

ITEM 1 – Cover Page

Dark Horse Capital Management LLC

285 Wilmington West Chester Pike, Floor 2
Chadds Ford, PA 19317

Telephone: (610) 616-5370

March 31, 2023

This brochure provides information about the qualifications and business practices of Dark Horse Capital Management LLC (the “**Adviser**”). If you have any questions about the contents of this brochure, please contact us at (610) 616-5370. The information contained in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

The Adviser is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). Please note that registration with the SEC does not imply a certain level of skill or training.

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

ITEM 2 – Material Changes

There have been no material changes since the initial brochure.

At least annually, we will provide you a summary of the material changes made to our Brochure or a complete copy of the updated Brochure. At any time, you can request a complete copy of the brochure by contacting us at info@DarkHCM.com. You can also obtain a copy by going to the SEC's website at www.adviserinfo.sec.gov. This section describes material changes made to our Brochure since the last annual update.

ITEM 3 – Table of Contents

	<u>PAGE</u>
ITEM 1 – Cover Page	1
ITEM 2 – Material Changes	2
ITEM 3 – Table of Contents	3
ITEM 4 – Advisory Business.....	4
ITEM 5 – Fees and Compensation.....	4
ITEM 6 – Performance-Based Fees and Side-by-Side Management	6
ITEM 7 – Types of Clients.....	7
ITEM 8 – Methods of Analysis, Investment Strategies and Risk of Loss	7
ITEM 9 – Disciplinary Information.....	25
ITEM 10 – Other Financial Industry Activities and Affiliations	25
ITEM 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	25
ITEM 12 – Brokerage Practices.....	25
ITEM 13 – Review of Accounts	26
ITEM 14 – Client Referrals and Other Compensation	26
ITEM 15 – Custody	27
ITEM 16 – Investment Discretion	27
ITEM 17 – Voting Client Securities.....	27
ITEM 18 – Financial Information.....	27

ITEM 4 – Advisory Business

Dark Horse Capital Management LLC (“Advisor” or “Dark Horse”), a Delaware limited liability company, is a Pennsylvania-based firm that provides investment advisory and other services. Dark Horse commenced operations in 2018. The controlling member of Dark Horse is Casey J. (“C.J.”) Martin.

The Adviser provides investment advisory services to private funds and separately managed accounts (“SMA”). The Adviser’s current SMA Clients are single investor funds.

The Adviser serves as the investment adviser to Dark Horse Fund I LP (the “Fund”). The general partner for the Fund is C.J. Martin.

In addition, the Adviser will provide investment advisory services to the following types of clients (the “SMA Clients” and together with the Fund, “Funds”) (please see Item 7 of this Brochure for more information on client requirements):

Institutions:

- Fund of hedge funds, endowments, foundations, corporations, insurance companies, and registered investment advisors (“RIA”)

Quasi-Institutions:

- Multi-family offices and single-family offices

High Net-Worth Individuals

- Cash accounts and retirement accounts

The Adviser will manage these accounts on a discretionary basis pursuant to the obligations and restrictions set forth in the SMA Clients’ investment management agreements. Similar to the services provided to the Fund, the Adviser’s investment advice to SMA Clients will primarily focus on strategies outlined in ITEM 8.

ITEM 5 – Fees and Compensation

Investors in the Fund will generally be subject to (i) a monthly management fee, payable in advance equal to 1/12th of 1.75% (1.75% per annum) of such investor’s capital account balance as of the beginning of each month; and (ii) an annual performance allocation equal to 20% of each investor’s ratable share of the Fund’s profits for each year that such profits meet or exceed a 2.5% hurdle, but only to the extent that such profits exceed such investor’s “high water mark.” Management fees vary across SMAs based upon the specific strategy. For example, a single name

co-investment SMA will typically have a 0% management fee and a performance allocation equal to 10% of total net realized profits.

The Funds shall pay for all ordinary operating and other expenses, including, but not limited to:

- investment-related expenses (such as brokerage commissions, clearing and settlement charges, custodial fees, interest expenses, expenses relating to consultants, brokers or other professionals or advisors who provide research, advice or due diligence services with regard to investments, appraisal fees and expenses and investment banking expenses);
- research costs and expenses (including fees for news, quotation and similar information and pricing services);
- legal expenses (including, without limitation, the costs of on-going legal advice and services, blue sky filings and all costs and expenses related to or incurred in connection with Dark Horse's compliance obligations under applicable federal and state securities and related regulations arising out of its relationship to the Funds as well as extraordinary legal expenses);
- accounting fees and audit expenses;
- administrative fees;
- tax preparation expenses and any applicable tax liabilities (including transfer taxes and withholding taxes);
- other governmental charges or fees payable by the Funds;
- director and officer and/or errors and omissions liability insurance premiums or fiduciary liability insurance premiums for directors, officers and personnel of Dark Horse;
- costs of printing and mailing reports and notices;
- and other similar expenses related to the Funds, as Dark Horse determines in its sole discretion.

Dark Horse may elect to pay any of the foregoing expenses with its own resources for any period, in the sole discretion of Dark Horse, as applicable.

Dark Horse may, in its sole discretion, enter into arrangements with limited partners and clients under which the management fee or performance allocation is reduced, waived, or calculated differently with respect to such limited partners and clients, including, without limitation, limited partners and clients that are members, affiliates or employees of Dark Horse, members of the immediate families of such persons and trusts or other entities for their benefit, or limited partners and clients that make a substantial investment or otherwise are determined by Dark Horse in its sole discretion to represent a strategic relationship. Dark Horse may also offer increased or different information rights, withdrawal rights, or other rights through one or more letter agreements, the terms of which will not generally be disclosed to the limited partners and clients.

The Adviser may enter into arrangements with placement agents to solicit investors in the Funds, and such arrangements may provide for the compensation of such placement agents for their

services at the Adviser's expense. Currently, these fees range from 20% to 33% of net fees received by Dark Horse from the capital placed by such placement agent.

ITEM 6 – Performance-Based Fees and Side-by-Side Management

As noted above in Item 5, the Adviser may receive performance-based fees. See Item 10 below for information regarding certain potential conflicts of interest relating to the Adviser's current Clients, and how such potential conflicts are mitigated.

The Fund general partner shall receive a performance profit allocation (the "Performance Allocation") in an amount equal to twenty percent (20%) of the net profit allocated to each Fund limited partner during each calendar year for which such profit meets or exceeds a 2.5% net gain ("Hurdle"); provided that, the Performance Allocation shall be subject to a loss carry-forward provision, also known as a "high water mark," so that the Performance Allocation will only be deducted from a limited partner's capital account to the extent that such limited partner's allocation of such appreciation causes its capital account balance, measured on a cumulative basis and net of any losses, to exceed such limited partner's highest historic capital account balance as of the end of any prior year or, if higher, such limited partner's capital account balance immediately following its admission to the Fund.

Dark Horse shall receive a Performance Allocation in an amount equal to twenty percent (20%) of the net profit allocated to each SMA Client during each calendar year for which such profit meets or exceeds a 2.5% Hurdle; provided that, the Performance Allocation shall be subject to a high-water mark.

