

**ITEM 1
COVER PAGE**

PART 2A OF FORM ADV: FIRM BROCHURE



PENSO ADVISORS, LLC

March 29, 2023

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ADDITIONAL INFORMATION ABOUT PENSO ADVISORS, LLC ALSO IS AVAILABLE ON THE SEC'S WEBSITE AT WWW.ADVISERINFO.SEC.GOV.

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ITEM 2
MATERIAL CHANGES

There are no material changes to the prior version of this brochure (the “Brochure”) of Penso Advisors, LLC that was filed on March 29, 2022.

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ADVISORY BUSINESS

Penso Advisors, LLC (“Penso Advisors”, “Penso” or “we”) is a Delaware limited liability company with offices in New York, New York and Cedarhurst, New York. Penso Advisors was founded in February 2010 and its principal owners are Ari Bergmann, Penso Manager, LLC, Penso Partners, LLC and BHUS Holdings LLC. Penso Manager, LLC and Penso Partners, LLC are owned by Mr. Bergmann and two of his family trusts, respectively, and BHUS Holdings LLC is an affiliate of Brevan Howard Capital Management Limited.

Penso Advisors is a discretionary global macro manager with a niche focus on derivatives structuring and trading and the implementation of high convexity discretionary macro and risk mitigation strategies for its clients. Currently, the two core strategies we utilize are Global Macro Opportunities (“GMO”) and Negative Correlated Alpha (“NCA”). We may utilize one or more new strategies based upon our belief of anticipated market conditions and investor interest including, Right Tail Strategy (“RTS”) and Carry-Neutral Defensive (“CND” and collectively with GMO and NCA, the “Strategies” and each, a “Strategy”). The more highly levered version of any of the Strategies is termed “Ultra”.

The GMO Strategy is a discretionary global macro strategy whose goal is to exploit compelling mispriced opportunities on a convex basis in a capital efficient and risk-controlled manner. This Strategy uses a “quantamental” (combining quantitative and fundamental analysis) approach to identify asymmetric trade opportunities in all relevant asset classes including equities, FX, rates, credit and commodities in all geographies, but mostly G10 and liquid Emerging Market countries. Penso’s views are typically expressed using creative derivatives structures in order to control downside risks and to seek to extract the desired convexity.

The NCA Strategy is a derivatives-based, bespoke risk mitigation overlay solution whose goal is to produce highly convex payouts during volatile environments with substantial equity drawdown events (attachment points). NCA employs an alpha based hedging approach and a dynamic monetization strategy intended to maintain a low drag during benign, low volatility, risk on environments. The strategy aims to have a positive expected value over a full market cycle. NCA trades in what Penso believes to be non-obvious hedging and negatively correlated trade opportunities in liquid markets and mispriced correlations in all relevant asset classes (such as equities, FX, rates, credit and commodities). The NCA Strategy uses proprietary quantitative models to seek to optimize the level and cost of direct equity protection.

The RTS Strategy, which has not yet been implemented by any Client or investor, is an opportunistically implemented discretionary investment strategy with a keen focus on convexity and optionality. The strategy seeks to take advantage of distressed prices in equities, credit, commodities, interest rates, and foreign exchange across all tradeable geographies, potentially caused by indiscriminate selling during risk repricing and systemic events, which Penso believes

is a potential scenario. Penso focuses on conviction, payoff profile, and liquidity in identifying the markets and instruments to be traded. The payoff profile of a position is a function of price, expected outcome, and time horizon. The strategy focuses on identifying opportunities that offer significant convexity, in Penso's opinion. Convexity, for the purposes of the RTS Strategy, refers to the expected payout relative to the amount of capital at risk for the position in question.

The CND Strategy, which has not yet been implemented by any Client or investor, is a discretionary strategy whose goal is to provide a convex return during major market repricing events, while aiming to neutralize the carry associated with a more aggressive pure tail risk strategy. The Global Macro portfolio of the Penso CND strategy aims to generate all-weather profits, to offset carry from the Risk Mitigation Portfolio. The Risk Mitigation Portfolio of the Penso CND strategy aims to deliver a highly convex, negatively correlated return during risk-off events.

Each of the GMO, NCA and, if utilized, RTS, CND and other additional Strategies predominantly trade in listed and OTC derivative instruments.

