



FORM ADV PART 2A

KAWA CAPITAL MANAGEMENT, INC.

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This ADV Brochure ("Brochure") provides information about the qualifications and business practices of Kawa Capital Management, Inc. ("Adviser"). If you have any questions about the contents of this Brochure, please contact us at (305) 560-5200 or email Compliance@Kawa.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.

Adviser is an SEC-registered investment adviser and a National Futures Association ("NFA") (Member ID # 0403747) registered with the Commodity Futures Trading Commission ("CFTC") as a Commodity Pool Operator and Commodity Trading Adviser. Registration of an Investment Adviser does not imply any level of skill or training. This Brochure is not an offering or solicitation of interest in the funds or other vehicles managed by Adviser or its affiliates. Additional information about Adviser is also available on the SEC's website at www.adviserinfo.sec.gov.

PURSUANT TO AN EXEMPTION FROM THE CFTC IN CONNECTION WITH ACCOUNTS OF QUALIFIED ELIGIBLE PERSONS, THIS BROCHURE OR ACCOUNT DOCUMENT IS NOT REQUIRED TO BE, AND HAS NOT BEEN, FILED WITH THE CFTC. THE CFTC DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN ANY INVESTMENT VEHICLE OR UPON THE ADEQUACY OR ACCURACY OF COMMODITY POOL OPERATOR DISCLOSURE. CONSEQUENTLY, THE CFTC HAS NOT REVIEWED OR APPROVED THIS BROCHURE.

Item 2. Material Changes

This Brochure, dated March 29, 2023, is an update to the June 9, 2022 version previously circulated. The Brochure is periodically reviewed and amended to improve and clarify the descriptions of Kawa's business practices and compliance policies and procedures, and to respond to evolving industry and firm practices. Below is the list of notable changes to this Brochure as part of its most recent annual amendment.

Item 8.B.

We have updated our discussion of certain risks relevant to our business and the investment strategies we employ on behalf of our Clients (as defined herein).

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Item 4. Advisory Business

4.A. Advisory Firm Description

For purposes of this Brochure, or “we” or “Kawa” means Kawa Capital Management, Inc. (“Adviser”) together (where the context permits) with certain of its affiliates, as described herein. Kawa is an independent asset manager founded in 2007 by Daniel Ades and Alexandre Saverin. Adviser is wholly owned by Kawa Holdco, Inc. (“Kawa Holdco”), a Delaware corporation. For additional information about the firm’s ownership, please refer to Schedules A and B of our Form ADV Part 1A. In October 2011, we registered with the SEC as an investment adviser. Adviser has been a member of the National Futures Association (“NFA”) and registered with the CFTC as a Commodity Pool Operator since September 2012 and as a Commodity Trading Advisor since December 2020. The registration of Adviser with the SEC and CFTC must not be taken as an indication that either agency has recommended or approved either Kawa or its advisory services. For more information see Item 10.C (*Material Relationships or Arrangements; General Partner and Manager Affiliates; Other Affiliates*).

4.B. Types of Advisory Services

Kawa provides investment advisory and asset management services as an investment adviser or sub-adviser to private investment funds, consisting of: (i) an open-ended master-feeder fund structured as a British Virgin Islands limited company with an onshore feeder and an offshore feeder (collectively, “The Kawa Fund”); (ii) other private investment funds (either open-end or closed-end) focused on a particular sector and/or strategy described further in such fund’s offering documents (“Strategic Funds”); and (iii) other closed-end private investment funds, each created for a specific and limited investment (“SPE Funds” and, together with The Kawa Fund and the Strategic Funds, the “Funds” and each a “Fund”). The Funds’ organization structures typically include both domestic and foreign companies. In addition to advising Funds, Kawa provides investment advice and asset management on a non-discretionary or discretionary basis to individual, entity, and institutional clients, through separately managed accounts (“SMAs”, and individually, “SMA”). Funds and SMA are referred to herein collectively as “Clients.”

4.C. Client Investment Objectives/Restrictions

Kawa manages each Client’s assets in accordance with the Client’s specified investment objectives, strategies, and restrictions. However, as a general matter, Kawa’s primary focus is to provide less-correlated idiosyncratic returns to its Clients through atypical transactions that are not always accessible to larger and more mainstream market participants. Across its various

products, Kawa typically employs diverse, event-driven or opportunistic approaches across multiple asset classes, with particular emphasis on real estate, lending, renewable energy, sovereign debt, currencies, and the equity and debt of public and private companies across a wide variety of sectors.

Investments for each Fund are managed in accordance with the applicable Fund's investment objectives, strategies, and restrictions. Kawa adheres to the investment strategy set forth in each Fund's offering documents and does not modify its securities recommendations to the Funds based on the particular interests of their underlying investors. Therefore, before investing, such investors should consider whether the applicable Fund meets their investment objectives and risk tolerance. Information about each Fund can be found in its offering documents.

Investments for SMAs are managed in accordance with the stated investment objectives, strategies, restrictions, and guidelines, set forth in a written agreement.

4.D. Wrap-Fee Programs

Kawa does not participate in, nor is it a sponsor of, any wrap fee programs.

4.E. Client Assets Managed as of December 31, 2022

Discretionary Assets	\$ 2,454,018,068
Non-Discretionary Assets	\$ 28,267,033
Total Assets	\$ 2,482,285,101

Client Assets Managed reflect Kawa's Regulatory Assets Under Management ("RAUM") as reported on Item 5.F. of Kawa's Form ADV Part 1A. The amount of Kawa's RAUM differs from the amount of Assets Under Management that Kawa presents in certain of its customer-facing materials, which is inclusive of advisory services provided in connection with assets that are not securities as defined under the U.S. Securities Act of 1933, as amended and/or the U.S. Exchange Act of 1934, as amended.

The numbers above are adjusted to make sure that assets invested by an SMA in a Fund are not double-counted.

Item 5. Fees and Compensation

5.A. Adviser Compensation

Funds

Management & Performance Fees

Kawa typically receives two types of compensation from its Clients: management fees or priority profit sharing ("PPS") arrangements and/or, for qualified clients (where applicable and indicated in the relevant Fund offering documents), performance-based compensation. PPS arrangements involve the allocation of a recurring first charge on the net profits of a fund each time such fund's net asset value is calculated. PPS charges accrue until a fund's income is sufficient to pay them in full. Kawa reserves the right, in its sole discretion, to negotiate and to charge lower management and/or performance-based compensation for any Client account based on the Client's particular needs as well as overall financial condition, goals, risk tolerance, and other factors unique to the Client's particular circumstances. In addition, Kawa has waived, reduced, and rebated, and reserves the right, in its sole discretion, to waive, reduce, or rebate all or any portion of the management and/or performance-based compensation with respect to any Client, or to any investor in a Fund, including affiliates, employees, partners, members or directors of Kawa or its affiliates, including their respective family members or accounts. Generally, the compensation received by Kawa (or one of its affiliates) in the form of a management fee or a PPS arrangement ranges from 1% to 2% per annum of the net assets of the Fund (although for certain Funds, the management compensation is calculated based on gross assets) and the performance-based compensation ranges from 10% to 20% of each investor's share of the profits of the Funds. Depending on the structure of a specific Fund, the performance-based compensation typically either takes the form of carried interest or a performance fee. Potential investors in a Fund should carefully read, and discuss with their own advisers, the Fund's offering documents to understand the compensation associated with each Fund.

Acquisition and Diligence Fees

Certain closed-ended Funds, typically but not exclusively SPE Funds, also pay fees to Kawa for certain services, including, but not limited to, one or more of the following: sourcing investment opportunities, performing due diligence and other deal work for opportunities including, without limitation, real estate transactions and loans. Such fees are typically referred to as "Acquisition Fees", "Funding Fees" or "Diligence Fees" and are in varying amounts and based on different criteria, in each case depending on the relevant investment opportunity. Separately, a counterparty or other third party involved in an investment opportunity, and not the

relevant Client, may also pay fees to Kawa in connection with such investment. All fees payable to Kawa in connection with an investment opportunity, whether paid by the Client or a third party, are required to be disclosed in the relevant Fund offering documents.

Separately Managed Accounts

Kawa's fees for SMAs vary materially depending on the investment strategy, among other factors, and are negotiated on a case-by-case basis. These fees are reflected in the agreement specifically governing the SMA, and typically consist of management compensation based on the value of the assets Kawa manages for such SMA. SMAs that are qualified clients may also be charged performance-based compensation for Kawa's investment advisory services. Kawa has waived, reduced and rebated, and reserves the right, in its sole discretion, to waive, reduce or rebate all or any portion of the management and/or performance-based compensation with respect to any SMA, including affiliates, employees, partners, members or directors of Kawa or its affiliates, including their respective family members or accounts.

Sub-Advisory Fees

Kawa also provides sub-advisory services to certain pooled investment vehicles and SMAs managed by other advisers. The compensation for such sub-advisory services varies and is negotiated by Kawa and the sub-advised pooled vehicle's or SMA's sponsor. Sub-advisory compensation paid to Kawa typically involves management fees and performance-based compensation, with the specific terms of that compensation set forth in the sub-advised pooled vehicle's offering documents and/or a sub-advisory agreement.

5.B. Direct Billing of Fees

Typically, Kawa deducts its advisory compensation directly from Client assets but, in certain circumstances (in particular for SMAs), Kawa invoices Clients directly.

5.C. Other Fees & Expenses

Other than management and performance-based compensation, below is a general description of other various fees and expenses Clients have been and may be charged, where applicable to that Client, as provided in the relevant Fund or SMA documentation. As a general matter, higher fees and expenses paid by a Fund or SMA reduce returns, while lower fees and expenses increase those returns.

