “accredited investors” in reliance upon the exemption from registration provided by Section 4(2) of the Securities Act of 1933, as amended (the “**Securities Act**”), and Regulation D promulgated thereunder and “qualified clients” as defined in Rule 205-3 of the Advisers Act (the “**Advisers Act**”). In addition, Caravel may, in the future, offer investment advisory services to other pooled investment vehicles and separately managed accounts.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Caravel intends to use various methods of analysis and investment strategies in formulating its investment advice to the Fund. Any investment in securities involves a risk of loss that all of its Investors must be prepared to bear.

The investment strategy for the Fund shall be formulated by Caravel in a manner that reflects its investment philosophy and will be consistent with the Fund’s

objectives. Caravel has not established any specific holding periods with respect to the Fund's investments.

The Fund seeks to capitalize on the high yields offered by the market for Egyptian treasury notes, as identified by the General Partner. The principal investment objective is to achieve superior long-term absolute returns by capitalizing on attractive yields offered in Egypt's fixed income market today, specifically yields on Egyptian treasury notes.

Caravel will seek to construct a portfolio comprised of 3-, 6-, 9- or 12-month Egyptian treasury notes. The portfolio will be unhedged and unleveraged. The Firm will generally hold each Egyptian treasury note in the portfolio for a period of time commensurate with its maturity from the date of purchase.

While the Fund's portfolio will consist of Egyptian treasury notes, the Caravel Fund may also invest in other fixed income instruments issued by the Egyptian Government. The Fund, and the General Partner on behalf of the Fund, will generally purchase Egyptian treasury notes denominated in Egyptian Pounds, while the Investors will subscribe to the Fund in U.S. Dollars.

The following list of risk factors does not purport to be a complete disclosure of all risks that may be relevant to a decision to purchase an interest in the Caravel Fund or enter into an investment management agreement with Caravel for advising a managed account.

Prospective Investors in the Caravel Fund or prospective managed account clients should carefully consider the following investment risks and considerations in evaluating Caravel and its business before deciding to purchase an interest in the Caravel Fund or entering into an investment management agreement as a managed account client. As a result of these considerations, as well as other risks inherent in any investment, there can be no assurance that the Fund will meet its investment objectives or otherwise be able to successfully carry out their investment programs, or that an Investor in the Caravel Fund or a management account client will receive a return of capital.

GENERAL RISK FACTORS

Limited Operating History

Caravel has a limited operating history and therefore may not be able to operate its business, implement its investment strategy or generate sufficient revenue for the Fund or to make or sustain distributions to Investors. Failure to procure adequate fundraising and capital could adversely affect the Fund's ability to grow and/or expand its business, which can negatively impact its performance. In addition, the

past investment performance of the Fund or other entities or accounts managed by Caravel or any of their employees or affiliates may not be indicative of the future performance of the Fund.

Reliance on Caravel and Key Individuals

The success of the Fund depends on the ability of Caravel to develop and implement investment strategies to achieve the Fund's investment objectives. Although Caravel may impose limits on the types of positions the Fund may take, or the concentration of its investments, the Offering Documents and investment management agreements may not impose such limits. Investors will have no right or power to take part in the management of the Caravel Fund. The success of the Fund depends upon the ability of Caravel and the ability of its employees to develop and implement investment strategies that achieve the Fund's investment objectives. The Fund's investment performance could be materially adversely affected if any members of Caravel's investment team were to die, become ill or disabled, or otherwise cease to be involved in the active management of the business of the Fund's portfolio.

Operating Deficits

The expenses of operating the Fund (including management fees payable to Caravel) could exceed its income. This would require that the difference be paid out of the Fund's capital, reducing the amount of capital available to Caravel Fund for investment and the Fund's potential for profitability.

Absence of Regulatory Oversight

While the Fund may be considered similar to an investment company, it is not required and does not intend to register as such under the Investment Company Act. Accordingly, the provisions of the Investment Company Act (which requires, among other things, investment companies to have a majority of disinterested directors, that securities be held in custody and individually segregated from the securities of any other person and marked to clearly identify such securities as the property of such investment company) are not applicable to the Fund.

Business and Regulatory Risks of Private Investment Funds

Legal, tax and regulatory changes could occur during the term of the Caravel Fund that may adversely affect the Fund. The regulatory environment for private investment funds is evolving, and changes in the regulation of private investment funds may adversely affect the value of investments held by the Fund or to pursue its strategy. The SEC, other regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market

emergencies. The effect of any future regulatory change or action on the Fund could be substantial and adverse.

Enhanced Scrutiny and Potential Regulation of Private Investment Funds

The legal, tax and regulatory environment worldwide for private investment funds and their managers is evolving, and changes in the regulation of private investment funds, their managers, and their trading and investing activities may have a material adverse effect on the ability of the Fund to pursue its investment program and the value of investments held by the Fund. There has been an increase in scrutiny of the alternative investment industry by governmental agencies and self-regulatory organizations. New laws and regulations or actions taken by regulators that restrict the ability of the Fund to pursue its investment program or employ brokers and other counterparties could have a material adverse effect on the Fund and the Investor's interests therein. In addition, the General Partner may, in its sole discretion, cause the Fund to be subject to certain laws and regulations if it believes that an investment or business activity is in the Fund's interest, even if such laws and regulations may have a detrimental effect on one or more Investors.