Investors may invest either through managed accounts or private funds, as they desire. The managed account structure ("Managed Accounts") is used for investors who want to implement a Strategy on their own proprietary trading infrastructure or as part of a separate account established in conjunction with such investor and Penso Advisors. The private fund structure, based on fund vehicles sponsored by Penso Advisors ("Penso Private Funds"), has underlying investors (single or in a group) invest in a fund-of-one or fund-of-few vehicle which is comprised of a separate, ring-fenced fund or entity maintained on a third-party infrastructure platform, primarily structured as a separate cell (a "Cell") as part of a segregated portfolio company ("SPC"). As aforementioned, a Cell may be either (i) a fund-of-one, single or affiliated investors, or (ii) a fund-of-few or more, where underlying investors invest in a Cell that is commingled (a "Commingled Cell"). Mandates in all of Penso's vehicles are generally implemented and managed on a bespoke basis and may choose to structure their vehicle using a different, and sometimes a more highly levered version of the strategy or a focus on a specific market (i.e., credit market); nonetheless, these sub-strategies generally will be invested on the same principles as the overall strategy, subject to their respective investment guidelines, as described herein. A Commingled Cell will be established and structured on a bespoke basis and any future investor will be subject to the terms of such Cell as may be modified by agreement. As of the date of this brochure, Penso Advisors' clients consist of both Managed Accounts and the Penso Private Funds ("Clients").

To date, Penso Advisors' Managed Account Clients and underlying investors in the Penso Private Fund Clients, have included institutional money managers such as hedge funds, funds of hedge funds, private equity funds, global insurance companies, state and private pension plans, endowments, foundations, family offices, and other institutional or ultra-high net worth investors.

A Client or an underlying investor will first choose which Strategy it wishes to employ, including any sub-strategy, and then it can invest in or establish the advisory relationship with the most suitable structure offered by Penso Advisors. With respect to bespoke structures, namely all Client mandates, other than a Commingled Cell after its initial structuring, are generally designed and tailored to address the particular exposures identified in the Client's portfolios, including through specific investment guidelines that are set forth in the appropriate investment advisory or management agreement. The terms of the relationship with the Client or its underlying investors, as applicable, are typically detailed in (i) with respect to a Managed Account, an investment advisory or consulting agreement, as applicable, with Penso Advisors, or (ii) with respect to the Private Funds, a private placement memorandum or other offering document ("PPM"), and further, with respect to each Cell in an SPC vehicle, the PPM is then customized and supplemented by an Explanatory Memorandum (or an appropriate supplement) and Investment Management Agreement with each respective fund (or Cell, as applicable).

An underlying investor in any of the Penso Private Funds may enter, and some underlying investors have entered into, a side letter in connection with such fund, in which the investor is granted certain further customized terms, some of which may be preferential, and which may include among other things; additional representations or covenants, greater transparency, informative reporting, reduced fees and/or expenses and favorable withdrawal rights. In addition, we may grant terms requested by investors to address certain regulatory or policy requirements unique to such investor.

Penso Advisors works with CIOs, CROs and trading teams of many of their Clients, or as applicable, their underlying investors on an ongoing basis to address all matters pertaining to macro/systemic risks, address specific issues and to review the progress of their Strategy and investment. Certain of the Penso Advisors' Client relationships are managed on a non-discretionary basis, which may be based on various conditions, namely the account may or may not trade any proposed transactions and/or proposed trades may be made only by the Client directly, or trades may be made by Penso Advisors as investment manager after the Client's authorization prior to each proposed transaction.

Penso Advisors does not participate in wrap fees programs.

As of December 31, 2022, Penso Advisors advises approximately \$1,236,791,000 of regulatory client assets pursuant to specified investment guidelines, of which approximately \$436,791,000 of such assets for which Penso Advisors has discretionary trading responsibility and approximately \$800,000,000 for such assets for which Penso Advisors has non-discretionary trading responsibility.

ITEM 5

FEES AND COMPENSATION

Penso Advisors uses different fee structures depending on the nature of the relationship with the Client, the term of the relationship and the size and nature of the assets of the portfolio for which advice is provided. Such fees typically include a management fee which is either a fixed fee or a fee based on a percentage of assets under management, and/or an incentive or performance fee based on appreciation of net asset value (often subject to a high watermark).

Fee schedules are not disclosed because Penso Advisors does not utilize standardized fee terms as fees are determined on a client-by-client basis. Moreover, fee schedules are not necessary to be disclosed as all investors are qualified purchasers.

With respect to Managed Accounts, the fee structure is contained in such Client's respective investment advisory agreement or consulting agreement, as applicable. Penso Advisors invoices its Clients for fixed fees on a periodic basis as agreed (i.e., monthly or quarterly), and generally invoices for performance-based fees on a quarter-end or year-end basis.

With respect to investors in any Penso Private Fund, the fee structure is contained in the PPM (or other offering document) for the Private Fund, and specifically, with respect to any Cell of an SPC, in each fund's Explanatory Memorandum (or other supplement) to the PPM and its Investment Management Agreement (or similar trading management agreement) with Penso Advisors. In addition, Clients on a third-party, service provider platform, including the Penso Private Funds, may be charged a separate fee by such respective service provider, none of which is paid to Penso Advisors.