Dark Horse may, in its sole discretion, enter into arrangements with limited partners and clients under which the management fee or performance allocation is reduced, waived, or calculated differently with respect to such limited partners and clients, including, without limitation, limited partners and clients that are members, affiliates or employees of Dark Horse, members of the immediate families of such persons and trusts or other entities for their benefit, or limited partners and clients that make a substantial investment or otherwise are determined by Dark Horse in its sole discretion to represent a strategic relationship. Dark Horse may also offer increased or different information rights, withdrawal rights, or other rights through one or more letter agreements, the terms of which will not generally be disclosed to the limited partners and clients.

The Adviser will advise the Fund and SMA Clients that have substantially same or similar investment strategies. These accounts will pay management fees and performance fees that may differ in some circumstances. (Please Item 5 of this Brochure for more information on the Adviser's fees.)

As a result, the Adviser may have an incentive to favor certain accounts in the allocation of investment opportunities or otherwise treat preferentially those accounts that pay a higher fee level or greater fees overall. The Adviser may also have an incentive to recommend investments which may be riskier or more speculative than those which would be recommended under a non-performance-based fee arrangement.

The Adviser has policies and procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent such conflicts from influencing the selection and allocation of investment opportunities among clients.

ITEM 7 – Types of Clients

As noted above under “Advisory Business”, Dark Horse’s investment advisory clients include pooled investment vehicles (other than investment companies and business development companies). The limited partners of the Fund and SMA Clients may include corporations, endowments, foundations, financial institutions, trusts, estates, fund-of-funds, individuals and pension and profit-sharing plans.

Minimum Investment Requirements

Generally, the minimum commitment requirement required of an investor to invest in a Fund is \$1,000,000. The general partners of each Fund, in their sole discretion, have in the past and may in the future, in their sole discretion, waive or decrease the foregoing minimum commitment requirement on a case-by-case basis.

ITEM 8 – Methods of Analysis, Investment Strategies and Risk of Loss

The Fund’s investment objective is to generate absolute returns through the application of a research-intensive, catalyst-driven approach to investing opportunistically in deep value equity and distressed corporate debt opportunities.

The Fund’s investment objective is based on identifying structural change to proactively highlight investment themes and opportunities with a defined corporate event and/or cyclical trend. The specific investment is focused on misunderstood small & mid-capitalization companies that are subject to such change and capitalizing (long and short) on the opportunities inherent with such change. Examples of thematic structure change are the following:

- Regulatory change
- Corporate actions (M&A, public LBOs, spin-offs, asset dispositions, litigation)
- Industry consolidation
- Macro events creating micro-level impacts
- Post-reorganization equity

Thematic structural change acts as an embedded tailwind for all investments. When an investment meets the minimum criteria established by the Dark Horse Research Process, it is then compared to other positions in the portfolio based upon Dark Horse’s Return Ratio methodology. The ratio provides quantitative guidance for the position size and is continuously monitored and evaluated. As the market price of the security approaches fair value, the decreasing ratio acts as signal to begin trimming/exiting the position.

The investment strategy will be executed via the purchase (or sale/short) of various forms of credit instruments (revolvers, term loans, bonds, convertibles, and swaps), equity instruments (common, preferred, and warrants), and/or futures and options, although the Advisor may opportunistically use other instruments or assets in executing the Fund’s investment program.

General Investment Risks

Investment success depends on the Advisor's ability to implement its investment strategy. Any factor that would make it more difficult to execute timely trades, such as a significant lessening of liquidity in a particular market, may also be detrimental to profitability. No assurance can be given that the investment strategies to be used by the Funds will be successful under all or any market conditions.

A potential investor should note that the prices of the securities and other instruments in which the Funds invests may be unavailable. Market movements are difficult to predict and are influenced by, among other things, government trade, fiscal, monetary and exchange control programs and policies; changing supply and demand relationships; national and international political and economic events; changes in interest rates; and the inherent volatility of the marketplace. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. The effects of governmental intervention may be particularly significant at certain times in the financial instrument and currency markets, and such intervention (as well as other factors) may cause these markets and related investments to move rapidly.

Investment and Trading Risks. All investments involve the risk of a loss of capital. The Advisor believes that the Funds' investment program and its research and risk- management techniques moderate this risk through the careful selection of portfolio investments. No guarantee or representation is made that the Funds' investment program will be successful, and investment results may vary substantially over time.

Strategy Risks

Special Situations. The Funds may invest in the securities of issuers involved in (or the targets of) acquisition attempts or tender offers or involved in or undergoing work-outs, liquidations, spin-offs, reorganizations, bankruptcies or other catalytic changes or similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction will be unsuccessful or unconsummated, will take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Funds of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Funds may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled issuers in which the Funds may invest, there is a potential risk of loss by the Funds of its entire investment in such issuers.

Event Driven Investing. The goal of event-driven investments is to understand the precise nature of the mispricing of the security, determine the magnitude of the value dislocation and identify the catalyst(s) or event(s) that will narrow the gap between the prevailing market price of the security and the investor's assessment of fair value. Event driven investing requires deep fundamental analysis and for the investor to make assumptions about (i) the likelihood that an event will occur and (ii) the impact such event will have on the value of a company's securities. If the event fails to occur or it does not have the effect foreseen, losses

can result. Because of the inherently speculative nature of event driven investing, the results of the Funds's operations may be expected to fluctuate from period to period.

Designated Investments. The Funds may invest part of its assets in investments that the Advisor believes either lack a readily assessable market value or should be held until the resolution of a special event or circumstances (*i.e.*, Designated Investments). The Funds may not be able to readily dispose of Designated Investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time. For accounting purposes, Designated Investments and other assets and liabilities for which no such market prices are available will generally be carried on the books of the Funds at fair value according to the Funds's valuation policies. There is no guarantee that fair value will represent the value that will be realized by the Funds on the eventual disposition of the investment or that would, in fact, be realized upon an immediate disposition of the investment. A withdrawing Limited Partner with an interest in a Designated Investment will not receive any amount in respect of such interest until the related Designated Investment is realized or deemed realized.

Illiquid Investments. The Funds may invest in securities, loans or other assets for which no (or only a limited) liquid market exists or that are subject to legal or other restrictions on transfer (*i.e.*, Designated Investments). It may take the Funds longer to liquidate these positions (if they can be liquidated) than would be the case for more liquid investments. The prices realized on the resale of illiquid investments could be less than those originally paid by the Funds. The market prices, if any, for such assets tend to be volatile, and may fluctuate due to a variety of factors that are inherently difficult to predict including, but not limited to, changes in interest rates, prevailing credit spreads, general economic conditions, financial market conditions, domestic or international economic or political events, developments or trends in any particular industry, and the financial condition of obligors on the Funds's assets. The Funds may not be able to sell assets when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. The sale of illiquid assets and restricted securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale.

Restricted Securities. The Funds may invest in restricted securities that are subject to substantial holding periods or that are not traded in public markets (*e.g.*, Designated Investments). Restricted securities generally are difficult or impossible to sell at prices comparable to the market prices of similar securities that are publicly traded. No assurance can be given that any such restricted securities will be eligible to be traded on a public market even if a public market for securities of the same class were to develop. It is highly speculative as to whether and when an issuer will be able to register its securities so that they become eligible for trading in public markets.