Burdens of Increased Regulatory Oversight

Increased regulation and regulatory oversight of private investment funds and their managers may impose administrative burdens on Caravel, including, without limitation, responding to examinations and other regulatory inquiries and implementing policies and procedures. Such administrative burdens may divert the Caravel's time, attention and resources from portfolio management activities to responding to inquiries, examinations and enforcement actions (or threats thereof). Regulatory inquiries often are confidential in nature, may involve a review of an individual's or a firm's activities or may involve studies of the industry or industry practices, as well as the practices of a particular institution.

The Dodd-Frank Act

The U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") was enacted in July 2010. The Dodd-Frank Act has resulted in extensive rulemaking and regulatory changes that affect private fund managers, the funds that they manage and the financial industry as a whole. Under the Dodd-Frank Act, the U.S. Commodity Futures Trading Commission (the "CFTC") and the SEC have mandated (and will mandate) new recordkeeping, reporting, central clearing and mandatory trading on electronic facilities requirements for investment advisers, which add costs to the legal, operational and compliance obligations of Caravel and the Fund and increase the amount of time that Caravel spends on non-investment-related activities. The Dodd-Frank Act affects a broad range of market participants with whom the Fund interacts or may interact, including banks, nonbank financial institutions, rating agencies, mortgage brokers, credit unions,

insurance companies, payday lenders and broker dealers, and may change the way in which Caravel conducts business with its counterparties. It may take years to understand the impact of the Dodd-Frank Act on the financial industry as a whole, and therefore, the continued uncertainty may make markets more volatile and make it difficult for Caravel to execute the investment strategy of the Fund.

Systemic Risk

Systemic risk is the risk of broad financial system stress or collapse triggered by the default of one or more financial institutions, which results in a series of defaults by other interdependent financial institutions. Financial intermediaries, such as clearing houses, banks, securities firms and exchanges with which the Fund interacts, as well as the Fund, are all subject to systemic risk. A systemic failure could have material adverse consequences on the Fund and on the markets for the securities in which the Fund seeks to invest. It should also be noted that Brexit could have global economic impacts that may impact the Fund.

Assumption of Business, Terrorism and Catastrophe Risks

The Fund may be subject to the risk of loss arising from exposure that it may incur, indirectly, due to the occurrence of various events, including, without limitation, hurricanes, earthquakes, and other natural disasters, terrorism, and other catastrophic events. These risks of loss can be substantial and could have a material adverse effect on the Fund and Investor's interests therein.

Effect of Extraordinary Market Conditions on Management

If, due to extraordinary market conditions or other reasons, the Fund were to incur substantial losses, the revenues of Caravel may decline substantially. Such losses may hamper Caravel's ability to (i) retain employees, (ii) provide the same level of service to the Fund as it has in the past, and (iii) continue operations.

Pandemic Risks and Global Health Events

An epidemic outbreak and reactions to such an outbreak could cause uncertainty in markets and businesses, and could adversely affect the performance of the global economy, including causing market volatility, market and business uncertainty and closures, supply chain and travel interruptions, the need for employees and vendors to work at external locations, and extensive medical absences. The Firm has policies and procedures to address known situations, but because a large epidemic may create significant market and business uncertainties and disruptions, not all events that could affect the Firm's business and/or the markets can be determined and addressed in advance. The Firm could also be subject to the risk of loss arising from direct or indirect exposure to a number of types of other catastrophic events, including without limitation other public health crises, including any outbreak of

coronavirus, SARS, H1N1/09 influenza, avian influenza, Ebola or other existing or new epidemic diseases, or the threat thereof.

Liability of Series

The Fund is a single legal entity, and there is no limited recourse protection for any Series in the Fund. As such, there is a risk that liabilities of the Fund may be borne by any or all Series. Additionally, while Caravel will seek to limit any liabilities attributable to one Series to such Series, there is a risk that the liabilities of one Series may not be limited to that particular Series and may be required to be paid out of one or more other Series.

In-Kind Distributions

Although the General Partner does not currently intend to make in-kind distributions, an Investor may, in the sole discretion of the General Partner, receive financial instruments in lieu of, or in combination with, cash. Generally, distributions in kind may be made if the General Partner believes it is in the best interest of the Fund or will result in treating the Investors fairly and equitably. In-kind distributions may be distributed to an Investor directly or indirectly through a distribution of interests in one or more trading vehicles or special purpose vehicles holding financial instruments owned by the Fund or participations in such financial instruments. To the extent an Investor received an in-kind distribution in one or more trading vehicles or special purpose vehicles holding participation interests in the financial instruments of the Fund, such Investor may continue to be at risk of the Fund's business (including its credit risk) until all such financial instruments are sold. The value of financial instruments distributed directly or indirectly in-kind may increase or decrease before they can be sold either by the Investor, if received directly, or by Caravel, if held through a trading vehicle or special purpose vehicle. In either case, the Investor will bear transaction costs in connection with the sale of any proceeds distributed in-kind, and, in the case of interests in trading vehicles or special purpose vehicles, a portion of the operating and other expenses borne by such vehicle. Additionally, financial instruments distributed in-kind to an Investor, either directly or indirectly, may not be readily marketable. The risk of loss and delay in liquidating these financial instruments will be borne by the Investor, and an Investor may ultimately receive significantly less (or no) cash than it would have received had it been paid in cash.