In addition to and/or in clarification of the compensation paid to Kawa, and as described above in Item. 5.A. (*Other Fees & Expenses*), each Client bears directly, or indirectly, other fees and expenses incurred (in this Item 5.C., references to fees and expenses to be borne by Client

include, without limitation, those incurred by or on behalf of any Client-subsidiary, and those in relation to any portfolio asset or investment of the Client). Fund expenses typically include, but are not limited to, the following, as applicable:

- (i) direct and indirect expenses and costs (such as, but not limited to, brokerage commissions and other transaction-execution costs; transfer fees and expenses, dealer spreads, give-up fees; NFA fees; exchange-related fees, externally incurred costs of establishing and utilizing electronic trading, computer, software and systems connections directly or indirectly with brokers and counterparties or with third parties to facilitate electronic trading with brokers and counterparties; clearing fees; operating expenses (e.g., trade clearance and settlement; corporate action processing; trade confirmation and reconciliation); valuation and portfolio pricing; interest charges; custodial and transfer fees, charges and financing charges; and applicable withholding and other taxes);
- (ii) all fees, costs, expenses, liabilities, and obligations attributable to investments for the Client, including those related to research (e.g., database access), purchase, sale, transmittal or custody of trading assets, and all costs and expenses for operations technology (e.g., order, execution, and portfolio management applications and hardware, and any consultants or other service providers related to the maintenance and operation of same) utilized by, or for the benefit of, the Client;
- (iii) costs and expenses associated with or deriving from obtaining and maintaining exchange memberships and credit ratings;
- (iv) any taxes and duties payable in any jurisdiction in connection with the particular Client's operations;
- (v) compliance costs of regulatory and governmental inquiries, subpoenas and proceedings (in each case, to the extent involving the particular Client or Kawa in its capacity as investment adviser to the Client);
- (vi) costs associated with finding (e.g., finder's fees), brokering, real estate commissions, structuring, restructuring, organizing, reorganizing, pricing and valuing, appraisal, due diligence, including background investigations on third parties, titling and title transfer, acquiring, developing, financing, refinancing, obtaining credit ratings, engineering and environmental costs and expenses, managing (e.g., property and asset management fees), operating, holding, taking public or private, winding up, liquidating, dissolving or disposing of a Client or a Client's investments; including without limitation, interest on borrowings and

- commitment fees, and related expenses payable to lenders, brokerage commissions, bank service fees, withholding fees and charges, and other trading-related expenses, fees of independent pricing services, extraordinary expenses such as costs of a litigation or investigation related to the Client or to a Client(s) investment;
- (vii) costs of any litigation or investigation involving Client activities and, to the extent applicable, indemnification costs and expenses, and the cost of any legal judgments and settlements;
 - (viii) legal, financial and tax accounting, auditing, bookkeeping, and other professional fees and expenses, including without limitation, consulting, expert, and appraisal fees and expenses pertaining to the Client;
 - (ix) costs and expenses associated with the preparation and distribution of financial statements, tax returns, tax estimates, FATCA filings and Schedule K-1s or any other administrative, regulatory, or other government-related reporting or filing; and any jurisdiction-specific investor reporting, or other supplemental reporting such as risk reports including, without limitation, OPERA reports;
 - (x) external administrative costs (including the fees and out-of-pocket expenses of any third-party administrator);
 - (xi) establishing computer and systems connectivity with the administrator and other third-party service providers;
 - (xii) any paying agency, transfer agency, accounting verification (if any) and/or investor registrar services;
 - (xiii) due diligence expenses, including due diligence relating to anti-money laundering, know your customer and other inquiries;
 - (xiv) costs of maintaining a Client's registered office in any applicable jurisdiction;
 - (xv) costs associated with the offering and sale of beneficial interests in a Fund (including, without limitation, all ongoing offering expenses of the Fund; professional fees and expenses in connection with the update of the offering documents, constitutional documents and other relevant documents; communication expenses with respect to investor services and all expenses relating to investor meetings, if any; and costs of preparing, printing, mailing, and distributing financial and other reports, forms, proxies and similar documents); reasonable promotional expenses related to marketing efforts by the Fund's investment manager, or a placement agent (third-party or affiliated with the manager) (other than any placement fees);

- (xvi) legal, compliance, tax, bookkeeping, accounting and audit costs, fees and expenses relating to the Client's regulatory and self-regulatory filings, registrations, memberships and reporting (including, but not limited to, expenses incurred in connection with complying with applicable U.S. and non-U.S. reporting obligations, such as those required by the SEC, the CFTC, the NFA, and their counterparts in other jurisdictions, as applicable, as well as out-of-pocket costs of preparing regulatory filings related to the Client or us with respect to the Client, including but not limited to Form PF and Form CPO-PQR, or any other administrative, regulatory or other government related report or filing);
- (xvii) the costs and fees attributable to any third-party proxy voting or class actions service or consultant;
- (xviii) travel and related expenses of Kawa personnel incurred in connection with the Client's business, including its investments (e.g., related to investment research, due diligence, and execution), operating (e.g., investor, and counterparty meetings and events) and capital raising activities (including first class, business class airfare and/or private charter) lodging, ground transportation, and meals;
- (xix) Directors' fees and expenses; and any Client's Advisory Committee-related fees and expenses, including for meetings and operations; all out of pocket fees, costs and expenses incurred by the Client, or any other person in connection with and if applicable, any meetings of investors or committees related to the Client's investments;
- (xx) the Client's insurance costs, including without limitation, for liability, errors and omissions insurance (including insurance for the members, partners, officers, employees and agents of any of them), and directors and officers' insurance, if any;
- (xxi) organizational costs, and costs of maintaining a Client's corporate existence, and registration or securities exchange-listing expenses and fees; and
- (xxii) costs and expenses of a Client that are classifiable under U.S. GAAP as extraordinary expenses.

Unless otherwise specified in the Fund offering documents or a written agreement with an SMA, and/or any other relevant agreement(s), Kawa shall bear its own overhead and other expenses. A Client's expenses are paid directly by the Client, or by reimbursement of Kawa for any such expenses which Kawa has paid in the first instance. In any instance where there is an inconsistency or conflict between this Item 5.C. and the fee and expense terms set forth in the relevant offering or organizational documents and/or relevant agreement(s) of a Fund or SMA,

the terms of such offering or organizational documents and/or relevant agreement(s) shall prevail and control.

If certain of the fees and expenses detailed above are properly chargeable to more than one Client, then such fees and expenses typically will be allocated *pro rata* among such Clients, based on the assets under management of each Client; provided that such fees and expenses may be allocated among such Clients on any other basis if a determination is made in good faith that such other basis is more equitable, or the fee or expense is *de minimis*. Under certain circumstances, certain expenses borne by a Client will have the effect of benefiting one or more investors or group of investors in such Client vehicle, without benefiting all investors in such vehicle. Please also refer to the terms of the offering documents for each investment product for a more detailed description of the expenses to be borne by a particular Client. Kawa is entitled to reimbursement from a Client to the extent Kawa or its affiliate pays or incurs a fee, cost or expense on behalf of that Client, which fee, cost or expense is properly chargeable to such Client that was disclosed as required.

5.D. Advance Payment of Fees

In general, and subject to agreement otherwise, management compensation (in the form of a management fee or PPS) is paid to Kawa in advance for the relevant period (month, quarter, semi-annual or annual). Such compensation is prorated for any period that is less than the full, relevant period. If our investment services end prior to the last day of the relevant period (such as due to a redemption or the end of the term), any prepaid amount in excess of the prorated compensation shall be returned to the relevant Client.

5.E. No Compensation for Sale of Securities or Other Investment Products

Kawa's supervised persons do not receive compensation based on the sale of securities or other investment products including without limitation, asset-based sales charges or service fees from the sale of mutual funds.

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

Kawa has performance-based compensation arrangements with some of our Clients. Any performance-based compensation charged by Kawa is in compliance with Rule 205-3 under the Investment Advisers Act of 1940, as amended ("Advisers Act"), unless that rule is inapplicable for any reason, including by reason of Advisers Act Section 205(b) or interpretive positions of the staff of the SEC.

Not all Clients are charged performance-based compensation. The performance-based compensation charged to each Client may differ, and these arrangements may create conflicts of interest because of the potential for Kawa to receive higher fees from Clients with performance-based compensation or performance-based compensation set higher than for other Clients. As a result, Kawa has an incentive to direct the best investment ideas to, or to allocate or sequence trades in favor of, the Client that pays performance compensation instead of, or before, a Client that does not. To mitigate such conflicts of interest, Kawa's policy is to allocate securities trades and opportunities across all our Clients in a manner that is fair and equitable over time. See Item 8.B. (*Material Risk of Investment Strategies—Conflicts of Interest*) for more information.

In addition, performance-based compensation provides an incentive for Kawa to recommend riskier or more speculative investments than those that would be recommended otherwise. Performance-based compensation received by Kawa is typically based primarily on net realized and unrealized gains and losses, so compensation earned could be based on gains that Clients never realize.

Item 7. Types of Clients

See Item 4 (*Advisory Business*) for information on the types of clients to whom we generally provide investment advice. The Funds have investor qualification criteria which are set forth in their respective offering documents and subscription application materials. Investors typically are required to make certain representations when investing in a Fund including, but not limited to, that: (i) they are acquiring interests for their own accounts; (ii) they are sophisticated enough and have received or had access to all information they deem relevant to evaluate the merits and risks of the prospective investment; and (iii) they have the ability to bear the economic risk of an investment in the applicable Fund. Kawa also obtains similar representations and warranties from SMAs in the relevant agreement.

In addition, we may enter into, and have entered into, separate agreements, commonly referred to as "side letters" with certain investors in a Fund, to waive certain terms, or allow such investors to invest on different terms than those specifically described in the governing documents of the Fund. Under certain circumstances, these agreements could create preferences or priorities for such investors with respect to other investors.

This Brochure is designed solely to provide information about Kawa and should not be considered an offer of interests in any Fund.

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

The descriptions provided below are brief overviews of the investment strategies and are not intended to be complete. All investing involves risk of loss, and the investment strategies we offer could lose money over short or even long periods. Please refer to each Fund's offering documents for a more detailed discussion of the relevant Fund's investment strategy and related risks. The investment strategies described below involve a substantial degree of risk and Clients may, and should be able to, lose all or a substantial portion of the value of their investments. Material risks relating to the investment strategies are described in more detail in the applicable Fund's offering documents, as well as in summary in Item 8.B. below.

8.A. Methods of Analysis and Investment Strategies

The Kawa Fund

The principal investment objective of the Kawa Fund is to deliver substantial returns while limiting downside risk through diversification. Kawa seeks to obtain diversification by having a less correlated set of liquid and less-liquid investment themes. Kawa seeks positive absolute returns during an entire market cycle, without necessarily being impacted by equity market returns, by limiting concentration in specific assets and seeking to hedge particular risks to the extent it believes it is advisable and practicable to do so.

The strategy generally focuses on investments in securities where Kawa believes the market price does not adequately reflect the securities' intrinsic value. Kawa invests in both liquid and less-liquid tradable markets for The Kawa Fund through regulated exchanges and by over-the-counter trades. Except for certain highly illiquid assets, The Kawa Fund generally does not employ limitations on sectors, industries or securities.

Kawa generally bases its investment decisions on internal research and, from time to time, on research obtained from outside sources. Kawa evaluates the downside/upside potential of positions in The Kawa Fund based on what it believes to be the most relevant material information.

As a general matter, Kawa's investment philosophy, in particular as it relates to the investment strategy of the Kawa Fund, is value- and event-oriented, specializing in the identification and analysis of securities that Kawa believes can benefit from extraordinary events or conditions. The Kawa Fund has in the past and may in the future employ leverage for investment purposes, to fund redemptions or for other purposes. The Fund also has and may engage in short sales.

The Kawa Fund's portfolio managers are responsible for investment decision-making, including asset allocation, security selection, portfolio construction, and portfolio risk management.

Strategic Funds

From time to time, Kawa identifies specific sectors or strategies where it is advantageous to have separate Strategic Funds. Such Strategic Funds have more specific mandates than The Kawa Fund and therefore are less diversified than The Kawa Fund. Their strategies generally focus on investments in securities or assets where Kawa believes the market price does not adequately reflect the intrinsic value or in securities or assets of a specific type. Where a particular investment is suitable for a Strategic Fund and another Client or Clients, Kawa, as a fiduciary, acts fairly and equitably with respect to the involved Clients, as described in Item 8.B. (*Allocation of an Investment or Opportunity*), and in Item 12.B (*Aggregation of Orders*). Each Strategic Fund differs as to liquidity, trading, strategy, leverage targets and risk parameters. Further detail is provided in the offering documents for the applicable Strategic Fund.