Distressed Securities. The Funds may purchase, directly or indirectly, securities and other obligations of companies that are experiencing significant financial or business distress, including companies involved in bankruptcy or other reorganization and liquidation proceedings. Although such purchases may result in significant returns, they involve a

substantial degree of risk and may not show any return for a considerable period of time. The market prices of the securities of such issuers are also subject to abrupt and erratic market movements and above average price volatility, and the spread between the bid and asked prices of such securities may be greater than normally expected. It may take a number of years for the market prices of such securities to reflect their intrinsic values. In fact, many of these securities and investments ordinarily remain unpaid unless and until the company reorganizes and/or emerges from bankruptcy proceedings, and as a result may have to be held for an extended period of time. A wide variety of considerations, including, for example, the possibility of litigation between participants in a reorganization or liquidation proceeding or a requirement to obtain mandatory or discretionary consents from various governmental authorities or others, may affect the value of these securities and investments. The uncertainties inherent in evaluating such investments may be increased by legal and practical considerations that limit the access of the Advisor to reliable and timely information concerning material developments affecting a company, or that cause lengthy delays in the completion of the liquidation or reorganization proceedings. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial distress is unusually high. There is no assurance that the Advisor will correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful reorganization or similar action. In any reorganization or liquidation proceeding relating to a company in which the Funds invests, the Funds may lose its entire investment or may be required to accept cash or securities with a value less than the Funds's original investment.

Risks Associated with Bankruptcy Cases. The Funds's investment activities, particularly involving companies in distressed situations, may result in it becoming involved as a creditor in bankruptcy cases. In addition, the Funds may purchase securities or assets of, or claims against, companies in bankruptcy.

- Many of the events within a bankruptcy case are adversarial and often beyond the control of the creditors. While creditors generally are afforded an opportunity to object to significant actions, there can be no assurance that a bankruptcy court would not approve actions that may be contrary to the interests of the Funds.
- Generally, the duration of a bankruptcy case can only be roughly estimated. The reorganization of a company usually involves the development and negotiation of a plan of reorganization, plan approval by creditors and confirmation by the bankruptcy court. This process can involve substantial legal, professional and administrative costs to the company and the Funds; it is subject to unpredictable and lengthy delays; and during the process the company's competitive position may erode, key management may depart, and the company may not be able to reorganize and may be required to liquidate assets.
- The debt of companies in financial reorganization will in most cases not pay current interest, may not accrue interest during the reorganization and may be adversely affected by an erosion of the issuer's fundamental values. Such investments can result in a total loss of principal.

- U.S. bankruptcy law permits the classification of “substantially similar” claims in determining the classification of claims in a reorganization for purposes of voting on a plan of reorganization. Because the standard for classification is vague, there exists a significant risk that the Funds’s influence with respect to a class of securities can be lost by the inflation of the number and the amount of claims in, or other gerrymandering of, the class. In addition, certain administrative costs and claims that have priority over the claims of certain creditors (for example, claims for taxes) may be quite high.
- There are instances where creditors and equity holders lose their ranking and priority, such as when they take over management and functional operating control of a debtor. In those cases where the Funds, by virtue of such action, is found to exercise “domination and control” of a debtor, the Funds may lose its priority if the debtor can demonstrate that it was adversely impacted or other creditors and equity holders were harmed by the Funds.
- The Funds may purchase creditor claims subsequent to the commencement of a bankruptcy case. Under judicial decisions, it is possible that such purchase may be disallowed by the bankruptcy court if the court determines that the purchaser has taken unfair advantage of an unsophisticated seller, which may result in the rescission of the transaction (presumably at the original purchase price) or forfeiture by the purchaser.

Execution of Orders. The Funds’s trading strategies depend on the ability to establish and maintain an overall market position in a combination of financial instruments selected by the Advisor. The Funds’s trading orders may not be executed in a timely and efficient manner due to various circumstances, including, without limitation, systems failures or human error attributable to employees, brokers, agents or other service providers. In such events, the Funds might only be able to acquire some, but not all, of the components of such position, or if the overall position were to need adjustment, the Funds might not be able to make such adjustment. As a result, the Funds would not be able to achieve the market position selected by the Advisor, and might incur a loss in liquidating its position.

Operational Risks. The volume and complexity of the Funds’s transactions may place substantial burdens on the Advisor’s operational systems and resources, including those related to trade entry and execution, position reconciliation, corporate actions, collateral and margin maintenance, marking procedures, finance, accounting, profit and loss reporting, internal management and risk reporting and funds transfers. Human error, system failure or other problems with any of these processes could result in material losses or costs, which will generally be borne by the Funds.

Lack of Diversification. Although the Funds will structure its portfolio so that investments (both individually and in the aggregate) have desirable risk/reward characteristics and so that the Funds may be able to satisfy Limited partners’ requests for withdrawals, the Funds is not subject to any restrictions with respect to investments in any particular issuer, industry, geography or type of investment. The Funds intends to achieve a diversified portfolio of investments. However, the Funds could have a non-diversified portfolio and may have large

amounts of Funds assets invested in a small number of investments. Such lack of diversification substantially increases market risks and the risk of loss associated with an investment in the Funds.

Portfolio Turnover. The Funds may, from time to time, engage in short-term trading. Short-term trading refers to the practice of selling investments held for a short time, ranging from several months to less than a day. The objective of short-term trading is to take advantage of what the Advisor believes are changes in a market, industry or individual company. Short-term trading increases the Funds's transaction costs, which could affect the Funds's performance, and could result in higher levels of taxable realized gains to Limited partners.

Short Selling. The Funds may engage in short selling as part of its general investment strategy. Short selling involves selling securities that are not owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the Funds to profit from declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. However, because the borrowed securities must be replaced by purchases at market prices in order to close out the short position, any appreciation in the price of the borrowed securities would result in a loss upon such repurchase. The Funds's obligations under its short sales will be marked to market daily and collateralized by the Funds's assets held at the broker, including its cash balance and its long securities positions. Because short sales must be marked to market daily, there may be periods when short sales must be settled prematurely, and a substantial loss would occur. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Short-selling exposes the Funds to unlimited risk with respect to that security due to the lack of an upper limit on the price to which an instrument can rise. Short sales may be utilized to enhance returns and hedge the portfolio. The Funds anticipates that the frequency of short sales may vary substantially in different periods. There are no prescribed limits to the amount of Funds assets that may be subject to short sales.

Hedging. The Advisor on behalf of the Funds will not, in general, attempt to hedge all market or other risks inherent in their respective portfolio positions, and may hedge certain risks, if at all, only partially. The Funds may choose not, or may determine that it is economically unattractive, to hedge certain risks – either in respect of particular positions or in respect of its overall portfolio. The Funds's portfolio composition will commonly result in various directional market risks remaining unhedged.

Leverage and Margin Transactions. In order to raise additional cash for investment, the Funds may borrow money from banks and other sources and will pay interest thereon. Any investment gains made with the additional monies in excess of interest paid will cause the Net Asset Value of the Funds to rise faster than would otherwise be the case. On the other hand, if the investment performance of the additional investments purchased fails to cover their cost (including any interest paid on the money borrowed) to the Funds, the Net Asset Value of the Funds will decrease faster than would otherwise be the case. This is the speculative factor known as “leverage.” The amount of money the Funds may borrow is limited by applicable margin limitations imposed by regulations adopted by the Federal Reserve Board. The Funds may also purchase portfolio investments in uncovered margin transactions. In the event of

adverse market movements or other factors, the Funds may have to meet calls for substantial additional margin which may limit the Funds's assets available for other investments at an inopportune time. In addition, a change in the general level of interest rates may adversely affect the Funds.