Side Letter Agreements

The Fund may enter into side letter agreements with certain Investors which modify, alter or amend the terms attributable to such Investor's investment in the Fund in terms of, among other things, the fees charged, minimum subscription amounts, access to information regarding the Fund's investment portfolio and other

rights. The terms of such side letter agreements entered into will be determined by the General Partner.

Counterparty Risk

The Fund is also dependent upon service providers that are not controlled by Caravel that provide services to the Fund. Examples of service providers include brokers and custodians. Errors are inherent in the business and operations of any business, and although Caravel will adopt measures to prevent and detect errors by, and misconduct of, counterparties and service providers, and transact with counterparties and service providers it believes to be reliable, such measures may not be effective in all cases. Errors or misconduct could have a material adverse effect on the Fund and the Investor's interests therein. In the main, the Fund expects to establish relationships to obtain intermediation and prime brokerage services that permit the Fund to conduct its investments. However, there can be no assurance that the Fund will be able to establish or maintain such relationships. An inability to establish or maintain such relationships could limit the Fund's investing activities, create losses, preclude the Fund from engaging in certain transactions or prevent the Fund from trading at optimal rates and terms. Moreover, a disruption in brokerage services provided by any such relationships could have a significant impact on the Fund's business due to its reliance on such counterparties. In addition, if there is a default by a counterparty, the Fund under most normal circumstances will have contractual remedies pursuant to the agreements related to the transaction. However, exercising such contractual rights may involve delays or costs which could result in losses to the Fund. Furthermore, there is a risk that any of such counterparties could become insolvent and/or the subject of insolvency proceedings. Remedies involving counterparty default may vary in non-U.S. jurisdictions and may further limit the ability of the Fund to recover funds in such circumstances.

Cybersecurity Risk

As part of its business, Caravel processes, stores and transmits large amounts of electronic information, including information relating to the transactions of the Fund and personally identifiable information of the Investors. Similarly, service providers of Caravel or the Fund, may process, store and transmit such information. Caravel has procedures and systems in place that it believes are reasonably designed to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to Caravel may be susceptible to compromise, leading to a breach of the Firm's network. Caravel's

systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. On-line services provided by Caravel to the Investors may also be susceptible to compromise. Breach of Caravel's information systems may cause information relating to the transactions of the Fund and personally identifiable information of the Investors to be lost or improperly accessed, used or disclosed.

The service providers of Caravel and the Fund are subject to the same electronic information security threats as Caravel. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Fund and personally identifiable information of Investors may be lost or improperly accessed, used or disclosed.

The loss or improper access, use, or disclosure of Caravel's or the Fund's proprietary information may cause Caravel or the Fund to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on the Fund and Investor's interests therein.

AIFMD

The Alternative Investment Fund Managers Directive (the "AIFM Directive") took effect across the European Union ("EU") on July 22, 2013. The AIFM Directive regulates (i) alternative investment fund managers ("AIFM") based in the EU, (ii) the management of any alternative investment fund ("AIF") established in the EU (irrespective of where an AIF's AIFM is based), and (iii) the marketing in the EU of the securities of any AIF, such as a fund, whether conducted by an EU AIFM, a non-EU AIFM or a third party. Interests will only be issued to those EU investors who request them at their own initiative pursuant to a bona fide "reverse solicitation" request made to the Caravel. "Reverse solicitation", where an EU investor approaches a non-EU AIFM regarding shares in a non-EU AIF, is outside the scope of the AIFM Directive.

CONFLICTS OF INTEREST

General Partner and Caravel Conflicts of Interest

The members of the General Partner and the officers of Caravel will devote such time to manage the Fund as they, in their discretion, deem necessary. Any members of the General Partner and officers of Caravel may invest in, have investment responsibilities for, render investment advice to or perform other services, including investment advisory services, for personal and family accounts, house accounts, and managed accounts for individuals or entities, including, without

limitation, other investment funds. The activities of such other accounts could be similar to or might differ from the activities of the Fund, and neither the Fund nor the Investors shall have any rights in respect of investments for, and profits or other income earned from, such accounts.

As a result of the foregoing, Caravel and its principals and affiliates may have conflicts of interest in: (i) allocating their time and activity among the Fund and such other entities; (ii) allocating investments among the Fund and such other entities; and (iii) effecting transactions among the Fund and such other entities, including ones in which Caravel and its principals and affiliates may have a greater financial interest.

Caravel and its principals and affiliates may give advice or take action with respect to other entities or accounts that differs from the advice given with respect to the Fund. To the extent a particular investment is suitable for both the Fund and, if applicable, other clients of Caravel and its principals and affiliates, such investments will be allocated between the Fund and such other clients in a manner which Caravel determines to be fair and equitable under the circumstances to all clients, including the Fund.