SPE Funds

From time-to-time Kawa identifies special situations or opportunities in certain assets where it is advantageous to have a single-purpose closed-end fund, typically because Kawa believes that a certain asset's market price does not adequately reflect the assets' intrinsic value. For any SPE Fund, the strategies, nature of the asset or assets the SPE will invest in, and the terms of such investment are disclosed to prospective investors before they make an investment.

Separately Managed Accounts

Kawa manages each SMA in accordance with the investment guidelines set out in an Investment Management Agreement. Kawa's mandate for a particular SMA may be identical to or closely similar to a particular Fund. Or, a particular SMA may have a very different mandate, customized for the SMA's goals and preferences. Where a particular investment is suitable for an SMA and another Client, Kawa as a fiduciary, acts fairly and equitably with respect to the involved Clients, as described in Item 8.B. (*Allocation of an Investment or Opportunity*), and in Item 12.B. (*Aggregation of Orders*). Certain SMAs, pursuant to their own specific investment guidelines, restrict Kawa from making certain types of investments or implementing certain strategies, such as executing short sales, certain hedging techniques that are more susceptible to risk, or purchasing certain types of investments. The SMA's portfolio manager(s) are responsible for investment decision-making, including asset allocation, security selection, portfolio construction, and portfolio risk management.

8.B. Material Risks of Investment Strategies

Kawa makes no guarantee as to the success of its products and strategies. Investment portfolios may be adversely affected by general economic and market conditions such as interest rates, availability of credit, inflation rates, changes in laws and political circumstances. These factors may affect the level and volatility of the pricing and the liquidity of an investment. Trading in Client portfolios may affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Investors in a particular Fund should also pay particular attention to the specific risks associated with those Funds, as set forth in their respective offering documents.

General Risks.

Management Risk. Our judgments about the attractiveness, value and potential appreciation of a particular asset class or individual security or asset may be incorrect and there is no guarantee that individual securities or assets will perform as anticipated. The value of an individual security or asset can be more volatile than the market as a whole or our typical intrinsic value approach may fail to produce the intended results. Our estimate of intrinsic value may be wrong, or even if our estimate of intrinsic value is correct, it may take a long period of time before any market price and that estimate converge.

Overall Investment Risk. All investments risk the loss of capital. The investment techniques and strategies and the nature of the securities and/or assets to be purchased and traded by Kawa may increase these risks. While Kawa will devote its best efforts to the management of Client portfolios, there can be no assurance that Clients and Fund investors will not incur substantial losses. Many unforeseeable events may cause sharp market fluctuations which could adversely affect performance. Changes in the macroeconomic environment including, for example, interest rates, inflation rates, industry conditions, energy and commodity availability and prices, competition, technological developments, political events and trends, changes to tax laws, currency exchange rate, regulatory policy, employment and consumer demand and numerous other factors, could substantially and adversely affect performance. Investments could also be materially adversely affected by natural disasters and terrorist acts. None of these macroeconomic conditions will be within the control of Kawa.

Strategic Funds and SPE Funds. By their nature, investing in a Strategic Fund or SPE Fund is not a diversified investment as Strategic Funds are generally limited to a particular strategy, sector or type(s) of security/ies, and SPE Funds are generally limited to a single asset, or a small number of particular assets. Each Strategic Fund and SPE Fund will have a

concentrated investment program and expects to have a relatively concentrated exposure to a particular security, asset, industry and/or market sector. Such a lack of diversification increases the risks to the portfolios of each Strategic Fund and SPE Fund. Furthermore, investors in Strategic Funds and SPE Funds are encouraged to read carefully the risk factors in the offering documents for the relevant Strategic Fund or SPE Fund as they will contain more specific risk disclosures as to the specific Fund.

Multi-Strategy Credit Risks.

Short Selling. Short sales are speculative transactions and involve special risks. In order to initiate a short position, a security must be borrowed. Short sales incur a loss if the price of the security sold short increases in value between the date of the short sale and the date when we purchase the security to replace the borrowed security. Losses are potentially unlimited in certain short sale transactions.

Use of Leverage. Leverage is the use of borrowed funds to pay for a portion of the purchase price of an investment. Using leverage will maximize the initial amount of securities able to be purchased and potentially enhance performance. The use of leverage, however, will add to the risk of the investments, as declines in the price of a security could result in a substantial loss of the investment in the security if forced to sell the security as the result of a demand to repay any amounts borrowed. As with any leveraged investment, the use of leverage may result in losses in excess of the amount invested. Utilization of leverage will also increase a Fund's expenses due to the interest charges on the borrowed funds, thus potentially adversely affecting the performance for Clients.

Hedging Risks. A Fund may attempt to create "hedged positions" consisting of investments in a number of different instruments. The valuation models and trading techniques which will be used to determine the constituents of the "hedged position" are extremely complex, and the series of transactions required to create the "hedged position" are often difficult to execute. In some instances, during the process of setting up a hedged position, the position may remain temporarily unhedged for a significant period of time. The "hedged positions" generally will not be hedged against all known risks. For example, a "hedged position" consisting of a long foreign convertible bond and a short position in the underlying stock is potentially exposed to changes in interest rates and foreign exchange rates. A Fund marks to market the hedged positions held in its portfolio once such positions have been hedged, giving rise to a possible risk to such Fund that the relevant investment adviser may be compensated based on such hedged positions.

Illiquidity. Markets which have traditionally been very liquid may suddenly lose liquidity, and we consequently may be unable to sell positions or unable to sell at fair value. Additionally, we may acquire investments in securities that are already illiquid and, should there be an urgent need to sell, buyers may not emerge or may not emerge at fair value, causing an adverse effect to performance.

Digital Assets. For clients whose investment mandates permit trading in digital assets, Kawa has recommended or made investments in derivatives - e.g., futures - based on a digital currency. Kawa may seek to invest Clients' assets in other digital assets, including digital currencies. Digital assets are very speculative investments, are highly volatile and involve a high degree of risk. Due to the novelty of digital assets as an investment, the market infrastructure through which digital assets are exchanged and the regulatory foundation upon which digital assets are regulated are still in their respective infancies when compared to more traditional assets like stocks, bonds, mutual funds, or ETFs. Digital assets are highly speculative investments that can be extremely volatile. The price history of all digital assets may not be reflective of its future price potential. The values ascribed to digital assets can change dramatically even intra-day. Digital assets are not protected by the Federal Deposit Insurance Corporation or the Securities Investor Protection Corporation. The exchange and availability of digital assets is wholly dependent on the availability and proper functioning of the internet, the electronic platforms storing such digital assets, and the owner's control and possession of any needed password or digital key. Any downtime, unavailability, hacker intrusion, or loss of access is a risk that a digital asset investor should be prepared to bear.

Risks of Virtual Currency Derivatives. The risks associated with virtual currency derivatives include (1) significant price volatility; (2) margin requirement risks (initial margin may be set as a percentage of the value of a particular contract, resulting in the increase of the margin requirements for long positions if the price of the contract rises); (3) Futures Commission Merchants ("FCMs") restriction risks (some FCMs may impose restrictions on trading activity, including but are not limited to requiring additional margin, imposing position limits, or prohibiting naked shorting or give-in transactions); and (4) liquidation risks (the contract markets on which virtual currency derivatives trade may impose trading halts that may restrict a market participant's ability to exit a position during a period of high volatility).

General Risks of Arbitrage Transactions. The success of arbitrage strategies often depends on the ability to execute two or more simultaneous transactions at desired prices. Should such transactions not be executed simultaneously at the desired prices, losses may be incurred on both sides of the transaction. Additionally, separate costs are incurred on both sides

of an arbitrage transaction, and substantial favorable price moves may be required before a profit can be realized. Merger arbitrage transactions are inherently volatile. The short-term performance of portfolio securities may fluctuate significantly. If the proposed transaction is not consummated or delayed, the value of such securities purchased may decline significantly.

Special Purpose Acquisition Companies (“SPACs”). SPACs are generally formed for the purpose of effecting a merger or other form of business combination within a finite period of time. SPACs, especially those that have recently completed their initial public offerings, may be unseasoned and lack significant trading, operational and/or financial reporting history. Prior to the announcement of a business combination, a SPAC has no ongoing business activities other than seeking a business combination, and its common shares may lack liquidity and trade at a discount to its redemption value. At the time of a proposed combination, public shareholders are generally afforded the right to redeem their shares for their proportionate value of the SPAC trust. Public shareholders may not have a meaningful opportunity to vote on the proposal because certain shareholders, including those affiliated with the SPAC management team, may have sufficient voting power, and financial incentive, to approve a transaction without public shareholder support. There is no guarantee that a SPAC will propose or complete a business combination. If a SPAC does not complete a business combination within the allotted timeframe, public shares are typically redeemed for cash with funds from the SPAC trust account. Investments in SPACs may be considered illiquid and subject to restrictions on resale.

Special Situations. Investments in companies involved in (or the target of) acquisition attempts or tender offers or companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions are subject to the risk that the transaction in which such business enterprise is involved either will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price of the security or other financial instrument in respect of which such distribution is received. In connection with such transactions (or otherwise), securities may be purchased on a when-issued basis, which means that delivery and payment take place sometime after the date of the commitment to purchase and is often conditioned upon the occurrence of a subsequent event, such as approval and consummation or a merger, reorganization or debt restructuring.

Emerging Markets Risks.

Emerging Market Risk. Investing in emerging markets and in emerging markets' currencies involves certain considerations not usually associated with investing in developed countries, including political and economic considerations, such as greater risks of expropriation

and nationalization, confiscatory taxation, the potential difficulty of repatriating funds, general social, political and economic instability and adverse diplomatic developments; the possibility of imposition of withholding or other taxes on dividends, interest, capital gain or other income; the small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict investment opportunities. There is also less regulation, generally, of markets in emerging countries than there is in developed countries. Generally, emerging securities markets are characterized by a relatively small number of actively traded issues and high price volatility. These and other factors may make it difficult to dispose of emerging markets securities, particularly when large numbers of investors desire to dispose of securities at the same time. In addition, these factors may limit the supply of securities available for investment. This may affect the rate at which Clients are able to invest in listed securities in emerging markets, the purchase and sale prices for such securities and the timing of conversions, purchases and sales.

Sovereign Debt. Investing in instruments of government issuers in emerging and frontier markets may involve significant economic and political risks. Holders of certain emerging and frontier market instruments may be requested to participate in the restructuring and rescheduling of these obligations and to extend further loans to their issuers. Investing in securities of non-U.S. governments and companies that are denominated or whose prices are quoted in non-U.S. currencies and utilization of options on non-U.S. securities involves certain considerations comprising both risks and opportunities not typically associated with investing in securities of the United States Government or United States companies. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, foreign government restrictions, less government supervision of exchanges, brokers and issuers, greater risks associated with counterparties and settlement, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

Macro and Derivatives Risks.