Highly Volatile Instruments. The prices of financial instruments in which the Funds may invest can be highly volatile. Price movements of forward and other derivative contracts in which the Funds's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The Funds is subject to the risk of failure of any of the exchanges on which its positions trade or of their clearinghouses.

Failure of Broker-Dealers. Institutions, such as brokerage firms or banks, may hold certain of the Funds's assets in "street name." Bankruptcy or fraud at one of these institutions could impair the operational capabilities or the capital position of the Funds. In addition, as the Funds may borrow money or securities, the Funds will post certain of its assets as collateral securing the obligations ("**Margin Securities**"). The Funds's broker generally holds the Margin Securities on a commingled basis with margin securities of its other customers and may use certain of the Margin Securities to generate cash to fund the Funds's leverage, including pledging such Margin Securities. Some or all of the Margin Securities may be available to creditors of the Funds's broker in the event of its insolvency. The Funds's broker has netting and set off rights over all the assets held by it (which may indirectly include amounts held for the Funds's benefit in the special segregated bank account) to satisfy the Funds's obligations under its agreements with the Funds's broker, including obligations relating to any margin or short positions.

Default of Futures Commission Merchant. The Funds could be unable to recover assets held at any of its FCMs in the event of a bankruptcy of that FCM. Although FCMs are required to segregate customer accounts pursuant to the Commodity Exchange Act of 1974, as amended (the "**CEA**"), there is no equivalent of Securities Investors Protection Corporation insurance (applicable in the case of securities broker dealer bankruptcies) that would apply in the event of the FCM's bankruptcy. In such an event, an investor may suffer a total loss of all funds on deposit with a defaulting FCM.

The Advisor's Methodology. Trading decisions of the Advisor are on a discretionary basis using fundamental and/or technical analysis and no assurance can be given that such trading strategies used by the Advisor will be successful, or that losses could not occur. Trade duration can vary substantially from a few seconds to several months or longer. In entering orders into the Funds's accounts, the Advisor may use market, limit, stop, and other qualified orders, if in its judgment, that appears appropriate under given market conditions. In addition, when liquidating a position, the Advisor may place a reversal order (*i.e.*, the current position is liquidated and an opposite one is established).

FCM Margin Requirement Adjustments. Any or all of the Funds's FCMs may, in such FCM's sole discretion, raise the margin requirements applicable to the Funds upon minimal notice or no notice at all, and such margin requirement adjustments may occur at any time, including

during such periods in which the Funds's portfolio is undergoing a significant drawdown. A direct result of such an event is that the Funds may be forced to exit futures positions under extremely unfavorable conditions, thereby causing the Funds to incur substantial losses.

OTC Transactions. It is possible that the Funds may engage in transactions involving investments traded on "over the counter" ("*OTC*") markets. In general, there is less governmental regulation and supervision in the OTC markets than of transactions entered into on an organized exchange. In addition, many of the protections afforded to participants on some organized exchanges, such as the performance guarantee of an exchange clearinghouse, will not be available in connection with OTC transactions. This exposes the Funds to the risks that a counterparty will not settle a transaction because of a credit or liquidity problem or because of disputes over the terms of the contract. Therefore, to the extent that the Funds engages in trading on OTC markets, the Funds could be exposed to greater risk of loss through default than if it confined its trading to regulated exchanges.

Instruments Traded and Market Risks

Equity Securities. The value of the equity securities held by the Funds is subject to market risk, including changes in economic conditions, growth rates, profits, interest rates and the market's perception of these securities. While offering greater potential for long-term growth, equity securities are more volatile and riskier than some other forms of investment.

Debt and Other Income Securities. The Funds may invest in fixed-income and adjustable-rate securities. Income securities are subject to interest rate, market and credit risk. Interest rate risk relates to changes in a security's value as a result of changes in interest rates generally. Even though such instruments are investments that may promise a stable stream of income, the prices of such securities are inversely affected by changes in interest rates and, therefore, are subject to the risk of market price fluctuations. In general, the values of fixed income securities increase when prevailing interest rates fall and decrease when interest rates rise. Because of the resetting of interest rates, adjustable rate securities are less likely than non-adjustable rate securities of comparable quality and maturity to increase or decrease significantly in value when market interest rates fall or rise, respectively. Market risk relates to the changes in the risk or perceived risk of an issuer, industry, country or region. Credit risk relates to the ability of the issuer to make payments of principal and interest. The values of income securities may be affected by changes in the credit rating or financial condition of the issuing entities. Income securities denominated in non-U.S. currencies are also subject to the risk of a decline in the value of the denominating currency relative to the U.S. dollar.

The debt securities in which the Funds may invest are not required to satisfy any minimum credit rating standard and may include instruments that are considered to be of relatively poor standing and have predominantly speculative characteristics with respect to capacity to pay interest and repay principal. The Funds may invest in bonds rated lower than investment grade, which may be considered speculative. The Funds may also invest a substantial portion of its assets in high-risk instruments that are low rated, unrated or in default.

High-Yield Securities. The Funds may invest in high-yield securities. Such securities are generally not exchange traded and, as a result, these instruments trade in a smaller secondary

market than exchange-traded bonds. In addition, the Funds may invest in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments. (The Funds are not required to hedge, and may choose not to do so.) High-yield securities that are below investment grade or unrated face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities, which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such securities are often highly leveraged and may not have available to them more traditional methods of financing. It is possible that a major economic recession could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, it is possible that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default of such securities.

Small- and Medium-Capitalization Stocks. The Funds may invest its assets in stocks of companies with smaller market capitalizations. Small- and medium-capitalization companies may be of a less seasoned nature or have securities that may be traded in the over-the-counter market. These "secondary" securities often involve significantly greater risks than the securities of larger, better-known companies. In addition to being subject to the general market risk that stock prices may decline over short or even extended periods, such companies may not be well-known to the investing public, may not have significant institutional ownership and may have cyclical, static or only moderate growth prospects. Additionally, stocks of such companies may be more volatile in price and have lower trading volumes than larger capitalized companies, which results in greater sensitivity of the market price to individual transactions. Accordingly, investors in the Funds should have a long-term investment horizon.

Small- and medium-capitalization securities may be followed by relatively few securities analysts with the result that there tends to be less publicly available information concerning these securities compared to what is available for exchange-listed or larger companies. The securities of these companies have more limited trading volumes than those of larger issuers and may be subject to more abrupt or erratic market movements than the securities of larger, more established companies or the market averages in general, and the Funds may be required to deal with only a few market makers when purchasing and selling these securities. Transaction costs in small-and medium-capitalization stocks may be higher than those involving larger capitalized companies. Companies in which the Funds may invest may also have limited product lines, markets or financial resources and may lack management depth and may be more vulnerable to adverse business or market developments.

Exchange Traded Funds. The Funds may invest in a type of investment company called an exchange-traded fund ("**ETF**"). ETFs are a type of investment security, representing an interest in a passively managed portfolio of securities selected to replicate a securities index, such as the S&P 500 Index or the Dow Jones Industrial Average, or to represent exposure to a particular industry or sector. Unlike open-end mutual funds, the shares of ETFs and closed-end

investment companies are not purchased and redeemed by investors directly with the fund, but instead are purchased and sold through broker-dealers in transactions on a stock exchange. Because ETF and closed-end fund shares are traded on an exchange, they may trade at a discount from or a premium to the net asset value per share of the underlying portfolio of securities. As a relatively new type of security, the trading characteristics of ETFs may not yet be fully developed or understood by potential investors. In addition to bearing the risks related to investments in equity securities, investors in ETFs intended to replicate a securities index bear the risk that the ETFs performance may not correctly replicate the performance of the index. Investors in ETFs, closed-end funds and other investment companies bear a proportionate share of the expenses of those funds, including management fees, custodial and accounting costs, and other expenses. Trading in ETF and closed-end fund shares also entails payment of brokerage commissions and other transaction costs.