Caravel and its principals and affiliates may provide investment advisory and management services to other clients in addition to the Fund and may invest for its own account. In such circumstances, Caravel and its principals and affiliates will act in a manner which it considers fair and equitable in allocating investment opportunities among the Fund and the accounts of such other clients, although situations may arise in which the account activities of the Fund or such clients may disadvantage the Fund, such as the inability of the market to fully absorb orders for the purchase or sale of particular securities placed by Caravel and its principals and affiliates, for the Fund and such other accounts at prices and in quantities which would be obtainable if the same were being placed only for the Fund. Should the occasion arise, Caravel and its principals and affiliates could aggregate orders of the Fund with orders for other accounts. Such aggregation of orders might not always be to the benefit of the Fund with regard to the price or quantity executed. Should a conflict of interest arise in relation to the Fund, the General Partner would endeavor to ensure that it is resolved fairly. Should Caravel or the General Partner enter into any transaction with any of their affiliates, Caravel and/or the General Partner, as applicable, shall notify Investors and will endeavor to ensure that any conflict of interest related to such transaction is resolved fairly.

Conflicting Investment Decisions

Caravel and its principals and affiliates may have other clients whose situations, investment philosophies, and investment restrictions may differ significantly from those of the Fund. Consequently, Caravel and its principals and affiliates may make

apparently conflicting investment decisions for its individual clients, including those made for the Fund.

Service Providers

Conflicts of interest may arise from the fact that service providers that are not controlled by Caravel that provide services to the Fund or any affiliate of such a service provider may provide services to, or have business, financial, personal or other relations with (i) other private funds with investment programs similar to that of the Caravel Fund or (ii) Caravel or any of its affiliates. Any service provider or any affiliate of a service provider may be an investor in the Fund, a source of investment opportunities or a co-investor or commercial counterparty or entity in which Caravel has an investment. It is customary for a service provider to charge different rates or have different terms for different types of services. Based on the types of services used by Caravel and its affiliates as compared to the types of services used by other private funds with investment programs similar to that of the Caravel Fund and the terms of such services, a service provider may enter into an arrangement with other private funds with investment programs similar to that of the Fund that provides for more favorable rates or terms than an arrangement with the Fund.

INVESTMENT RISKS AND RISKS RELATED TO MARKET CONDITIONS

General Investment Risks

Investors should be aware that all or part of any investment in the Fund could be lost. All investments involve the risk of loss of capital. Caravel believes that the Fund's investment program mitigates this risk through careful selection of investments. However, no guarantee or representation is made that the Fund's investment program will be successful.

No Diversification

The Fund's portfolio will be concentrated in Egyptian treasury notes. Such lack of diversification will result in the concentration of risk, which, in turn, could expose the Fund to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in the market for Egyptian treasury notes.

High Volatility Market; Fixed Income Securities

Egyptian treasury notes are considered a fixed income security and as such may be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the Egyptian government and general market

liquidity. Fixed income securities pay fixed, variable, or floating rates of interest. Depending on the type of interest payments to be made, the value of Egyptian treasury notes could change in response to fluctuations in interest rates. When interest rates decline, the market value of fixed income securities tends to increase. Conversely, when interest rates increase, the market value of fixed income securities tends to decline. In addition, the value of these fixed-income securities may fluctuate in response to perceptions of Egypt's creditworthiness, political stability or soundness of economic policies. Price movements of Egyptian treasury notes may also be influenced by, among other things, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments and national and international political and economic events and policies.

Risks Related to Investment in Egypt

The most immediate risk to Egypt's economy comes from further economic volatility and another global selloff in emerging market assets due to the COVID-19 pandemic. Given the unpredictability of the virus and the risk of reemergence, another peak in COVID-19 infections could exacerbate existing stressors on the economy and lead to further capital outflows.

Egypt also faces regional geopolitical risks that could endanger the country's economic outlook. The first is Egypt's ongoing disagreement with Ethiopia and the filling of the country's Grand Ethiopian Renaissance Dam (GERD). Ethiopia recently announced that it had begun the first phase of filling the dam's reservoir. Further moves by Ethiopia to advance the dam's operability could complicate efforts to reach a settlement with Egypt and heighten tension between the two countries.

Egypt also faces possible instability on its western border with Libya after threatening to intervene in the country's civil war. Egypt supports the Libyan National Army (LNA) which has lost considerable ground to forces of the Government of National Accord (GNA) backed by its regional rival Turkey. Egypt's parliament recently approved possible government intervention in Libya should GNA forces take Sirte, a strategic port city. Not limited to these specific challenges, economic, geopolitical and stability risks could have a destabilizing effect on Egypt and on the investment activities of the Fund.

Risks of Emerging Markets Generally

Investment in emerging and frontier markets such as Egypt may involve a greater degree of risk than an investment in more developed countries. Among other things, investments in Egyptian treasury notes may carry the risks of less publicly available information, more volatile markets, less strict market regulation, less favorable tax provisions, a greater likelihood of severe inflation, unstable currency, war, and

expropriation of personal property than investments in securities of issuers based in more developed countries. Moreover, Egyptian treasury notes may not be rated by reputable credit agencies and even if rated, investing in Egyptian treasury notes may generally be regarded as predominantly speculative and involving major risk exposure to adverse conditions. Furthermore, many emerging markets are large debtors to commercial banks, foreign governments and international financial organizations or have encountered difficulties in servicing their external debt obligations. These difficulties have led many emerging markets to agreements to restructure their debts, typically by rescheduling principal payments, reducing interest rates and principal amounts and extending new credit to finance interest payments on existing debt. Some emerging market countries have not been able to make payments of interest on or principal of their sovereign debt as such payments have come due and some have declared moratoriums on the payment of principal or interest on outstanding debt. These risks may be inherent to an investment in Egyptian treasury notes.