Futures and Options. As part of the hedging and investment strategy, Funds and SMAs have and may invest in the futures and options markets. To the extent a Fund or SMA engages in transactions in futures contracts and options on futures contracts, the profitability (if any) of the transaction will depend to some degree on the ability of Kawa to analyze correctly the futures and options markets.

Futures Trading Is Speculative. Futures prices are highly volatile. Price movements for futures are influenced by, among other things, government trade, fiscal, monetary and exchange control policies; weather and climate conditions; changing supply and demand relationships; national and international political and economic events; and changes in interest rates.

Futures Trading Can Be Highly Leveraged. The low margin deposits normally required in futures trading permit an extremely high degree of leverage. Any increase in the amount of leverage applied by Kawa in trading on behalf of Funds and SMAs will increase the risk of loss by the amount of additional leverage applied.

Futures Trading May Be Illiquid. Most United States exchanges limit fluctuations in most futures contract prices during a single day by regulations referred to as “daily price fluctuation limits” or “daily limits”. During a single trading day, no trades may be executed at prices beyond the daily limit.

Commodity Futures Trading Is Highly Volatile and Highly Leveraged. Commodity futures prices can be highly volatile. Accordingly, a relatively small price movement in a contract may result in immediate and substantial losses to an investor. Investing in commodities and forward or futures contracts is a highly specialized investment activity entailing greater than ordinary investment risk.

Dependence on Occurrence of Events. The success of macro investment strategies depends upon the ability to identify and exploit perceived fundamental, economic, financial and political imbalances that may exist in and between markets throughout the world. Identification and exploitation of such imbalances involves significant uncertainties. There can be no assurance that Kawa will be able to locate investment opportunities or to exploit such imbalances.

Special Investment Instruments and Techniques. Kawa expects to utilize a variety of special investment instruments and techniques to hedge against various risks (such as changes in interest rates or other factors that affect security values) or for non-hedging purposes to pursue investment objectives. Certain of the special investment instruments and techniques that Kawa may use are speculative and involve a high degree of risk, particularly in the context of non-hedging transactions.

Currency Transactions. Currency transactions are subject to significant risks that are different from those of other portfolio transactions.

Counterparty Credit Risk. Many of the markets in which Kawa effects transactions are “over-the-counter” or “inter-dealer” markets. The participants in these markets are typically not

subject to credit evaluation and regulatory oversight as are members of “exchange based” markets. A credit risk, as well as the risk of settlement default, exists with regard to parties with whom Kawa invests in certain swaps, derivative or synthetic instruments, or other over-the-counter transactions on behalf of its Funds and SMAs.

Trading in Derivatives. In order to hedge its investments or to take a directional view on an investment opportunity, we may invest a portion of Client assets in derivatives and related instruments as tools in the management of its assets. A derivative is a security or other instrument which derives its value from the value or performance of other instruments or assets, interest or currency exchange rates, or indexes. Derivative products Kawa may and has traded include futures contracts, options, forward contracts, swaps, swaptions, structured notes and various other over-the-counter instruments.

Risks of Derivatives. The risks posed by derivatives include (1) credit risks (the exposure to the possibility of loss resulting from a counterparty’s failure to meet its financial obligations); (2) market risks (adverse movements in the price of a financial asset or commodity); (3) legal risks (an action by a court or by a regulatory or legislative body that could invalidate a financial contract); (4) operations risks (inadequate controls, deficient procedures, human error, system failure or fraud); (5) documentation risks (exposure to losses resulting from inadequate documentation); (6) liquidity risks (exposure to losses created by the inability to prematurely terminate a derivative); (7) systematic risks (the risk that financial difficulties in one institution or a major market disruption will cause uncontrollable financial harm to the financial system); (8) concentration risks (exposure to losses from concentration of closely-related risks such as exposure to a particular industry or exposure linked to a particular entity); and (9) settlement risks (the risk that the portfolio has when it has performed its obligations under a contract but has not yet received value from its counterparty).

Lack of Availability. Because the markets for certain derivative instruments (including markets located in foreign countries) are relatively new and still developing, suitable derivatives transactions may not be available in all circumstances for risk management or other purposes.

Real Estate Risks.

Investments in Real Estate. Some of the risks associated with real estate investments include (i) lack of demand for commercial real estate in a locale, (ii) changes in general economic or local conditions, (iii) changes in supply of, or demand for, similar or competing properties in an area, (iv) uncertainty of cash flow to meet loan or other fixed obligations, (v) wars, natural disasters, severe weather patterns, terrorist attacks and similar events, (vi) changes in interest rates, unavailability of mortgage financing which may render the sale or refinancing of property

difficult, and (vii) changes in tax, real estate, environmental and zoning laws. Additionally, in connection with the ownership (direct or indirect) of real properties, owners may face potential costs and liabilities related to environmental laws, such as those related to the removal of hazardous and toxic substances. Investors in Kawa real estate strategies are encouraged to carefully read the risk factors in the offering documents for the relevant Fund as they will contain fuller real estate-specific risk disclosures regarding the specific Fund.

Risks of Commercial Real Estate Lending and Development. Commercial real estate loans are generally secured (directly or indirectly) by multi-family or commercial property and are subject to risks of delinquency and foreclosure. The ability of a borrower to repay a loan secured by an income producing property typically is dependent primarily upon the successful operation of such property, which is subject to the risks related to the ownership of real estate, as described above. In the event of any default under a real estate loan held by a Client, the Client will bear a risk of loss of principal to the extent of any deficiency between the value of the collateral and the principal and accrued interest of the real estate loan, which could have a material adverse effect on cash flow from operations and limit amounts available for distribution. Kawa may find it necessary or desirable to foreclose on some real estate loans. The foreclosure process is often lengthy and expensive. Borrowers may resist mortgage foreclosure actions by asserting numerous claims, counterclaims and defenses, including, without limitation, numerous lender liability claims and defenses, even when such assertions have no basis in fact, in an effort to prolong the foreclosure action and force the lender into a modification of the loan or a favorable buy-out of the borrower's position. In some states, foreclosure actions can sometimes take several years or more to litigate. At any time prior to or during the foreclosure proceedings, the borrower may file for bankruptcy, which would have the effect of staying the foreclosure actions and further delaying the foreclosure process. Foreclosure litigation tends to create a negative public image of the mortgaged property and may result in disrupting the ongoing leasing, management and operation of the property. The expense and delay associated with foreclosure of a mortgage loan could have a substantial negative effect on the anticipated return on the foreclosed mortgage loan. In the event of the bankruptcy of a real estate loan borrower, the real estate loan to such borrower will be deemed to be secured only to the extent of the value of the underlying collateral at the time of bankruptcy (as determined by the bankruptcy court), and the lien securing the real estate loan will be subject to the avoidance powers of the bankruptcy trustee or debtor in possession to the extent the lien is unenforceable under state law. The bankruptcy process can involve substantial legal, professional and administrative costs, be subject to unpredictable and lengthy delays and negatively impact the underlying property and the return on that particular investment. The debt of entities in bankruptcy will in most cases not

pay current interest, may not accrue interest during bankruptcy and their assets may suffer an erosion of value. Such investments can result in a total loss of principal. During the bankruptcy process, the creditors may not take adverse actions towards the bankrupt entity or any of its assets without court approval.

Competition for Investments. The commercial real estate lending business is highly competitive. Competition for attractive investments is intense, and Kawa competes with numerous other persons with similar investment objectives, including other investment funds. Due to the size of the market, there are a number of competitors. Kawa competes or may compete directly or indirectly with competitors' existing third-party commercial real estate lending programs, and these competitors may have greater financial resources or better access to suitable investment opportunities. There can be no assurance that Kawa will be able to compete effectively against such competitors.

Construction Loans. Real estate strategies may invest in construction loans. If Kawa and/or its Clients fail to fund the entire commitment on a construction loan or if a borrower otherwise fails to complete the construction of a project, there could be adverse consequences associated with the loan, including without limitation: a loss of the value of the property securing the loan, especially if the borrower is unable to raise funds to complete the construction of a project from other sources; a borrower's claim for failure to perform under the loan documents; increased costs to the borrower that the borrower is unable to pay; a bankruptcy filing by the borrower; and abandonment by the borrower of the collateral for the loan. The occurrence of any one or more of such events could have a material adverse effect on Clients' results of operations and cash flows. Construction loans may generally be considered more risky than ordinary commercial real estate loans.

Lender Liability Considerations. In recent years, a number of judicial decisions in the United States have upheld the right of borrowers to sue lending institutions and others on the basis of various evolving legal theories (collectively termed "lender liability"). Borrowers under the Loans acquired or extended by Clients may be located in jurisdictions where lenders may have legal exposure on the basis of lender liability. Generally, lender liability is founded upon the premise that a lender has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower that creates a fiduciary duty owed to the borrower or its other creditors or shareholders, or the lender has otherwise breached the loan documents forming a breach of contract claim. Kawa and/or its Clients, as creditors, may be subject to allegations of lender liability. Any such claim, if determined adversely, could have a material adverse effect on returns.

Conflicts of Interest.

Advisory Affiliates. Kawa has numerous advisory affiliates and related persons and manages a number of different investment strategies on behalf of multiple Clients and numerous investors, which presents a variety of conflicts of interest. Please also see Item 8.B. (*Allocation of an Investment or Opportunity*), and Item 12.B. (*Aggregation of Orders*), below, for further discussion of certain conflicts of interest that can arise relating to Kawa's brokerage practices.

Valuation. Kawa's involvement regarding valuation of the assets in a Client's portfolio presents a conflict of interest. For Clients where assets are fair valued and such marks will affect the fees Kawa is entitled to, application of a discount or premium to the value of marketable securities held in the Client's portfolio will tend to reduce or eliminate any performance compensation to which Kawa is eligible for the period ending on a valuation date, or increase the amount of loss carryforward to be recovered before a performance allocation would be payable. Kawa mitigates this risk by means of a written Valuation Policy that provides for, among other things, obtaining independent pricing for portfolio securities and a Valuation Committee. A sample of the Fund's valuation is also tested in an annual independent audit. In some instances, Kawa mitigates certain valuation conflicts using one or more of the following: by assessing a fixed fee; using a robust mark-to-model process; or by obtaining independent pricing of more liquid, market-traded assets; and for less liquid, more difficult to price assets (e.g., real estate) by assessing management compensation based on a prescribed, fixed amount, such as the purchase price of a piece of real estate, rather than on the periodic valuation of the portfolio assets. Before investing, investors should review the particular Kawa strategy's offering documents to determine how that investment vehicle's portfolio assets are valued.

Significant Business Relationships Between Kawa and Certain Service Providers. Certain advisors, vendors or other service providers to Kawa and its Clients also provide goods or services to – or have business, personal, financial or other relationships with - Kawa, its affiliates or their respective officers, directors, partners, members, employees and agents (the "Kawa Parties"). Such advisors, vendors and service providers may include accountants, administrators, lenders, bankers, brokers, attorneys, consultants, and investment or commercial banking firms ("Service Providers").