Exchange-traded Notes. The Funds may invest in exchange-traded notes (“**ETN**”). ETNs are senior, unsecured, unsubordinated debt securities whose returns are based on the performance of a particular market index or other reference asset minus applicable fees. ETNs are listed on an exchange and trade in the secondary market. However, an ETN can also be held until maturity, at which time the issuer pays a return linked to the performance of the market index or other reference asset to which the ETN is linked minus certain fees. ETNs do not make periodic coupon payments and principal typically is not protected.

The value of an ETN may be influenced by, among other things, time to maturity, level of supply and demand for the ETN, volatility and lack of liquidity in underlying markets, changes in applicable interest rates, the performance of the market index or other reference asset, changes in the issuer’s credit rating, and economic, legal, political or geographic events that affect the market index or other reference asset. ETNs are also subject to the counterparty credit risk of the issuer.

Convertible Securities. The Funds may invest in convertible securities (“**Convertibles**”) are generally debt securities or preferred stocks that may be converted into common stock. Convertibles typically pay current income as either interest (debt security convertibles) or dividends (preferred stocks). A Convertible’s value usually reflects both the stream of current income payments and the value of the underlying common stock. The market value of a Convertible performs like that of a regular debt security; that is, if market interest rates rise, the value of a Convertible usually falls. Since it is convertible into common stock, the Convertible generally has the same types of market and issuer risk as the underlying common stock. Convertibles that are debt securities are also subject to the normal risks associated with debt securities, such as interest rate risks, credit spread expansion and ultimately default risk, as discussed below. Convertibles are also prone to liquidity risk as demand can dry up periodically, and bid/ask spreads on bonds can widen significantly.

Derivative Investments. The Funds may invest in derivative instruments. Derivatives are financial contracts whose value depends on, or is derived from, an underlying product, such as the value of an index. The risks generally associated with derivatives include the risks that: (1) the value of the derivative will change in a manner detrimental to the Funds; (2) before purchasing the derivative, the Funds will not have the opportunity to observe its performance under all market conditions; (3) another party to the derivative may fail to comply with the

terms of the derivative contract; (4) the derivative may be difficult to purchase or sell; and (5) the derivative may involve indebtedness or economic leverage, such that adverse changes in the value of the underlying asset could result in a loss substantially greater than the amount invested in the derivative itself or in heightened price sensitivity to market fluctuations.

Derivatives markets can be highly volatile. The profitability of investments by the Funds in the derivatives markets depends on the ability of the Advisor to analyze correctly these markets, which are influenced by, among other things, changing supply and demand relationships, governmental, commercial and trade programs and policies designed to influence world political and economic events, and changes in interest rates.

Option Transactions. The Funds may engage in option transactions. The purchase or sale of an option by the Funds involves the payment or receipt of a premium payment and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying investment for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying investment does not change in price in the manner expected, so that the option expires worthless and the investor loses its premium. Selling options, on the other hand, involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying investment in excess of the premium payment received.

Currency trading is speculative and volatile. Currency prices are highly volatile. Price movements for currencies are influenced by, among other things: changing supply-demand relationships; trade, fiscal, monetary, exchange control programs and policies of governments; United States and foreign political and economic events and policies; changes in national and international interest rates and inflation; currency devaluation; and sentiment of the marketplace. Further, in currency markets specifically, fiscal, monetary, and exchange control programs and policies of governments play a large role in the fluctuation of prices between currency pairs. In addition, governments may from time to time intervene, directly and by regulation, in certain markets, particularly in the market for currencies. Such intervention is often intended to influence prices directly.

Inflation Risk. Due to a convergence of different economic factors, including scarcity of workers, pent-up demand and insufficient supply, inflation has recently hit a 30-year-high. High inflation may undermine the performance of the Funds's investments by reducing the value of such investments and/or the income received from such investments.

Currency trading presents unique risks. The currency market consists of a direct dealing market, in which a participant trades directly with a participating bank or dealer, and a brokers' market. The brokers' market differs from the direct dealing market in that the banks or financial institutions serve as intermediaries rather than principals to the transaction. In the brokers' market, brokers may add a commission to the prices they communicate to their customers, or they may incorporate a fee into the quotation of price.

Securities Regulations Concerning Private Placements. The Funds may invest in securities that are not registered under the Securities Act. The Funds will purchase such securities in reliance upon an exemption from registration pursuant to the provisions of the Securities Act

including those provided by Regulation D. Unless such securities are subsequently registered under the Securities Act, they may not be offered or sold except pursuant to an exemption therefrom, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities law. Therefore, securities purchased pursuant to such exemptions including Regulation D are often illiquid.

Interest Rate, Credit Default and Total Return Swaps. Swap agreements are types of derivatives. The Funds may enter into interest rate, credit default or total return swap transactions. Interest rate swaps involve the exchange by the Funds with another party of their respective commitments to pay or receive interest (for example, an exchange of floating rate payments for fixed-rate payments). In interest rate swap transactions, there is a risk that yields will move in the direction opposite of the direction anticipated by the Funds, which would cause the Funds to make payments to its counterparty in the transaction that could adversely affect Funds performance.

In a credit default swap transaction, the buyer of the swap receives credit protection, whereas the seller of the swap guarantees the credit worthiness of an entity. In addition to the risks applicable to swaps generally, credit default swap transactions involve special risks because they are difficult to value, are highly susceptible to liquidity and credit risk, and generally pay a return to the party that has paid the premium only in the event of an actual default by the issuer of the underlying obligation (as opposed to a credit downgrade or other indication of financial difficulty).

Total return swap transactions involve the exchange by the Funds with another party to pay or receive the total return of a defined asset in return for receiving or paying a stream of cash flows. In total return swap transactions, there are the risks that the counterparty will default on its payment obligation to the Funds in the transaction and that the Funds will not be able to meet its obligations to the counterparty in the transaction.

Non-U.S. Exchanges and Markets. The Funds may engage in trading on non-U.S. exchanges and markets. Trading on such exchanges and markets may involve certain risks not applicable to trading on U.S. exchanges and is frequently less regulated. For example, certain of those exchanges may not provide the same assurances of the integrity (financial and otherwise) of the marketplace and its participants, as do U.S. exchanges. There also may be less regulatory oversight and supervision by the exchanges themselves over transactions and participants in such transactions on those exchanges. Some non-U.S. exchanges, in contrast to U.S. exchanges, are “principals’ markets” in which performance is the responsibility only of the individual member with whom the trader has dealt and is not the responsibility of an exchange or clearing association. Furthermore, trading on certain non-U.S. exchanges may be conducted in such a manner that all participants are not afforded an equal opportunity to execute certain trades and may also be subject to a variety of political influences and the possibility of direct government intervention. Investment in non-U.S. markets would also be subject to the risk of fluctuations in the exchange rate between the local currency and the dollar and to the possibility of exchange controls. Foreign brokerage commissions and other fees are also generally higher than in the United States.