Political Climate

By investing in Egyptian treasury notes, the Fund will be exposed to the direct or indirect consequences of political, social, and economic changes in Egypt. Egypt has historically been subject to political instability and their economic prospects are tied to the continuation of economic and political liberalization of its country. Political unrest following the revolution in 2011 have impacted and continue to impact Egypt's economic recovery. These political shifts as well as Egypt's economic status, as reflected by, among other things, its inflation rate, the amount of its external debt and its GDP, could affect the government's willingness or ability to make or provide for timely payments of its sovereign debt obligations. Moreover, regional unrest to which Egypt is central by virtue of its geographic and political influence poses security concerns that could destabilize its markets. Instability may result from factors such as government or military intervention in decision-making, terrorism, civil unrest, extremism or hostilities between neighboring countries. An outbreak of hostilities could result in substantial losses for the Fund. Additionally, extremist groups in Egypt have traditionally held anti-Western views and are opposed to openness to foreign investment. If these movements gain strength, they could have a destabilizing effect on the investment activities of the Fund.

Credit Risk

In addition to the political constraints to which Egypt is subject, its ability to repay principal and interest on Egyptian treasury notes in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign reserves, the availability of sufficient foreign exchange on the date payment is due, the relative size of its debt service burden to its economy as a whole and the government's continued policy towards the IMF. The Egyptian government may not be able or willing to repay principal and/or interest on Egyptian treasury notes

when due in accordance with the terms of such debt if it is dependent on expected disbursements from foreign governments, multilateral agencies and others abroad to reduce principal and interest arrearages on their debts. The commitment on the part of these governments, agencies and others to make such disbursements may be conditioned on the implementation of economic reforms and/or economic performance and the timely service of Egypt's debtor obligations. Failure to implement such reforms, achieve such levels of economic performance or repay principal or interest when due may result in the cancellation of any third parties' commitments to lend funds to Egypt, which may impair its ability or willingness to timely service its debts.

The ability to service Egyptian treasury notes may also be influenced by Egypt's export performance and its access to international credits and investments. Should its exports be concentrated in a few commodities, it could be vulnerable to a decline in the international prices of one or more of such commodities. Increased protectionism on the part of Egypt's trading partners could also adversely affect its exports. Such events could diminish its trade account surplus, if any. To the extent that Egypt receives payment for its exports in currencies other than the U.S. Dollars, its ability to make debt payments denominated in the U.S. Dollars could also be adversely affected. If Egypt develops a trade deficit or cannot generate a trade surplus, it may need to depend on loans from foreign governments, multilateral organizations or private commercial banks, aid payments from foreign governments and inflows of foreign investment to service its Egyptian treasury notes. Egypt's access to such external funding is not certain, and withdrawal of such external funding could adversely affect payments to the Fund.

In addition, if the Egyptian treasury notes held by the Fund carry interest rates that are adjusted periodically based upon international interest rates, costs to Egypt of servicing its debt could be affected by a change in international interest rates. Fluctuations in the level of international reserves may also affect the amount of foreign exchange available to Egypt, limiting its capacity to make payments on its sovereign debt.

Limited Recourse in Event of Default

The Fund may have limited legal recourse in the event of a default on Egyptian treasury notes. Unlike remedies available for private debt, bankruptcy, moratorium, and other similar laws may be precluded, or limited, under principles of sovereign immunity in the event of default or if available, may need to be pursued in the courts of Egypt alone. In addition, any judgments obtained may be difficult to enforce. In the event of default, the Fund may be requested to participate in the rescheduling of Egypt treasury note debt and to extend further loans to Egyptian government entities. Investments in Egyptian treasury notes also involve the risk that the Egyptian government may have limited, or no, liability to pay its debt obligations under any applicable law. Accordingly, the political context, expressed as the Egypt

government's willingness to meet the terms of its debt obligations, could be of considerable importance in the event of default.

Limited Secondaries Market

The secondary market for Egyptian treasury notes is limited. Such reduced secondary market liquidity may have an adverse effect on the market price of Egyptian treasury notes and on the Fund's ability to dispose of Egyptian treasury notes when necessary to meet its liquidity requirements or in response to specific economic events such as deterioration in the creditworthiness of the Egyptian government. Reduced secondary market liquidity for Egyptian treasury notes may also make it more difficult for the Fund to obtain accurate market quotations for the purpose of valuing its portfolio. Market quotations are generally available on many sovereign debt obligations only from a limited number of dealers and may not necessarily represent firm bids of those dealers or prices for actual sales.