The Penso Private Funds' administrator calculates the management fee and once approved by Penso Advisors, instructs the management fee to be sent to Penso. Penso Private Funds' administrator also calculates the performance-based compensation. Once Penso Advisors approves the administrator's performance-based compensation calculation, the administrator allocates the performance compensation to an account of Penso Advisors or its affiliate. Penso may choose to engage different administrators for one or more of the Penso Private Funds and/or for any underlying separate Cells. Should Penso utilize multiple administrators, each such administrator will utilize its own models for calculations and methodologies to value assets which may affect performance differentials, assets under management, and fees related thereto in comparison with the other acting administrators. Each administrator will be selected by Penso based upon a number of considerations and will be subject to approval by the Private Fund or applicable Cell, as required.

In general, investors investing in any Penso Private Fund will pay any or all of (i) directors' fees, (ii) management fees, generally calculated as a percentage of the net asset value of the shares, which may be subject to a floor minimum, (iii) performance (or incentive) fees, generally calculated as a percentage of net appreciation of the shares with a high watermark, (iv) a platform

manager fee, generally calculated as an annual fee equal to a percentage per annum of the net asset value of the class of shares for such fund, and (v) an administration fee calculated monthly in advance and payable to the administrator, in addition to reimbursement of out of pocket expenses incurred by or on behalf of the fund.

Unless otherwise agreed, each fund, directly or indirectly, also will pay out of its assets all of its ordinary and extraordinary expenses which, depending on the nature of the fund as well as the specific services to be provided by the platform manager, may include, but are not limited to, (i) organizational expenses, (ii) legal, accounting, auditing, tax, market data, valuation, insurance (including directors and officers liability insurance), printing, computer, postage and similar fees and expenses, (iii) fees and expenses of a fund's administrator, the custodian(s), any sub-administrator(s), sub-custodian(s), independent directors, general partners, managing members and other service providers, (iv) trade processing and reconciliation fees and expenses, collateral management fees and expenses and any other middle-office expenses, (v) agreed out-of-pocket expenses incurred by the platform manager, the administrator and other service providers attributable to the services provided to the funds, including, without limitation, insurance costs and certain out-of-pocket expenses related to regulatory compliance (for example, expenses associated with the preparation of regulatory filings and reviews related to or in connection with the offering of the funds), (vi) fees and expenses incurred with respect to the periodic review and, if appropriate, modification of offering and governing documents, (vii) interest, commitment and other fees in connection with borrowings, (viii) transaction-related expenses, including brokerage fees and custody charges, (ix) research and due diligence related expenses, including related consulting fees, travel, background investigations on investment managers or proposed investment managers, subscriptions, databases, legal fees, fees for data processing, data aggregation and risk reporting, (x) extraordinary expenses (e.g., litigation costs, liquidation-related expenses (including any fees charged by a liquidation agent) and indemnification obligations) that a fund may incur, and (xi) any other expenses related to the fund's ongoing operations. Each Client's PPM, Explanatory Memorandum and/or investment management or consulting agreement, as applicable, provides a summary of expenses that may be charged to such Client.

In general, each Client's expenses from a third-party service provider will be invoiced by the relevant service provider directly to such Client for which the services are attributable. With respect to the Penso Private Funds, to the extent an invoice is remitted for services provided to more than one Penso Private Fund, such invoice will generally be allocated among such Penso Private Funds on a *pro rata* basis, either within the Clients' specific platform (i.e., its SPC structure) or across all Penso Private Funds, as applicable, in accordance with the net asset value of such Penso Private Fund, unless a policy states otherwise. To the extent any Client employs a master feeder structure, performance and management fees are calculated separately with respect to each of the master and feeder funds and in accordance with the terms set forth in the Private Fund's legal documents, while, to the extent practical and possible, general operating expenses are generally split pro-rata among all investors in the structure. The existence of multiple platforms

for Penso's Private Funds can potentially result in reduced savings benefits with respect to certain expenses that otherwise could be achieved if all Clients utilized a single platform structure. In addition, if a Fund were to change any of its third-party service providers, including, without limitation, Platform Service Provider, Administrator or Auditor, additional fees may be incurred with respect to such transition.