Currency Risk. The value of the Funds's assets may be affected favorably or unfavorably by changes in currency rates and exchange control regulations. Some currency exchange costs may be incurred when the Funds changes investments from one country to another. Currency exchange rates may fluctuate significantly over short periods of time. They generally are determined by the forces of supply and demand in the respective markets and the relative merits of investments in different countries, actual or perceived changes in interest rates and other complex factors, as seen from an international perspective. Currency exchange rates can also be affected unpredictably by intervention by governments or central banks (or the failure to intervene) or by currency controls or political developments. The Funds may invest in currencies directly and seek to mitigate the risk of currency exchange fluctuation through the active and systematic use of currency hedges.

Emerging Markets. The Funds may invest in securities associated with emerging markets. The securities markets of emerging countries are generally smaller, less developed, less liquid, and more volatile than the securities markets of the U.S. and developed foreign markets. Disclosure and regulatory standards in many respects are less stringent than in the United States and developed foreign markets. Accounting and auditing standards in many markets are different, and sometimes significantly differ from those applicable in the United States or Europe. There is substantially less publicly available information about companies located in emerging markets than there is about companies in other more developed jurisdictions. There also may be a lower level of monitoring and regulation of securities markets in emerging market countries and the activities of investors in such markets and enforcement of existing regulations has been extremely limited.

Many emerging countries have experienced substantial, and in some periods extremely high, rates of inflation for many years. Inflation and rapid fluctuations in inflation rates have had and may continue to have very negative effects on the economies and securities markets of certain emerging countries.

Economies in emerging markets generally are heavily dependent upon international trade and, accordingly, have been and may continue to be affected adversely by trade barriers, exchange controls, managed adjustments in relative currency values, and other protectionist measures imposed or negotiated by the countries with which they trade. The economies of these countries also have been and may continue to be adversely affected by economic conditions in the countries with which they trade. The economies of countries with emerging markets may also be predominantly based on only a few industries or dependent on revenues from particular commodities. In addition, custodial services and other costs relating to investment in foreign markets may be more expensive in emerging markets than in many developed foreign markets, which could reduce the Funds's income from such securities.

In many cases, governments of emerging countries continue to exercise significant control over their economies, and government actions relative to the economy, as well as economic developments generally, may affect the capacity of issuers of emerging country debt instruments to make payments on their debt obligations, regardless of their financial condition. In addition, there is a heightened possibility of expropriation or confiscatory taxation, imposition of withholding taxes on interest payments, or other similar developments that could affect investments in those countries. There can be no assurance that adverse

political changes will not cause the Funds to suffer a loss of any or all of its investments and, in the case of fixed- income securities, interest thereon.

Management Risks

Discretionary Decision-Making May Result in Missed Opportunities. The Funds's trading strategies do involve some discretionary aspects. Discretionary decision-making may result in failure to capitalize on certain price trends or unprofitable trades in a situation where a strictly systematic approach might not have done so.

Other Risks

Limited Operating History. The Funds has limited operating history upon which prospective investors can evaluate its likely performance. There can be no assurance that the Funds will achieve its investment objective.

Start-Up Periods. The Funds may encounter start-up periods during which it will incur certain risks relating to the initial investment of newly contributed assets. Moreover, the start-up periods also represent a special risk in that the level of diversification of the Funds's portfolio may be lower than in a fully invested portfolio.

Risk of Loss. A Limited Partner could incur substantial, or even total, losses on an investment in the Funds. An investment in the Funds is only suitable for persons willing to accept this high level of risk.

Effect of Performance Allocation. The General Partner will receive a Performance Allocation based on a percentage of any net realized and unrealized profits. Performance allocations may create an incentive for the Advisor to make investments that are riskier or more speculative than would be the case in the absence of such incentive compensation arrangements. In addition, the General Partner's performance allocations will be based on unrealized as well as realized gains except with respect to Designated Investments. There can be no assurance that such unrealized gains will, in fact, ever be recognized. Furthermore, the valuation of unrealized gain and loss may be subject to material subsequent revision.

Effect of Substantial Withdrawals. Substantial withdrawals by limited partners and clients within a short period of time could require the Funds to liquidate its investments more rapidly than would otherwise be desirable, possibly reducing the value of the Funds's assets and/or disrupting the Funds's investment strategies. Reduction in the Funds's size could make it more difficult to generate a positive return or to recoup losses due to, among other things, reductions in the Funds's ability to take advantage of particular investment opportunities or decreases in the ratio of its income to its expenses.

Lack of Liquidity. The Funds's withdrawal provisions place certain restrictions on the right of a Limited Partner to withdraw all or part of its Interest, transfer its Interest and pledge or otherwise encumber its Interest. Thus, it is unlikely that a Limited Partner will be able to liquidate its Interest in the event of an unanticipated need for cash. Interests may not be transferred or pledged except in compliance with significant restrictions on transfer as required by federal and state securities and commodities laws and as provided in the Funds

Agreement. The Funds Agreement does not permit a Limited Partner or Client to transfer or pledge all or any part of its Interest to any person without the prior written consent of the General Partner, the granting of which is in the General Partner's sole and absolute discretion. The Funds also has the discretion to deliver withdrawal proceeds in investments or securities rather than cash. These limitations, taken together, will significantly limit a Limited Partner's ability to liquidate an investment in the Funds quickly. As a result, an investment in the Funds would not be suitable for an investor who needs liquidity.

Suspension of Withdrawals and Deferment of Withdrawal Proceeds. In certain circumstances, the General Partner, in its sole and absolute discretion, may suspend the valuation of the Funds's property, the right or obligation to honor withdrawal requests (including the right to receive withdrawal proceeds), and/or extend the period for payment on withdrawal. In addition, the General Partner may suspend the right of withdrawal or postpone the date of payment for any period during which there is an extraordinary circumstance as determined in good faith by the General Partner.

Reserves. Under certain circumstances, the Funds may find it necessary to set up one or more reserves for contingent or future liabilities or valuation difficulties and, upon withdrawal by a Limited Partner, withhold a portion of that Limited Partner's withdrawal proceeds. This could happen, for example, if the Funds or the issuer of portfolio securities were involved in a dispute regarding the value of its assets, in litigation, or subject to a tax audit at the time the withdrawal request would otherwise be satisfied.

Tax Considerations; Distributions to Limited Partners and Clients and Payment of Tax Liability. It is not possible to provide here a description of all potential tax risks to a person considering investing in the Funds. Prospective investors are urged to consult their own legal counsel and tax advisors with respect thereto.

Lack of Insurance. The assets of the Funds are not insured by any government or private insurer except to the extent portions may be deposited in bank accounts insured by the Federal Deposit Insurance Corporation or with brokers insured by the Securities Investor Protection Corporation and such deposits and securities are subject to such insurance coverage. Therefore, in the event of the insolvency of a depository or custodian, the Funds may be unable to recover all of its funds or the value of its securities so deposited.

Side Letters. The General Partner may enter into agreements with certain limited partners and clients that will result in different terms of an investment in the Funds than the terms applicable to other limited partners and clients. As a result of such agreements, certain limited partners and clients may receive additional benefits which other limited partners and clients will not receive (*e.g.*, additional information regarding the Funds's portfolio, different withdrawal terms, or lower Management Fee rates or Performance Allocations). The General Partner will not be required to notify the other limited partners and clients of any such agreement or any of the rights and/or terms or provisions thereof, nor will the General Partner be required to offer such additional and/or different terms or rights to any other Limited Partner or Clients. The General Partner may enter into any such agreement with any Limited Partner and Clients at any time in its sole discretion.