Currency Risks

Investing in Egyptian treasury notes involves risks related to (i) fluctuations in the rate of exchange between US Dollars and Egyptian Pounds, (ii) nonconvertibility of Egyptian Pounds which can result in the inability to repatriate funds and (iii) costs associated with currency conversion. The value of the Fund's investments is dependent on the exchange rate between US Dollars and Egyptian Pounds. While the Fund will invest all of its assets in the instruments denominated in Egyptian Pounds, it accepts subscription amounts and values its assets in U.S. Dollars. Thus, the value of the Fund's assets will fluctuate with U.S. Dollar-Egyptian Pound exchange rates. An increase in the value of the U.S. Dollar compared to the Egyptian Pound, for example, will reduce the effect of any increases and magnify the effect of any decreases in the value of Egypt treasury notes and may result in a loss to the Fund. Conversely, a decrease in the value of the U.S. Dollar will have the opposite effect on the Fund's Egyptian treasury notes holdings. The Fund may be subject to additional risks related to currency exchange controls. Because exchange rate control is of great importance to issuing governments, such as Egypt and influences economic planning and policy, the value of Egyptian treasury notes can be negatively affected by government exchange controls, blockages, and manipulations or exchange restrictions imposed by Egypt. Such government actions can result in losses to the Fund if it is unable to deliver or receive currency or funds in settlement of obligations. The Fund will also likely incur costs in connection with conversions between U.S. Dollars and Egyptian Pounds. Non-U.S. currency exchange dealers realize a profit based on the difference between the prices at which they are buying and selling Egyptian Pounds and U.S. Dollars. Thus, a dealer normally will offer to sell Egyptian Pounds to the Fund at one rate, while offering a lesser rate of exchange should the Fund desire immediately to resell Egyptian Pounds to the dealer. The Fund will conduct its currency exchange transactions on a spot (i.e., cash) basis at the spot rate prevailing in the currency

exchange market. It is anticipated that most of the Fund's currency exchange transactions will occur at the time non-U.S. investments are purchased and will be executed through the local broker or custodian acting for the Fund.

Investment and Return Restrictions

Prior governmental approval for foreign investments may be required in Egypt. Additionally, some attractive government securities in Egypt may not be available to the Fund because U.S. investors may already be holding the maximum amount permitted under Egypt's current laws or because of Egypt's minimum eligibility requirements for investing in certain types of Egyptian sovereign debt. Accordingly, the Fund's investment opportunities may be limited to those described in its Offering Documents. Moreover, the Fund could face hurdles in obtaining its return on investment because repatriation of investment income in Egyptian treasury notes by foreign investors may require governmental registration and/or approval. The Fund could be adversely affected by delays in or a refusal to grant any required governmental registration or approval for such repatriation or by withholding taxes imposed by Egypt on interest or dividends paid on securities held by the Fund or gains from the disposition of such securities.

Taxation

Taxation of dividends, interest, capital gains, other income and gross sale or disposition proceeds may vary in Egypt as compared to more developed countries such as the United States or the United Kingdom. In addition, Egypt may have less well-defined tax laws and procedures. There may be a possibility of expropriation, confiscatory taxation and imposition of withholding or other taxes on dividends, interest, capital gains, other income and gross sale or disposition proceeds on the Egyptian treasury notes. Investors should consult with local Egyptian counsel to fully understand the tax risks associated with an investment in the Fund.

FUNDS RISKS

Tax Liability Without Distributions for Caravel Fund Investors

Caravel Fund Investors will be liable to pay taxes on their allocable shares of the Fund's taxable income. Taxable income can be expected to differ from profit, primarily because generally only realized gains and losses are considered for income tax purposes but profit and loss will include unrealized gains and losses. It is possible that sales of appreciated securities in a particular period could cause some Fund Investors to have taxable gain for that period at the same time that unrealized losses result in an overall loss. It will generally be necessary for Fund Investors to pay such tax liabilities out of separate funds or withdrawals from the

Fund. There are significant limitations on a Fund Investor's right to withdraw funds from the Fund.

Illiquidity of Interests in the Caravel Fund

An investment in the Fund is relatively illiquid and is not suitable for an investor who needs liquidity. There is no public market for interest (nor is any public market expected to develop for such interests) and the Offering Documents impose significant limitations on Investors' abilities to transfer interests. In addition, rights to withdraw funds from the Fund are subject to limitations. Caravel may consent (or, in its sole and absolute discretion, decline to consent) to deviations from one or more of the procedures or limitations regarding withdrawals. Caravel has the discretion to cause the Fund to deliver amounts withdrawn in-kind rather than cash. The securities delivered may be relatively illiquid and the Investor would bear the risk of a decline in their value after the effective time of his or her withdrawal. These facts, taken together, will significantly affect the liquidity of an Investor's investment in the Fund.

Potential Mandatory Withdrawal.

Caravel may, in its sole discretion at any time, require a Caravel Fund Investor to withdraw all or a portion of his or her capital account. Such a mandatory withdrawal could result in adverse tax and/or economic consequences to such Caravel Fund Investor.

ITEM 9 – DISCIPLINARY INFORMATION

Neither Caravel nor any of its officers or employees have been sanctioned or disciplined by any federal securities or commodities regulatory agency, self-regulatory organization or state for any violation of their statutes, regulations or rules nor have they ever been involved in any civil or criminal action relating to any violation of the federal or state securities or commodities laws.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Neither Caravel nor its affiliates or employees are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

Neither Caravel nor its affiliates or employees is registered or has an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Caravel does not recommend or select other investment advisers for the Caravel Fund.