In particular, Kawa, and its affiliates; and a broker dealer and financial services provider (the "Key Financial Service Provider") and its affiliates, have a long-standing relationship that includes, without limitation:

- securities brokerage for Kawa and its Clients;
- Securitization Transactions;

- sourcing opportunities for Kawa, its affiliates and Clients, typically in connection with debt securities collateralized by U.S. commercial real estate, e.g., Asset Backed Securities;
- co-investing with Kawa, a Kawa affiliate, or a Kawa Client or Clients; and
- providing pricing for Asset Backed Securities and securities issued in Securitization Transactions.

These business, personal, financial or other relationships may influence Kawa or its affiliates in deciding whether to select or recommend such a Service Provider to perform services for Kawa, an affiliate, or a Client. Notwithstanding the foregoing, Kawa or an affiliate will only select a Service Provider to perform services to the extent Kawa or an affiliate thereof has determined that doing so is appropriate given all surrounding facts and circumstances and is consistent with Kawa's responsibilities under applicable law, provided, however, Kawa or its affiliate may not necessarily seek out the lowest-cost option when engaging such Service Providers, as other factors or considerations may prevail over any cost savings.

Certain Asset Backed Securities. Kawa purchases for, or recommends to, Clients, securities underwritten by the Key Financial Services Provider that are directly or indirectly backed by assets, including but not limited to, U.S. real estate property leased to commercial tenants ("Asset Backed Securities").

Certain Securitization Transactions with Asset Backed Securities. Kawa, on behalf of itself and Clients, may sell such Asset Backed Securities to a third party or, sponsor a securitization transaction where Asset Backed Securities held by Kawa and/or multiple Clients are transferred in exchange for cash and/or new securities (typically either debt securities or trust certificates) in the securitization vehicle. In these transactions, Kawa works with the depositor broker dealer (when the relevant Asset Backed Securities are collateralized by U.S. commercial real estate, this is typically the Key Financial Services Provider), on behalf of Kawa and its Clients, in agreeing to the terms of the Securitization Transaction, including regarding the amount of cash and/or the pricing of the new securities to be received by Kawa and/or Kawa Clients in connection with the Securitization Transaction. Kawa's involvement in purchasing and/or recommending the purchase of Asset Backed Securities on behalf of itself and Clients as well as in regard to negotiating the terms of Securitization Transactions, including the allocation and pricing of the different classes of Securitization Transaction securities, could give rise to a conflict of interest between its relationship with the Key Financial Services Provider, its role or roles in relation to the Securitization Transaction, and its role as an investment adviser to its Clients to whom it recommends the Asset Backed Securities. To mitigate any such conflicts, Kawa will act in a fair and equitable manner to each Client to whom it recommends Asset Backed

Securities and securities in Securitization Transactions, and Kawa Clients and/or Kawa shall purchase such securities at the price established by, and through, the relevant broker dealer advising, underwriting and/or acting as the depositor, and Kawa will be subject to the same terms and conditions as its clients, if any, who participate in the same class of securities.

Pricing and Valuation of Certain Asset Backed and Other Securities. Asset Backed Securities and securities issued in Securitization Transactions purchased by Kawa Clients are typically smaller sized issuances, in dollar terms, are illiquid, and are thinly traded. Although Kawa obtains pricing for such Asset Backed Securities and the securities issued in Securitization Transactions from independent, third-party sources (including the Key Financial Services Provider), the valuation of such securities can differ significantly from the values that would have been established if an active market for such securities existed, and historically has differed significantly from prices obtained for the Asset Backed Securities and the securities issued in Securitization Transactions in subsequent sales by the Client accounts or, as to certain Asset Backed Securities, in connection with a Securitization.

Business Time Allocation. In general, with respect to each Client, Kawa and each of its affiliates, principals, respective shareholders, directors, employees and officers (hereinafter referred to as the “Affiliated Parties”) has and will continue to use its best efforts in connection with the purposes and objectives of the Client and to devote so much of its time and effort to the affairs of the Client’s investment vehicle as may, in its judgment, be necessary to accomplish the purposes of that vehicle. However, the Affiliated Parties act as investment adviser or investment manager, manages funds, separate accounts or capital for others and serve as an officer, director, consultant, partner or stockholder for multiple Kawa-managed and other investment funds and financial and charitable ventures. The Affiliated Parties may engage - simultaneously with their investment management and other activities on behalf of Clients - in other businesses, and may render similar asset management and other services for other individuals, companies, trusts or persons, and shall not by reason of engaging in such other businesses or rendering of services for others be deemed to be acting in conflict with the interests of any particular Client or investor in a Kawa-managed vehicle. As a result of the foregoing, the Affiliated Parties have potential conflicts of interest in allocating their time and activity between Clients and other entities. Kawa and the Affiliated Parties, as relevant, will seek to mitigate such conflicts by means of the above-stated contractual terms, as well as by discharging other applicable legal duties, including Kawa Capital Management’s duty to its advisory Clients.

Batched or Aggregated Trades. Kawa may determine that, in making investment decisions for Client accounts, securities considered for investment by one account also are

appropriate for another account managed by Kawa. On occasions when the purchase or sale of a security is deemed to be in the best interest of more than one account, Kawa may, but is not obligated to, aggregate or batch orders for the purchase or sale of securities for all such accounts to the extent consistent with best execution and the terms of the relevant investment mandate. Such batched trades may be used to facilitate best execution, including negotiating more favorable prices, obtaining more timely or equitable execution, or reducing overall commission charges, and are subject to the following conditions:

- Kawa's aggregation policies are disclosed to the relevant Clients (e.g., in this Brochure);
- The security purchased or sold is suitable for each Client's account;
- Trades are combined only if it is consistent with Kawa's duty to seek best execution; and
- Kawa specifies the accounts participating in the combined trade(s) and allocates between the eligible Client accounts in a manner that, under the circumstances, Kawa determines, in its fiduciary capacity, is fair and equitable over time to all eligible Clients (See *Allocation of an Investment or Opportunity*, immediately below).

Kawa may include proprietary or related persons' accounts (including certain SMAs or the Funds in which Kawa may have significant ownership interest) in such aggregate trades, subject to its duty to seek best execution and its obligations under its Code of Ethics.

From the standpoint of Kawa, simultaneous identical portfolio transactions for more than one Client may tend to decrease the prices received, and increase the prices required to be paid by the Clients for its portfolio sales and purchases. Further, it may not always be possible or consistent with the investment objectives of the various Clients for the same investment positions to be taken or liquidated at the same time or at the same price.

That said, where it is practicable for Kawa to buy or sell the same security or commodity interest at the same time, for more than one Client, or for its advisory affiliates, Kawa will seek to combine purchase and sale orders on behalf of those Clients, including its own or the personal and SMA accounts of its principals or personnel, and to allocate the securities, commodity interests or proceeds arising out of those transactions (and the related transaction expenses) on an average price basis among the various participants in the transactions. While Kawa believes that combining transaction orders in this way is, over time, advantageous to all participants, in particular cases the average price could be less advantageous to a particular Client than if that Client had been the only account effecting the transaction or had completed its transaction before the other participants. Because of Kawa's interest in one or more particular Funds or SMAs involved in such a bunched transaction, (including performance-based compensation), there could be circumstances in which a particular Client's transactions may not, under certain

laws and regulations, be combined with those of some of the other Clients' accounts, so that any excluded Client's account may obtain less advantageous execution than such other accounts that may be bunched for a trade.

Allocation of an Investment or Opportunity. Kawa and the Affiliated Parties also have conflicts of interest in allocating purchases and sales of securities, or other investment opportunities in limited supply among multiple Clients with similar or overlapping investment objectives, programs and strategies. To the extent a particular investment or trade is suitable for more than one Kawa Client and Kawa is unable to execute orders for the full amount of the desired trade or opportunity, such investments typically are allocated between the eligible Client accounts in a manner that, under the circumstances, Kawa determines is fair and equitable over time, to all eligible Clients, considering, as a Fiduciary adviser, one or more of the following factors: (1) the concentration or diversification of each eligible account at the time of the trade with respect to a particular investment or opportunity's: (i) asset class; (ii) asset sub-class; (iii) issuer; (iv) industry or sector; or (v) geographic exposure or risk; (2) different investment mandates: i.e., the eligible accounts investment guidelines and limitations differ, including differences in their: (i) risk-return profile, and the risk management profiles and risk management considerations; (ii) strategic or tactical mandates or asset allocations (including as to the factors enumerated in clauses (1)(i)-(iv), above); (iii) any specific investment periods; (3) different documented client preferences (and which are not expressed in the client's investment mandate), i.e., where a client's broad investment mandate would otherwise permit the investment, but the client has expressed their preference for or against certain types of assets or investments; (4) client's expressed preference as to a specific asset or investment – e.g., a client elects not to buy or not to sell a particular asset which the adviser decides to buy or sell in other holding client accounts; (5) cash availability, including: putting newly invested money to work, ramping up a new fund, any borrowed cash and reserved cash for upcoming cash outlays (which may include upcoming investment opportunities); (6) a strategic fund client specializes in the asset: i.e., one of the eligible clients has an investment strategy focused on the specific type of investment or opportunity, and receives a larger allocation; (7) a redemption request received by a client fund requires the generation of cash; (8) tax considerations relating to the investment (e.g., FIRPTA, UBTI, ECI); (9) liquidity of the asset – including its term or duration – or transfer or assignment provisions of the investment or opportunity; (10) wind down – the proximity of a client to the end of its specified term or investment period, if any, and the liquidity or duration of a particular investment; (11) contractual or legal obligations including, without limitation, investment restrictions in any financing or leverage agreements applicable to one or more eligible client accounts; (12) regulatory considerations including, without limitation, banking and

foreign laws and regulations; (13) co-investment obligation commitments agreed by Affiliated Parties for that type of investment or opportunity; (14) brokerage limitations – trading constraints based on a client’s documented brokerage or custodian preferences, or limitations (i.e., client has only one trading/custodial account) that limit trading venues, or precludes aggregating that client’s trade of an investment with other eligible client accounts’ trades; (15) legacy position – a position added prior to inception of a newer client is being rolled over, sold or closed; and (16) other – any other factors that Affiliated Parties reasonably determine warrant a non-pro rata (asset value-weighted or otherwise) allocation.

Where one or more of these numerous factors is present, Kawa may and has determined that it is in the best interests of such Clients to allocate a particular investment to separate Client accounts on a basis other than *pro rata*, notwithstanding that such a determination may and has resulted in charging different, and higher, fees and has otherwise provided different treatment to the different Clients.

Due to the above-stated factors, where there are multiple Clients’ accounts with the same or overlapping mandates, Kawa does not necessarily invest each such account in the same securities or assets, and each client’s portfolio may and does have different asset allocations and investment returns. Clients should not expect the performance of their portfolios to be identical to any other Client even if they share similarities as to investment strategy or hold assets in common.