Risks for Certain Benefit Plan Investors Subject to ERISA. Prospective investors that are benefit plan investors subject to ERISA and Department of Labor Regulations issued thereunder should read the section hereof entitled “*ERISA Considerations*” in its entirety for a discussion of certain risks related to an investment by benefit plan investors in the Funds.

Importance of General Economic Conditions. Overall market, industry or economic conditions, which the General Partner cannot predict or control, will have a material effect on performance.

Operational and Information Security Risk from Cyberattacks; Cyber-Fraud; Disaster Recovery. The Funds and its service providers may be subject to operational and information security risks resulting from cyberattacks. Cyberattacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial of service attacks on websites, the unauthorized release of confidential information or various other forms of cybersecurity breaches. Cyberattacks affecting the Funds, the General Partner, the Advisor, the Administrator, the Funds’s prime brokers, custodians and other third-party service providers may adversely impact the Funds. For instance, cyberattacks may interfere with the processing of investor transactions, impact the ability to calculate the Funds’s net asset values, cause the release of private investor information or other confidential information, impede trading, subject the Funds and its service providers to regulatory fines or financial losses and cause reputational damage. Similar types of cybersecurity risks are also present for other market participants, which may have material adverse consequences for the Funds, and may cause the Funds’s investments to lose value. The Funds may also be the target of cyber-fraud that could result in the theft of assets from the Funds, especially as computer malware, viruses and computer hacking, fraudulent use attempts and phishing and spoofing attacks have become more prevalent. The Funds and its service providers may incur additional costs relating to cybersecurity preparations, and such preparations, though taken in good faith, may be inadequate. Cyberattacks are viewed as an emerging risk and the scope of the risk and related mitigation techniques are not yet fully understood and are subject to continuing change.

While the Advisor has put in place certain safeguards in case of disruption of information technology, including transmission failures, there can be no guarantee that such measures will be effective against all situations or will be implemented in time and the Funds may be adversely affected thereby.

Coronavirus and Global Health Events. Epidemics, pandemics and other widespread public health problems could adversely affect the Funds’s performance. For example, in late 2019, a novel virus started causing a disease (“*COVID-19*”) with severe acute respiratory syndromes in humans, at times with serious health complications that sometimes result in death. As the final impact on global markets from COVID-19, or future epidemics, pandemics or other health crisis, is impossible to predict, the extent to which any such crisis may negatively affect the Funds’s performance or the duration of any potential business disruption is uncertain. Precautions or restrictions imposed by governmental authorities and public health departments related to this pandemic have resulted in and are expected to continue to result in indeterminate periods of decreased economic activity throughout the U.S. and globally, including reduced or ceased business operations, decline in international trade

and shortages of supplies, goods and services. An outbreak such as COVID-19, and the reactions to such an outbreak, have caused and are expected to continue to cause uncertainty in the markets and businesses and have adversely affected and are expected to continue to adversely affect the performance of the U.S. and global economy, including due to market volatility, market and business uncertainty and closures, supply chain and travel interruptions, the need for employees to work at external locations and extensive medical absences among the workforce. As a reaction to such an outbreak, governmental fiscal and economic measures have led, and will likely continue to lead to an increase in spending and other forms of financial stimuli, and it is difficult to predict what effect such measures will have on the U.S. and the global economy. Although vaccines for COVID-19 are being distributed, distribution is lagging and/or uptake is erratic in certain regions. In addition, certain “variants” of the coronavirus that causes COVID-19 have emerged, and may continue to emerge, and the effectiveness that the COVID-19 vaccines have, or will have, against such variants is unclear. It is impossible to predict when or whether the disruptions caused by the COVID-19 pandemic will end.

The impact that pandemics and other public health events will have on the performance of the Funds in particular is uncertain, and it will depend to a large extent on future developments and new information that may emerge regarding the duration and severity of the coronavirus or other health crisis, and the actions taken by authorities and other entities to contain such crisis or treat its impact, particularly in the United States, all of which are beyond the Advisor’s control.

Business Continuity. Various force majeure events, including acts of God, natural disasters such as fire, flood or earthquakes, wars, terrorist acts, outbreaks of infectious disease, epidemics, pandemics or other serious public health concerns, cyber-attacks, technology and/or power failures, labor strikes, or geopolitical or other extraordinary, or other unforeseen circumstances or events, may materially disrupt the Advisor’s business and operations, or the business and operations of any counterparty or service provider to the Advisor or the Funds, and the Funds may be adversely affected thereby. For example, if a significant number of the Advisor’s personnel were to be unavailable in a force majeure event (such as war, terror attack or an outbreak of infectious disease), the Advisor’s ability to effectively conduct the Funds’s business could be severely compromised. In addition, the cost to the Firm, the Advisor or its affiliates of repairing or replacing damaged assets or systems resulting from such force majeure event could be considerable. While the Advisor has adopted certain policies and procedures designed to restore and/or continue its business and operations in such situations, there is no guarantee that such policies and procedures will be effective in any of such situations or will be implemented in time, and the Funds may be adversely affected thereby.

Russia Disruption Risk. In late February 2022, Russia launched a large-scale military attack on Ukraine. The invasion significantly amplified already existing geopolitical tensions among Russia, Ukraine, Europe, and NATO countries generally, including the United States. In response to the military action by Russia, various countries, including the United States, the United Kingdom, and European Union issued broad-ranging economic sanctions against Russia. Such sanctions included, among other things, a prohibition on doing business with certain Russian companies, large financial institutions, officials and oligarchs; a commitment by certain countries and the European Union to remove selected Russian banks

from the Society for Worldwide Interbank Financial Telecommunications (“*SWIFT*”), the electronic banking network that connects banks globally; and restrictive measures to prevent the Russian Central Bank from undermining the impact of the sanctions. Additional sanctions may be imposed in the future. Such sanctions (and any future sanctions) and other actions against Russia have, and may in the future continue to, adversely impact, among other things, the Russian economy and various sectors of the economy, including but not limited to, financials, energy, metals and mining, engineering and defense and defense-related materials sectors; result in a decline in the value and liquidity of Russian securities; result in boycotts, tariffs, and purchasing and financing restrictions on Russia’s government, companies and certain individuals; weaken the value of the Ruble; downgrade the country’s credit rating; freeze Russian securities and/or funds invested in prohibited assets and impair the ability to trade in Russian securities and/or other assets; and have other adverse consequences on the Russian government, economy, companies and region. Further, several large corporations and U.S. states have announced, and some have executed, plans to divest interests or otherwise curtail business dealings with certain Russian businesses.

The ramifications of the hostilities and sanctions, however, may not be limited to Russia and Russian companies but may spill over to and negatively impact other regional and global economic markets of the world (including Europe and the United States), companies in other countries (particularly those that have done business with Russia) and on various sectors, industries and markets for securities and commodities globally, such as oil and natural gas. Accordingly, the actions discussed above and the potential for a wider conflict could increase financial market volatility, cause severe negative effects on regional and global economic markets, industries, and companies and have a negative effect on the Funds’s investments and performance beyond any direct exposure to Russian issuers or those of adjoining geographic regions. In addition, Russia may take retaliatory actions and other countermeasures, including cyberattacks and espionage against other countries and companies in the world, which may negatively impact such countries and the companies in which the Funds invests. Accordingly, there may be heightened risk of cyberattacks which may result in, among other things, disruptions in the functioning and operations of industries or companies around the world, including in the United States and Europe.