ITEM 11 – CODE OF ETHICS, PARTICIPATION/INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Pursuant to Rule 204A-1 of the Advisers Act, Caravel has adopted a Code of Ethics (the “**Code**”) that establishes various procedures with respect to investment transactions in accounts (“**Covered Accounts**”) in which any of Caravel’s employees have discretionary investment authority or exercise effective influence or control.

Caravel’s Code was adopted to avoid possible conflicts of interest, avoid the inappropriate use of material, non-public information and ensure the propriety of its employees’ and its principals’ trading activity. A copy of Caravel’s Code is available to any client or prospective client upon request.

The foundation of the Code is based on the underlying principles that:

- Employees must at all times place the interests of the client first;
- Employees must make sure that all personal securities transactions are conducted consistent with the Code; and
- Employees should not take inappropriate advantage of their position.

Covered Account transactions in certain types of securities require pre-approval by the CCO. Employees must also obtain pre-approval from the CCO before participating in an initial public offering or private placement.

Covered Account transactions are subject to review by Caravel’s CCO. These records are used to monitor compliance with the foregoing policies.

Gifts and Entertainment, Political Activities and Outside Activities

The Code provides that gifts and entertainment must be reasonable in light of industry practices and should never be given or received if the purpose is to influence the recipient. Caravel requires access persons to report or receive approval for the receipt or giving of gifts and entertainment under certain circumstances.

The Code also generally prohibits access persons or immediate family members from making certain political contributions or engaging in certain campaign-related fundraising activities. This policy is intended to prevent scenarios whereby an access person may make a contribution or engage in an activity for the selection of Caravel as an investment adviser for a governmental equity.

Finally, the Code provides that, without prior approval, access persons are generally not permitted to engage in certain types of outside business activities. This policy is intended to prevent material conflicts of interest that could arise from an access person's personal activities.

Privacy Policy

Caravel is committed to maintaining the confidentiality, integrity and security of its Investors' personal information. It is Caravel's policy to collect only information necessary or relevant to its management business and use only legitimate means to collect such information. Caravel does not disclose any non-public, personal information about its underlying Investors to anyone except for servicing and processing transactions and as required by law. Caravel restricts access to non-public, personal information about its Investors to those employees with a legitimate business need for the information. Caravel maintains security practices, physical, electronic and procedural safeguards to guard each Investor's non-public, personal information. Upon request, Caravel will provide a copy of its written privacy policies and procedures.

ITEM 12 – BROKERAGE PRACTICES

Caravel has complete discretion in deciding which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and commissions or markups and markdowns paid.

Portfolio transactions for the Fund will be allocated to brokers and dealers on the basis of numerous factors and not necessarily lowest pricing. Brokers and dealers may provide other services that are beneficial to Caravel and/or certain accounts, but not beneficial to all accounts. Subject to best execution, in selecting brokers and dealers (including prime brokers) to execute transactions, provide financing and securities on loan, hold cash and short balances and provide other services, Caravel may consider, among other factors that are deemed appropriate to consider under the circumstances, the following: the ability of the brokers and dealers to effect the transaction; the brokers' or dealers' facilities, reliability and financial responsibility; and the provision by the brokers of capital introduction, talent introduction, marketing assistance, consulting with respect to technology, operations and equipment, commitment of capital, access to company management and access to deal flow.

Accordingly, the prices and commission rates (or dealer markups and markdowns arising in connection with riskless principal transactions) charged to the Fund by brokers or dealers in the foregoing circumstances may be higher than those charged by other brokers or dealers that may not offer such services. Caravel need not solicit

competitive bids and does not have an obligation to seek the lowest available commission cost or spread. Generally, neither Caravel nor the Fund separately compensates any broker or dealer for any of these other services.

Caravel maintains policies and procedures to review the quality of executions, including periodic reviews by its investment professionals.

Trade Aggregation and Allocation Policies and Procedures

It will be the policy of Caravel to allocate investment opportunities to the Fund on a fair and equitable basis, to the extent practical and in accordance with the Fund's investment strategies, over a period of time. Investment opportunities will generally be allocated among those accounts for which participation in the respective opportunity is considered appropriate, taking into account, among other considerations: whether the risk-return profile of the proposed investment is consistent with an account's objectives, the potential for the proposed investment to create an imbalance in an account's portfolio, the liquidity requirements of an account, potentially adverse tax consequences, regulatory restrictions that would or could limit an account's ability to participate in a proposed investment, and the need to re-size risk in an account's portfolio.

Caravel will have no obligation to purchase or sell a security for, enter into a transaction on behalf of, or provide an investment opportunity to, the Fund solely because the Firm purchases or sells the same security for, enters into a transaction on behalf of, or provides an opportunity to, another account or fund if, in its reasonable opinion, such security, transaction or investment opportunity does not appear to be suitable, practicable or desirable for the Fund or the other account.

In particular, when a particular fund or client account is ramping up its investment or trading strategies, it may receive larger allocations of certain securities than the other accounts in order to obtain its desired risk and portfolio size. Conversely, when other accounts ramp up their investment and trading strategies, the fund may receive reduced or no allocations of certain securities.