Kawa is entitled to determine to which Client(s) to allocate investment opportunities, pursuant to the range of factors listed above, in its discretion, and is not strictly obligated to provide any specific investment opportunity to any particular Client or prospective Client. Where Clients have similar or overlapping investment mandates, Kawa relies on these factors to ensure trade and opportunity allocation is fair and equitable over time to all of its Clients, consistent with Kawa’s role as a fiduciary.

No Obligation to Allocate to Non-Clients. Kawa has no obligation to allocate any investment or investment opportunity to any investor or prospective investor who is not an advisory client of Kawa. As to any co-investment opportunities, the General Partner or Manager of a particular Fund may, as authorized by the relevant fund organizing documents, offer co-investment opportunities to one or more limited partners or members, and other third parties (“Fund Investors”). The Fund will not be required to offer such co-investments to all Fund Investors, or to any particular Fund Investor or Investors, and such co-investments may be offered on terms more favorable than those applicable to other Fund Investors. The ability for a Fund Investor to participate in such committed co-investment vehicles may be dependent on the size

of such Fund Investor's capital commitment to the Fund, and to the co-investment. The allocation of co-investment opportunities may involve a benefit to Kawa including, without limitation, fees or carried interest from the co-investment opportunity, Capital Commitments to the Fund, and capital commitments to other Kawa funds, and the allocation of co-investments will reduce the opportunities available and allocated to the relevant Fund, and to other Kawa pooled vehicles. Further, Kawa has no obligation to allocate or present any particular investment or opportunity to any Client that engages Kawa on a non-discretionary basis.

Investments in Different Levels of the Capital Structure. If one or more Clients, and one or more Affiliated Parties invests in the debt or equity securities of a company and another Client, or one or more Affiliated Parties, invests in another part of the capital structure - i.e., the equity or debt, of the same company - the various economic and other terms of the debt and equity securities may raise conflicts of interest between the two Clients, or between a Client and one or more Affiliated Parties. These conflicts could relate to various matters, including the interest rates to be paid on the debt, whether to refinance the debt, whether to enforce payment obligations, the characterization of the securities as preferred stock or subordinated debt, enforcement of covenants, and whether to liquidate the underlying asset or seek bankruptcy protection. Kawa's decisions about what action should be taken in a particular situation, including whether to enforce claims, whether to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any workout or restructuring, may result in a decision that favors one Client or an Affiliated Party over another Client(s) or Affiliated Party. For example, if additional capital is necessary as a result of financial or other difficulties, to finance growth, or other opportunities, the respective Client, Affiliated Party or Kawa may or may not elect to provide such additional capital, to the detriment of another Client or Clients. In those circumstances where two Clients, or a Client and one or more Affiliated Parties hold investments in different classes of a company's debt or equity, Kawa may also, to the fullest extent permitted by applicable law, take steps to reduce the potential for adversity between the Clients, or between a Client and one or more Affiliated Parties, including causing a Client or an Affiliated Party to take certain actions that, in the absence of such conflict, it would not take, such as: (A) remaining passive in a restructuring or similar situations (including electing not to vote or voting pro rata with other security holders); (B) divesting investments; or (C) otherwise taking an action designed to reduce adversity, such as forming an independent Advisory committee to consider, and approve or reject, any such investments by one or more Clients at multiple levels of the capital structure. Any such decision to invest at different levels of the capital structure of an entity could have the effect of benefiting one or more Clients, Kawa, or an Affiliated Party or Parties, and therefore may not have been in the best interests of, and may have been adverse to, a Client or

Clients. Kawa will address all such conflicts using the means described above in this paragraph consistent with applicable fiduciary obligations, in its sole discretion.

Proprietary Trading By Kawa and the Affiliated Parties. Kawa and/or the Affiliated Parties engage (or may engage) in a wide variety of activities, some of which may be carried out on behalf of Kawa, the Affiliated Parties, or other entities that are in competition with Clients. Subject in each case to the limitations set forth in applicable governing and account documents, the Affiliated Parties may and have: (i) exercised investment responsibility, or otherwise engaged, directly or indirectly, in other businesses, whether or not similar to, or identical with, the business of Clients (which may include purchasing, selling, holding or otherwise engaging in investment transactions), (ii) acted as partners or advisors to other present or future private funds including, without limitation, any such Funds managed by Kawa, and (iii) made investments, including investments in, and financings, acquisitions and dispositions of, investments for their own accounts (or engaged in personal trading), in each case without any obligation to offer investment opportunities to Clients, subject to the limitations set forth in the applicable governing and/or account documents, and subject to any applicable fiduciary and other legal duties. Affiliated Parties may directly or indirectly purchase, sell, hold or otherwise deal with investments and pursue investment opportunities, even if the investment or the prospective investment is of a character which, if presented to one or more of Client accounts could be acquired by those accounts for investment, except to the extent set forth in the applicable governing and/or account documents, and subject to any applicable fiduciary and other legal duties.

In particular, Daniel Ades, individually, on behalf of members of his family, through or on behalf of trusts, partnerships, companies, charitable organizations, and other entities formed for his benefit and the benefit of members of his family ("Principal Entities") expects to continue to make, hold, and dispose of investments outside of, and separate from his interests in Funds and SMAs. Certain Principal Entities are Clients. Investments by the Principal Entities may and have included, without limitation, investments in pooled or other vehicles also managed by Kawa, as well as securities or other investments in which Clients also have invested, and which Kawa allocates between its other eligible Client accounts.

No Uniform Fees. As noted above, Kawa reserves the right, in its sole discretion, to negotiate and to charge lower management fees and/or performance-based compensation for certain accounts based on the Client's particular needs as well as overall financial condition, goals, risk tolerance, and other factors unique to the Client's particular circumstances. In addition, Kawa has waived, reduced, and rebated, and reserves the right, in its sole discretion, to waive, reduce, or rebate all or any portion of the management and/or performance-based

compensation with respect to any Client, or to any investor in a Fund, including affiliates, employees, partners, members or directors of Kawa or its affiliates, including their respective family members or accounts.

Side Letters. Kawa has the discretion to (and has in a limited number of instances) for a particular investor or investors, waive or modify the application of, or grant special or more favorable rights with respect to, any provision or term of any Fund, to the extent permitted by applicable law. To effect such waivers or modifications or the grant of any special or more favorable rights, Kawa may create additional classes of interests for certain investors or enter into side agreements ("Side Letters") with such investors that provide for, among other things, (i) greater transparency into the Fund's portfolio, (ii) different or more favorable withdrawal rights, such as more frequent withdrawals or shorter withdrawal notice periods, (iii) greater information than provided to other investors, (iv) different fee or incentive compensation terms, and (v) more favorable transfer rights.

Use of Public Information. Subject to the considerations set forth above, in investing for personal accounts other than Clients' accounts, Kawa, its affiliates, employees and principals may make use of public information obtained by them in the course of investing for any Client, and they will have no obligation to compensate the Client, or its investors, in any respect for their receipt of such information or to account to the Client or its investors for any profits earned from their use of such information. Kawa, its affiliates, employees and principals are not generally obligated to make their investment records available for inspection by any Client or investor.

Item 9. Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of them or the integrity of their management. Kawa has no disclosure responsive to this Item.

Item 10. Other Financial Industry Activities and Affiliations

10.A. Broker Dealer Registrations

Kawa is not registered and has no application pending to register as a broker-dealer.

10.B. Other Registrations

Kawa is registered as a Commodity Pool Operator and a Commodity Trading Advisor with the CFTC and is a member of the NFA (Member ID # 0403747). Additionally, several of Kawa's management persons are Principals or Associated Persons of the Commodity Pool Operator and Commodity Trading Advisor and are therefore registered with the CFTC.

10.C. Material Relationships or Arrangements

Kawa Capital Management, Inc. ("KCM") is the investment adviser to the Funds and the SMAs. KCM is a wholly-owned subsidiary of Kawa Holdco.

General Partner and Manager Affiliates

KCM or certain of its affiliates serve as the general partners and managers of the Funds. Typically, KCM will be appointed as investment manager by the Fund vehicle to manage the day-to-day of the investment pursuant to an investment management agreement or by acting in a management role in the entities, such as acting as manager, managing member or general partner. Kawa Private Investments, LLC ("KPI"), or a subsidiary thereof, typically is a member or partner in the vehicle for purposes of receiving a carried interest and/or performance fee upon a liquidity event related to the investment. In addition, typically, if an SPE Fund directly or indirectly has ownership of commercial real property with one or more tenants, KPI will engage its subsidiary, PKV Investment Management Company, LLC ("PKV"), as further described below, as real estate asset manager.

In addition, KPI or a subsidiary thereof (or, in certain circumstances, KCM) manages real estate projects and other private investments that Kawa or an affiliate offers and in which Clients with investment mandates that include real estate investments, may elect to participate. Invitations to participate in any transaction structured or managed by KCM, KPI or their affiliates or related persons, typically are not made to all Clients and investors (consistent with Kawa's fiduciary duties to our Clients). See Item 8.B. (*Allocation of an Investment or Opportunity*) for more information.

Under certain circumstances, a Fund ("Investor Fund") is eligible to subscribe to another Fund or Funds ("Investee Fund(s)") for which Kawa also charges fees. Therefore, a conflict of interests exists. To avoid the duplication of fees and mitigate any conflicts of interest, management compensation or performance compensation of the Investee Fund(s) are either waived or rebated for such Investor Funds. Investors in the Investor Fund are subject only to the fees and expenses applicable to the Investor Fund, which fees and expenses are more fully described in Items 5 (*Fees and Compensation*) and 6 (*Performance Based Fees; Side-by-Side Compensation*).

Kawa and its advisory affiliates and related persons own interests in certain of the Funds. We do not believe that this causes a conflict of interest between Kawa and its Clients, and that such investment aligns the interests of our advisory affiliates and related persons with our Clients' interests.

Kawa has, and may in the future, engage affiliated placement agents, whose activities on behalf of the funds are subject to the same incentives. In addition, Kawa is likely to obtain financial benefits by selecting an affiliated or related person as a placement agent.

Other Affiliates

From June 2012 until January 1, 2018, a subsidiary of Kawa was a partner in a joint venture, Adler Kawa Real Estate Advisors, LLC (“AKREA”) and Adler Kawa Real Estate Services, LLC (“AKRES” and, together with AKREA, the “AK Joint Venture”). The AK Joint Venture acted as an asset and property manager and investor of real estate. Effective as of January 1, 2018, the other majority investor in the AK Joint Venture, Adler Real Estate Partners (“Adler”) purchased Kawa’s interest in the AK Joint Venture.

Although Kawa is no longer a member in the AK Joint Venture, as part of the consideration to be received by Kawa in connection with the sale of its interests to Adler, Kawa is entitled to receive, until January 1, 2024, as deferred compensation, a percentage of management fees and carried interest attributable to those Kawa Clients who invested in the AK Joint Venture-managed and Adler-managed vehicles during the time of Kawa’s ownership.