The extent and duration of the military action or future escalation of such hostilities, the extent and impact of existing and future sanctions, market disruptions and volatility, and the result of any diplomatic negotiations cannot be predicted. These and any related events could have a significant impact on the Funds’s performance and the value of an investment in the Funds, particularly with respect to Russian exposure, if any.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Firm. Prospective Limited Partners and SMA Clients should read the entire Memorandum, the Funds Agreement or IMA and consult with their own advisers before deciding whether to invest in the Funds. In addition, as the Funds’s investment program develops and changes over time, an investment in the Funds may be subject to additional and different risk factors

ITEM 9 – Disciplinary Information

Neither the Adviser nor any of its executive officers, members of its investment committees or other “advisory affiliates” as defined in Form ADV has been subject to legal or administrative proceedings or disciplinary events related to their business activities, or otherwise is required to disclose any event required by this Item 9.

ITEM 10 – Other Financial Industry Activities and Affiliations

The Adviser does not have any other financial industry activities or affiliations.

ITEM 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

The Adviser has adopted a code of ethics pursuant to Rule 204A-1 under the Advisers Act that establishes procedures governing the conduct and securities transactions of each of the Adviser’s officers, employees and supervised persons. The code of ethics (the “**Code**”) is designed to prevent violations of the fiduciary responsibilities owed by the Adviser to its Clients. The Code contains provisions relating to the confidentiality of firm information, a prohibition on insider trading, a discussion of media relations, a policy on gifts and personal securities trading procedures, among other things. Each supervised person of the Adviser is required to acknowledge in writing the terms of the Code annually and when it is amended.

The Code is designed to ensure, among other things, that the personal securities transactions, activities and interests of the officers, employees and supervised persons of the Adviser will not interfere with (i) making decisions in the best interest of its Clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. In addition, the Code requires pre-clearance of certain transactions. Employee trading is monitored under the Code to reasonably prevent conflicts of interest between the Adviser and its Clients.

The Adviser’s Clients and prospective Clients may request to view a copy of the Code by contacting the Chief Compliance Officer, Dark Horse Capital Management LLC, 285 Wilmington West Chester Pike, Floor 2, Chadds Ford, PA 19317.

As discussed in Item 10 above, conflicts of interest may arise from time to time as a result of the Adviser’s relationships with their affiliates. For more information on the conflicts that may arise and how they will be addressed, see Item 10.

ITEM 12 – Brokerage Practices

A. Discretionary Brokerage

Dark Horse has complete discretion regarding the selection of such brokers and the amount of brokerage commissions and fees paid to such brokers. Brokerage fees paid by the Funds to brokers vary and may be greater than those typical for investment funds similar to the Funds if DHCM has determined that the research, execution and other services rendered by a particular broker merit greater than typical fees.

B. Research and Soft Dollar Benefits

Dark Horse may enter into one or more “soft dollar” arrangements with brokers that execute trades for the Fund’s account.

Under these “soft dollar” arrangements, the broker would provide certain products and services (or arrange for and pay third parties to provide such products and services) based upon the volume of commissions generated by the Fund’s trading activities. Subject to Dark Horse’s duty to obtain best execution, these arrangements may not result in the execution of trades at the lowest available commission rates. As a result of these arrangements, the Funds may pay higher commissions than would be the case in the absence of such arrangements. In all events, Dark Horse will always seek to obtain best execution for the Funds’s portfolio transactions.

C. Brokerage and Client Referrals

Dark Horse does not consider referrals of investors to the Funds in determining its selection of broker dealers or other third parties.

D. Trade Aggregation

Although Dark Horse does not often trade in public securities, in such circumstances where more than one Fund is either selling or buying the same type of security, Dark Horse will, to the extent possible, generally place a combined order for two or more Funds engaged in the purchase or sale of the same security if, in its good faith determination, joint execution would be consistent with its duty to seek best execution, consistent with the terms of the participating Funds’ Governing Documents, and otherwise in the best interest of the Funds.

ITEM 13 – Review of Accounts

The Fund’s books of account will be audited at the end of each fiscal year by a firm of certified public accountants selected by Dark Horse. Books of account will generally be kept by the Funds, in accordance with GAAP. Dark Horse will furnish audited financial statements to all limited partners within 120 days, or as soon thereafter as is reasonably practicable, following the conclusion of each fiscal year. In addition, all limited partners will receive the information necessary to prepare federal and state income tax returns following the conclusion of such fiscal year as soon thereafter as is reasonably practicable.

Limited partners will also receive unaudited performance reports and such other information as Dark Horse determines on a monthly basis. With regard to these reports, Dark Horse is not required to provide information about specific investment transactions of the Fund.

ITEM 14 – Client Referrals and Other Compensation

The Fund or their Affiliates may enter into agreements with placement agents for the purpose of soliciting investors in the Fund (please see Item 5.C. of the Brochure for more information on Placement Fees). Placement fees associated with classes of Interests are set forth in the applicable

Class Supplement(s). The Investment Advisor may enter into arrangements with placement agents to solicit investors in the Fund, and such arrangements may provide for the compensation of such placement agents for their services at the Investment Adviser's expense. All placement agents will be broker-dealers who are appropriately registered with the Financial Industry Regulatory Authority (FINRA) and the SEC. Currently, the Advisor has entered into a placement agent agreement with Mid-Continent Securities, LTD.

ITEM 15 – Custody

The Adviser will not have physical custody of any client assets (other than physical custody of certain privately offered securities held directly or indirectly by the Funds to the extent permitted by the Advisers Act). Nevertheless, Dark Horse is deemed to have constructive custody of the assets of the private fund as a result of its position as a general partner of the private fund.

It is Dark Horse's policy to cause each private fund with assets over which Dark Horse is deemed to have "custody" to be audited annually and distribute audited financial statements, prepared in accordance with U.S. generally accepted accounting principles ("GAAP"), to investors no later than 120 days after the end of each fiscal year. In addition, upon the final liquidation of any such Fund, Dark Horse will obtain a final audit and distribute audited financial statements prepared in accordance with GAAP with respect to such Fund to all investors promptly after completion of the audit.

ITEM 16 – Investment Discretion

The Adviser has full discretion to invest on behalf of its Clients; provided that the Adviser will evaluate all investments and their appropriateness based on the unique investment objectives and policies of each Client.

ITEM 17 – Voting Client Securities

The Advisor monitors its investments closely and typically will see the corporate action announcement via press release. However, our Prime Broker also notifies us of any corporate actions and proxy voting initiatives outstanding. The Advisor will typically vote all shares across the Funds together and based upon maximizing value of each investment. In addition, the Advisor evaluates proxies with a focus toward encouraging well established ESG standards as our experience has shown that not only are these guidelines good for society, but they typically provide an operating framework that results in stronger operating performance and value creation.

ITEM 18 – Financial Information

The Adviser 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 their ability to meet contractual and fiduciary commitments to its Clients and has not been the subject of a bankruptcy petition at any time during the past ten years.