Trade Errors

Trade errors involving transactions in any account directly or indirectly held by the Fund or any derivatives contract or other similar agreement of the Fund and/or any trading vehicle (each, a "**Trade Error**") may occur. Trade Errors include the placement of orders (either purchases or sales) in excess of, or less than, the amount of securities the account intended to trade; the sale of a security when it should have been purchased; the purchase of a security when it should have been sold; the

purchase or sale of the wrong security; and the purchase or sale of a security for the wrong account and the post-settlement discovery of such purchase or sale. Trades implemented as a result of faulty data, systems, coding, modeling or analysis, trades that are properly executed but result in losses, errors committed by other persons (including brokers and custodians), or that are otherwise caused by human error other than those specifically described above, are not considered Trade Errors. The loss of an investment opportunity is not considered a Trade Error.

Such errors may result in losses or gains. Caravel will use reasonable efforts to detect such errors prior to settlement and promptly correct them. To the extent that an error is caused by a counterparty, such as a broker-dealer, Caravel will use reasonable efforts to recover any losses associated with such error from the counterparty.

Pursuant to the exculpation and indemnification provided by the Fund to Caravel and its affiliates and personnel, Caravel and its affiliates and personnel will generally not be liable to the Fund for any act or omission, absent bad faith, gross negligence, willful misconduct, or actual fraud of such person, and the Fund will generally be required to indemnify such persons against any losses they may incur by reason of any act or omission related to the Fund, absent bad faith, gross negligence, willful misconduct or actual fraud of such person. As a result of these provisions, the Fund (and not Caravel) will benefit from any gains resulting from Trade Errors and other errors and will be responsible for any losses (including additional trading costs) resulting from Trade Errors and other errors, absent bad faith, gross negligence, willful misconduct or actual fraud of the relevant person. Caravel will not offset any such gains and losses resulting from Trade Errors and other errors unless the underlying transactions constitute a single transaction or closely related series of transactions. Caravel will reimburse the Fund for losses for which the Firm is responsible under the exculpation provisions. Given the potentially large volume of transactions executed by Caravel on behalf of the Fund, Investors should assume that Trade Errors and other errors will occur and that, to the extent permitted by applicable law and under the Fund's Offering Documents, the Fund will be responsible for any resulting losses, even if such losses result from the negligence (but not gross negligence) of Caravel's personnel.

ITEM 13 – REVIEW OF ACCOUNTS

Caravel will review the Fund's investments on a regular basis with a view to evaluating, among other things, economic developments, industry outlook and other issues related to the investments.

Caravel will provide the investors in the Caravel Fund with the following reports: (i) audited annual financial statements; (ii) quarterly unaudited performance reports; and (iii) annual tax information necessary to complete any applicable tax returns.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Caravel may engage a third-party placement agent to introduce prospective investors to the Fund and to any future clients. Caravel expects to agree on terms with any prospective investor on how the placement agent fees will be paid.

ITEM 15 – CUSTODY

Caravel is deemed to have custody of the assets of the Fund. Therefore, in order to comply with Rule 206(4)-2 of the Advisers Act (the “Custody Rule”), Caravel complies with the pooled vehicle annual audit provision. Annually, upon completion of the annual audit of the Fund, Caravel shall seek to ensure that the audited financial statements are delivered to Investors in the Caravel Fund within 120 days of the Caravel Fund’s fiscal year end. The audited financial statements will be prepared by an independent accounting firm that is registered with and subject to review by the Public Company Accounting Oversight Board (“PCAOB”), in accordance with U.S. Generally Accepted Accounting Principles (“GAAP”). Investors should carefully review these audited financial statements.

ITEM 16 – INVESTMENT DISCRETION

Caravel will have investment discretion in managing the investments of the Fund. The terms of these investments as well as the investment strategy and guidelines around the use of this discretion are described in detail in the Caravel Fund’s Offering Documents.

Caravel will assume investment discretion and day-to-day operations over the Caravel Fund by virtue of the execution of the limited partnership agreement of the Caravel Fund by each Investor in the Caravel Fund.

ITEM 17 – VOTING CLIENT SECURITIES

Based on the strategy of the Caravel Fund, Caravel does not expect to vote proxies. Nevertheless, if such occasion may arise, Caravel has established proxy voting policies and procedures designed to ensure that proxies, to the extent Caravel has been delegated authority to vote such proxies on behalf of the Fund and elects to vote, are voted in the best interest of the Fund. When voting proxies, Caravel must identify and address material conflicts that may arise between Caravel’s interests and those of the Fund. Specifically, Caravel monitors the potential for conflicts of interest that might arise from personal relationships that Caravel or its employees

may have with parties involved in the vote, significant Investor relationships with those parties, and other special circumstances.

Caravel will vote proxies as it deems necessary or appropriate, on a case by case basis. Prior to voting, the CCO will determine whether the conflict is material to the vote and will either resolve the conflict or refer the proxy vote to an outside service for its independent consideration.

Investors in the Caravel Fund may also contact Caravel via e-mail or telephone to request a copy of its proxy voting policy.

Class Action Participation Procedures

To the extent that Caravel has discretion to participate in class action lawsuits filed against issuers in which its clients are invested, Caravel may participate in such class action lawsuits if it believes that such participation is in the best interest of its clients on a case-by-case basis.

ITEM 18 – FINANCIAL INFORMATION

Registered investment advisers are required in this Item to provide certain financial information or disclosures about the registered investment adviser's financial condition. Caravel has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.