Kawa may recommend to its Clients, on a non-discretionary basis, investment in real estate projects managed by Adler and/or certain real estate funds sponsored directly or indirectly by Adler. Accordingly, this recommendation involves a conflict of interest as Kawa is entitled to receive compensation from Adler in connection with such recommendation as described above. From time to time, Kawa may engage its affiliates to provide services to one or more Clients. The payment of fees by Clients to a service provider owned in whole or in part by Kawa or by other Clients gives rise to conflicts of interest to the extent Kawa directed or initiated such transaction.

PKV is a real estate asset management company wholly owned by Kawa and which currently has been engaged as asset manager for certain real estate properties owned and/or controlled by Kawa and/or the Strategic Funds or SPEs managed by Kawa. Kawa will address conflicts of interest related to PKV based on the facts and circumstances presented by each situation and will take steps to ensure that Clients using PKV’s services are charged market-rate prices for the services they receive.

10.D. Recommendation of Other Investment Advisers

Kawa typically does not recommend or select other investment advisers for Clients, except as stated in the previous paragraph.

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

11.A. Code of Ethics

Kawa has adopted a Code of Ethics pursuant to Advisers Act Rule 204A-1 for all employees of the firm ("Supervised Persons") describing, among other things, our standards of ethical business conduct, fiduciary duty to our Clients, and requirements for personal securities trading by our Supervised Persons. A basic tenet of Kawa's Code of Ethics is that the interests of Clients are always placed before those of Kawa. The Code of Ethics also requires that all Supervised Persons comply with certain ethical standards relating to Clients and their accounts, including restrictions on gifts and entertainment, borrowing, outside activities, and political contributions, as well as provisions intended to prevent violations of laws prohibiting insider trading and to mitigate conflicts of interest.

Supervised Persons of Kawa must accept in writing the terms of the Code of Ethics upon hire and must affirm their compliance with it on a regular basis.

Kawa Clients or prospective investors may request a copy of Adviser's Code of Ethics by contacting the firm's Compliance Department, by email at compliance@Kawa.com or by calling (305) 560-5200.

11.B. Recommendations of Securities and Material Financial Interests

In certain circumstances, Kawa engages in cross trades between Client accounts when it believes such a trade is not disadvantageous to the involved Clients (e.g., for rebalancing of portfolios). A cross trade may permit Kawa to execute trades without impacting the market price of securities, can save brokerage commissions and, in certain cases, without related transaction costs like custody expenses and transfer taxes. Cross trades are transacted in accordance with Kawa's policies and procedures and must be reported to and pre-approved by Kawa's Chief Compliance Officer or designee.

Kawa may also have a conflict of interest related to performance-based compensation charged to investors in the Funds and/or SMAs.

Affiliates of Kawa have, and may in the future, serve as placement agents for certain Funds. Such affiliated placement agents may be incentivized to promote the sale of Fund interests, due both to their status as Kawa affiliates, and their receipt of commissions, regardless of investment suitability or profitability. Because of their receipt of commissions and their status

as affiliates of Kawa, such affiliated placement agents have an inherent conflict of interest in the performance of their duties under their placement agency agreements with the Funds.

11.C. and 11.D. Personal Trading and Timing of Personal Trading

Kawa, along with some of its employees, invest in the Funds that Kawa manages. Therefore, Kawa and its employees have a financial interest in Funds. Investments made by Kawa and employees are generally made on the same terms as other investors in Funds. However, fees and investment minimums may be waived or reduced for Kawa and its employees. We do not believe this arrangement presents any material conflicts of interest, since our interests are aligned with the interest of Fund investors. In addition, when possible and not adverse to the particular Fund or its investors, we try to accommodate investments in and withdrawals from a Fund that may be received after the deadline designated in that Fund's governing documents. This policy is applied equally to Kawa, its employees and any other investors in a Fund.

Kawa and its employees may also trade in the same securities traded by Funds and SMAs. To mitigate material conflicts of interest associated with personal trading, Kawa has imposed various restrictions on personal trading and have policies and procedures designed to prevent employee who have knowledge of any transaction or proposed transaction from trading the same securities before a Client completes its transaction. These restrictions are outlined in our Code of Ethics (the "Code"), which has been adopted in accordance with the provisions of Rule 204A-1 under the Advisers Act. The Code recognizes, among other things, that Clients' interests are paramount and all employees must place the interests of clients before their own. Personal securities transactions must be conducted in such a manner to avoid any material conflicts of interest or any abuse of an employee's position of trust and responsibility. The Code also requires, with respect to relevant personnel, periodic reporting of personal securities transactions and holdings and the pre-clearance of investments in single-name securities (debt and equity), initial public offering of securities, private placement of securities and investments in single name securities (debt and equity). A copy of our Code is available upon request by contacting us at 305-560-5200 or by writing to Kawa Capital Management at 1010 S. Federal Highway, Ste. 2900, Hallandale Beach, FL 33009, Attention: Investor Relations.

The Code also requires that all Access Persons comply with ethical standards relating to Clients and their accounts including, without limitation, restrictions on outside business activities, political contributions, giving and receiving gifts or entertainment, and provisions intended to prevent violations of the laws prohibiting insider trading.

Item 12. Brokerage Practices

12.A. Selection of Broker/Dealers

Kawa's primary objective in selecting brokers and dealers and in effecting portfolio transactions is to seek to obtain the best combination of price and execution with respect to its accounts' portfolio transactions. The best net price, giving effect to brokerage commissions, spreads and other costs, is normally an important factor in this selection, but a number of other factors are also considered. In considering these factors, Kawa recognizes that different broker-dealers have different execution capabilities with respect to different types of securities. The factors include, but are not limited to:

- Kawa's knowledge of the commission rates and spreads that are currently negotiable;
- the nature of the security being traded;
- the size and type of the transaction;
- the nature and character of the markets for the security to be purchased or sold;
- the desired timing of the trade and speed of execution;
- the existing and potential activity in the market for the particular security;
- the broker-dealer's access to primary markets and quotation sources;
- the ability of the broker dealer to effect transactions when a large block of securities is involved or where liquidity is limited;
- confidentiality;
- the execution, clearance and settlement capabilities and history as well as the reputation and perceived soundness of the broker-dealer selected, and others which are considered;
- Kawa's knowledge of actual or apparent operational problems of any broker-dealer;
- the broker-dealer's execution services rendered on a continuing basis and in other transactions;
- the broker-dealer's access to underwritten offerings and secondary markets;
- the broker-dealer's reliability in executing trades, keeping records and accounting for and correcting trade errors;
- the broker-dealer's ability to accommodate Kawa's needs with respect to one or more trades including willingness and ability to maintain quality execution in unusual or volatile market conditions and to commit capital by taking positions in order to complete trades;
- the quality of communication links between Kawa and the broker-dealer; and
- the reasonableness of spreads or commissions.

Research and Other Soft Dollar Benefits

Kawa receives research from certain brokers in connection with Client securities transactions. Kawa has not entered into any formal soft dollar arrangements that condition the receipt of such research on Kawa's provision of trade flow to any broker, but Kawa does receive certain other benefits from its brokers that may be viewed as soft dollar benefits. Kawa limits the use of these benefits to services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934, as amended ("Section 28(e)"). Research services within Section 28(e) include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; and certain proxy services.

Where Kawa engages in this practice to obtain Section 28(e) eligible research and brokerage products and services, it periodically reviews and evaluates its soft dollar practices and to determine in good faith whether, with respect to any research, the commissions used to obtain those products and services were reasonable in relation to the value of the brokerage and research. This determination is viewed in terms of Kawa's overall responsibilities to its Client accounts. As a practical matter, in some cases Kawa could not, on its own, generate all the research that broker-dealers provide without materially increasing its expenses. The compensation paid to Kawa by Clients is not reduced by any costs related to Kawa's receipt of research and brokerage products and services. To the extent Client portfolio transactions are used to obtain such research and brokerage products and services, the brokerage commissions paid by Clients might exceed those that would otherwise be paid for execution only. The brokerage and research and services furnished by broker-dealers may be useful and of value to Kawa in servicing any or all of its Clients and may not necessarily be used by Kawa in connection with the Client accounts that actually paid commissions, nor in proportion to the amount of commissions paid by those accounts to the broker-dealer providing the services.

The use of Client commissions (or markups or markdowns) to obtain research raises potential conflicts of interest. For instance, Kawa may be incentivized to select or recommend a broker-dealer based on its interest in receiving research or other products and services from that broker-dealer. Kawa attempts to mitigate these potential conflicts through its periodic review and

oversight of its execution, including its payment of brokerage commissions, and its receipt of any research services.

Brokerage for Client Referrals

Kawa does not directly or indirectly condition its Client trading or any client referral arrangements with any broker-dealers.

Directed Brokerage

While Kawa generally selects broker-dealers for Client accounts over which it has discretion, Kawa accepts, in limited instances, direction from certain SMAs as to which broker-dealer is to be used with respect to a Client's overall portfolio trading, or with respect to a specific trade. SMAs, which, in whole or in part, direct Kawa to use a particular broker-dealer to execute transactions for their accounts should be aware that, in so doing, they may adversely affect Kawa's ability to, among other things, obtain volume discounts on bunched orders or to obtain best price and execution by, for example, executing over-the-counter stock transactions with the market makers for such securities.

Additionally, as noted below, transactions for an SMA that directs brokerage are generally unable to be combined ("batched" or "bunched") for execution purposes with orders for the same securities for other accounts managed by Kawa. Accordingly, directed transactions may be subject to price movements, particularly in volatile markets, that may result in the SMA that directs brokerage receiving a price that is less favorable than the price obtained for the bunched order. Under these circumstances, the direction by an SMA of a particular broker or dealer to execute transactions may result in higher commissions, greater spreads, or less favorable net prices than might be the case if Kawa could negotiate commission rates or spreads freely, or select brokers or dealers based on best execution. Consequently, Kawa is likely not to be able to achieve best execution for Clients that have directed brokerage arrangements.

12.B. Aggregation of Orders

Kawa may determine that, in making investment decisions for Client accounts, securities considered for investment by one account also are appropriate for another account managed by Kawa. On occasions when the purchase or sale of a security is deemed to be in the best interest of more than one account, Kawa may, but is not obligated to, aggregate or batch orders for the purchase or sale of securities for all such accounts to the extent consistent with best execution and the terms of the relevant investment mandate. Such batched trades may be used to facilitate best execution, including negotiating more favorable prices, obtaining more timely or equitable execution, or reducing overall commission charges.

Kawa may combine orders for the purchase and sale of securities on behalf of more than one investment advisory Client, including accounts and collective investment vehicles in which Kawa or its associated persons might have an interest, subject to the following conditions:

- Kawa's aggregation policies are fully disclosed to all the relevant Clients;
- The purchase or sale is suitable for each Client's account;
- Trades are combined only if it is consistent with Kawa's duty to seek best execution and with the terms of the relevant Clients' investment mandates or guidelines; and
- Kawa specifies the accounts participating in the combined trade(s) and allocates between the eligible Client accounts in a manner that, under the circumstances, Kawa determines, in its fiduciary capacity, is fair and equitable over time to all eligible Clients.

Kawa may include proprietary or related persons' accounts (including certain SMAs or the Funds in which Kawa may have significant ownership interest) in such aggregate trades subject to its duties to seek best execution and allocate fairly; and to its obligations under its Code of Ethics.

Trade Errors

Kawa endeavors to take the utmost care in making and implementing investment decisions of behalf of Client accounts. However, there are occasions where transaction errors occur. In such instances Kawa reasonably determines how to correct the error. In general, if a trade error results in losses, such losses are not reimbursed to Clients unless the trade error was solely attributable to Kawa's gross negligence. Therefore, a Client's account may be adversely impacted by trade errors.

Services for Other Clients

Kawa may advise or act on its own behalf or that of certain Clients in a manner which differs from advice given to, or the timing or nature of action taken for, other Clients. Specific asset allocations within Client accounts may differ from those in other accounts managed by Kawa due to various factors, including but not limited to, the availability of certain investments, market conditions, or the amount of Client funds available for investment or reinvestment. Kawa is not obligated to initiate any transactions for Clients in any securities or assets that Kawa purchases or sells for its own accounts or for the accounts of any other Client, subject to the factors enumerated above in Item 8.B. (*Allocation of an Investment or Opportunity*) and the firm's fiduciary duties to its Clients.

Item 13. Review of Accounts

13. A. Frequency and Nature of Review

All Client portfolios are regularly monitored and reviewed. Trades in Kawa Fund and Strategic Funds with marketable securities are reconciled daily by Kawa and the Fund's administrators. SPE Fund portfolios with illiquid assets (e.g. real estate) are reviewed at least quarterly, with feeing and expenses payments requiring participation of the Fund administrator. Daniel Ades and Alexandre Saverin, principals of Kawa and portfolio managers, are responsible, and have ultimate authority for, all trading and investment decisions made for Client portfolios for which Kawa has investment discretion, as well as for monitoring and reviewing Client portfolios. Portfolio managers have real-time access to each account through our trade management system and perform reviews of each portfolio, no less frequently than monthly or quarterly.

In performing its investment management activities, Kawa allocates its personnel and its personnel's time among its Clients. Although personnel devote the time necessary to conduct such investment management activities, conflicts may arise in the allocation of personnel and their time among such Clients, as certain Clients may require more time and resources than others.

13.B. Factors that May Trigger an Account Review Outside of Regular Review

Extraordinary reviews of Client accounts are undertaken as necessary, depending on factors such as cash flows, changes in Client objectives or restrictions, or significant changes in market conditions.

13.C. Content and Frequency of Reports

Investors in The Kawa Fund and the Strategic Funds, as well as certain of the SPE Funds for which we are deemed to hold custody, receive annual audited financial statements prepared by an independent accounting firm prepared in accordance with United States generally accepted accounting principles. Reports for The Kawa Fund and the Strategic Funds are also issued by the administrators of these funds no less than quarterly, and typically monthly. Due to the nature of the investments in the SPE Funds, their investors may not receive regular statements, but do receive statements at least annually. The nature and frequency of information reporting is specified in each Fund's offering documents.

Portfolio managers meet with Clients upon reasonable request, or at such other times as may be mutually agreed upon by Kawa and its Clients. Accordingly, Kawa may provide certain investors with additional information or more frequent reports than other investors receive (e.g.,

diligence requests, side letters, certain co-investments, or other requests from Clients with differing needs for information).

In addition, Kawa Fund investors are provided with periodic updates and fact sheets created by Kawa. Due to the nature of the investments in certain of the other Funds, and as provided in the specific Fund's offering documents, investors may not receive regular communications from Kawa, although they are available upon reasonable request.

The information in reports from Kawa may vary from custodians' account statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 14. Client Referrals and Other Compensation

14.A. Compensation from Non-Clients

Except as described above in Item 12 (*Brokerage Practices*), with respect to any soft dollars, Kawa does not currently receive any economic benefit other than from Clients and Fund investors for providing investment advice or other advisory services to Kawa's Clients.

14.B. Client Referrals and Other Compensation

Certain of our Clients and prospective investors retain investment consultants or other investment advisers ("Consultants") to advise them on the selection and review of investment managers. Kawa has certain Clients that were introduced to us through Consultants. These Consultants or their affiliates may, in the ordinary course of their investment consulting or advisory business, recommend Kawa's investment advisory services or otherwise place Kawa into selection processes for a particular Client.

Kawa has dealings with Consultants, both in the Consultants' role as advisers for their Clients and through independent business relationships. Specifically, we provide Consultants with information on portfolios we manage for our mutual Clients, pursuant to our Clients' direction. Kawa also provides information on our investment styles to Consultants, who use that information in connection with searches they conduct for their Clients.

Where Kawa management deems it advantageous to the distribution of our Funds, Kawa engages external placement agents for placement of new fund interests.

Kawa has engaged BTG Pactual US Capital LLC and others, primarily third-party registered broker-dealers, to act as placement agents in its capital raising for certain of the Funds it manages. Depending upon the Fund for which it is placing interests, the placement agent is

compensated with either a fixed percentage of the aggregate capital commitments of investor that it refers, or a percentage of the average management fees paid by the investors it refers. Such fees are generally paid by Kawa and not the applicable Fund or investor placed by such placement agent.

See Items 10 (*Other Financial Industry Activities and Affiliations*) and 11 (*Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*), for disclosure regarding our affiliate BTG Pactual US Capital, which is generally engaged to act as placement agent for interests in the Funds and will receive commissions attributable to interests sold by it.

In addition, in the future Kawa may engage and compensate additional, third-parties, typically registered broker-dealers, to act as placement agents in its capital raising for certain of its Funds and other products, including SMAs.

Any referral fee or other compensation paid by Kawa to any third-party who solicits advisory Clients for Kawa is paid in compliance with the provisions of Rule 206(4)-1(b) under the Advisers Act.

Capital Introduction Program. Representatives of Kawa from time to time attend or speak at conferences and programs sponsored by brokers or dealers that are directed at investors interested in investing in alternative investment funds or other products. These conferences and programs may be a means by which Kawa Funds can be introduced to prospective investors. In addition, brokers or dealers may refer Kawa-managed products to, or arrange meetings with, potential investors who hold accounts with such brokers or dealers. While these conferences, programs, and meetings (collectively, "Capital Introduction Programs") may be arranged by brokers or dealers, there is no guarantee that any potential investor participating in a Capital Introduction Program will invest in a Kawa product. Other than the standard commission rates and customary brokerage fees paid by a Client (which Kawa believes are paid solely for trade execution and brokerage services), the brokers or dealers generally do not receive any compensation, directly or indirectly, for their participation in a Capital Introduction Program or any resultant investment. Kawa's participation in a particular broker's Capital Introduction Program is not a consideration in its broker selection or retention.

Item 15. Custody

Independent Qualified Custodians

Kawa is deemed to have custody of the Funds' and certain SMAs' funds and securities, for purposes of Advisers Act Rule 206(4)-2 ("Custody Rule"). In order to comply with the Custody Rule, and to the extent required, Kawa engages the services of independent, qualified custodians

(as defined by the Custody Rule) to hold assets of which it is deemed to have custody. Also, some of Fund assets are uncertificated securities that are considered, “privately offered securities,” and are not required to be held by qualified custodians.

The Audit Approach – Annual Audits

Kawa avails itself of the audit approach with regard to those Funds’ and certain SMAs’ funds and securities of which it is deemed to have custody. Kawa engages independent auditors, registered with the PCAOB and subject to that agency’s regular inspection, to audit its advised Funds at the end of each fiscal year. Kawa delivers the results of each audit in financial statements prepared in accordance with U.S. GAAP to investors in its Funds within 120 days of fiscal year-end. Investors should review these statements carefully. With regard to certain sub-advisory SMAs, for which Kawa is deemed to have custody by virtue of its authority to transfer assets, the SMA’s advisor is responsible for coordinating and ensuring the completion of this annual audit.

Account Statements

Although Kawa, in availing itself of the audit approach, is not subject to the Custody Rule’s requirement to distribute quarterly account statements, or to form a reasonable belief that quarterly account statements are being distributed by qualified custodians, to investors in its Funds, investors do receive account statements from the respective Fund’s administrator, typically monthly or quarterly. Investors should review these statements carefully. Due to the illiquid nature of the investments in the SPE Funds, investors do not receive regular statements from the respective SPE Fund’s administrator. Kawa does, however, provide additional account information for these funds upon reasonable investor request. Kawa also provides its investors with periodic investment reviews for each SPE Fund, typically semi-annually.

Item 16. Investment Discretion

Kawa is generally retained to provide investment advice and manage assets for the Funds and SMAs on a discretionary basis, and is authorized to make the following determinations, consistent with a Client’s investment mandate, without Client consultation or consent before a transaction is effected:

- Which securities to buy or sell;
- The total amount of securities to buy or sell;
- The broker or dealer through whom securities are bought or sold;
- The commission rates at which securities transactions for Client accounts are effected; and

- The prices at which securities are to be bought or sold, some of which include broker-dealer spreads or mark-ups and transaction costs payable to the broker-dealer (not to Kawa).

However, certain SMAs engage Kawa on a non-discretionary basis, in which case the Client, and not Kawa, retains the authority and responsibility for decisions about the above-bulleted matters with respect to its investments.

The nature and scope of Kawa's authority with regard to each Client mandate is set forth in writing, typically in each Fund's offering documents and, for SMAs, in an investment management agreement.

Item 17. Voting Client Securities

Kawa is responsible for voting Client proxies and handling other corporate actions, and has developed written policies and procedures governing its activities in this area. Kawa's policy generally requires us to vote Client proxies in the interest of maximizing investor/shareholder value. Kawa maintains a record of proxy votes cast on behalf of Clients.

Kawa acknowledges its responsibility for identifying material conflicts of interest related to voting proxies. Circumstances may arise wherein Kawa has a potential conflict of interest in voting proxies on behalf of its Clients. In order to ensure that Kawa is aware of the facts necessary to identify conflicts, Kawa's policy requires that senior management of Kawa must disclose to the Chief Compliance Officer (or designee) any personal conflicts, such as officer or director positions that they, their spouses or close relatives hold in any Client portfolio company. Conflicts based on business relationships with Kawa are considered only to the extent that Kawa has actual knowledge of them. If Kawa determines that a conflict exists, which cannot be otherwise addressed, Kawa may choose one of several options including: (1) voting as recommended by a third party service, if employed by Kawa; (2) "echo" or "mirror" voting the proxies in the same proportion as the votes of other proxy holders that are not Kawa Clients; (3) if possible, erecting information barriers around the person or persons making the voting decision sufficient to insulate the decision from the conflict; or (4) if agreed upon in writing with the Client, forwarding the proxies to affected Clients and allowing them to vote their own proxies.

Kawa's proxy voting policy and records are available to its Clients and investors upon request by contacting the Compliance Department, by email at compliance@Kawa.com or by calling (305) 560-5200.

Item 18. Financial Information

Kawa has no disclosures to make regarding this Item.