For all Clients and individual Cells, except with respect to subsequent investors in a Commingled Cell, fees and other terms of the investment are negotiated separately. These terms are found in the investment advisory agreement, investment management agreement, Explanatory Memorandum, or any other negotiated agreement, as applicable, with such Client. For investors in a Commingled Cell, management fees are stated in the PPM, as supplemented by the Explanatory Memorandum and, after initially established, are generally not negotiable. None of the compensation, liquidity or other standard terms of a Commingled Cell is typically re-negotiated after the initial establishment of the Cell, however, we disclose to prospective investors the terms of all of our fees and performance-based compensation, as well as other terms of an investment in detail in the PPM, as supplemented by the Explanatory Memorandum or other relevant offering document relating to such Commingled Cell. However, we have the discretion to waive or modify the application of any provision in the investment terms applicable to an investor in a "side letter" or any other manner, generally without the consent of other investors, and we have on occasion entered into side letter arrangements with certain investors in which we grant them preferential terms. These terms have included, among other things, reduced fees and/or expenses, favorable withdrawal rights or transparency rights. Additionally, to the extent that there are separate share classes within any Cell, generally established for implementing one or more limited opportunistic investments for investors (each a separate "Share Class"), such additional Share Class may be charged different fees or allocated different amounts of expenses than the main Share Class and such amounts are separately negotiated with the investors investing in such additional Share Class upon its establishment.

Currently, Penso Advisors does not require or seek prepayment of its fees.

Penso Advisors does not charge Clients any other fees or expenses with respect to its services.

Neither Penso Advisors nor any of our principals or employees receives any compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

ITEM 6

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As discussed in Item 5 above, Penso Advisors may use a performance-based fee structure for certain of its client relationships. The performance fee for our Managed Accounts, if any, are separately negotiated. Some of our Clients are charged some form of a management fee, such as a flat fee or an asset-based fee, separate from or in addition to a performance fee.

The performance fee for a Client Cell in the SPC structure is also separately negotiated and contained in each such Client's Explanatory Memorandum (or other supplement) to the PPM and Investment Management Agreement (or other trading management agreement). Additionally, to the extent that there are separate Share Classes within any Cell, such additional Share Class may be charged different fees than the main Share Class and such amounts are separately negotiated with the investors investing in such additional Share Class upon its establishment.

The use of performance-based fees could create incentives for riskier trading positions. The existence of different fee structures and terms may also create potential conflicts of interest or favoritism toward certain Clients; however, because the fee structures and terms are separately negotiated, except with respect to subsequent investors in any Commingled Cell, the Clients may address any such concerns through their own specific terms as part of the investment advisory, consulting or management agreement. Additionally, since each Client or underlying investor chooses the strategy that they would like to employ and may choose the type of vehicle they believe is most suitable for their investment, either through a Managed Account or Cell (either fund-of-one or Commingled Cell), the Clients are better able to tailor their investment to suit their needs.

Penso Advisors and its investment personnel provide investment management for multiple Clients. When managing more than one Client account, a potential exists for one Client to be favored over another Client. Furthermore, certain investors in any Penso Private Fund, including any Cell, may be affiliated, either directly or indirectly, with Penso Advisors. Penso Advisors and its investment personnel may have a greater incentive to favor Clients in which such affiliated investors have invested. We have adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple accounts and the allocation of investments to ensure the fair allocation of trading opportunities among Clients, initially in the selection of investment ideas across the different Strategies and then allocation of trades among Clients within each strategy, as applicable. See Item 8: Methods of Analysis, Investment Strategies and Risk of Loss and Item 12: Brokerage Practices, for a detailed explanation of this process among our Clients.

ITEM 7

TYPES OF CLIENTS

Penso Advisors generally provides its investment consulting or advisory services to sophisticated asset managers such as hedge funds, funds of hedge funds, global insurance companies, private and state pension plans, endowments, foundations, family offices and other large institutional investors. Penso Advisors provides its services to its Clients or their underlying investors through either Managed Accounts or a Penso Private Fund, predominantly through fund-of-one or fund-of-few Cells, as determined by the underlying investors. The investment structures may be implemented either through the Clients' own proprietary infrastructure or a third-party service provider infrastructure platform (including, where applicable, a Cell within a segregated portfolio company).

In accordance with its model of bespoke mandates, Penso Advisors generally limits its client base to sophisticated money managers and institutional investors typically with at least \$1 billion in assets under management or such other threshold as long as there is a logistical framework in place that allows for the implementation of risk overlays in managed account or private fund (fund-of-one or fund-of-few) structures. In any Commingled Cell, there is generally a lower minimum investment requirement than required for the establishment of a fund-of-one Cell, such amount is determined in Penso's discretion.

This firm brochure is not an offer to invest in our funds.

ITEM 8

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Penso Advisors currently manages two general investment Strategies, Global Macro Opportunities Strategy (GMO) and Negative Correlated Alpha Strategy (NCA), which may be modified by sub-strategies to suit the needs of a particular Client or underlying investor. Penso Advisors intends to manage additional strategies, including Right Tail Strategy (RTS) and Carry-Neutral Defensive Strategy (CND), but such Strategies have not yet been implemented by any Client or Investor. Also see Item 4, Advisory Business. In managing these Strategies, we typically use both fundamental and quantitative analysis to identify investment opportunities in the macro space that Penso believes would fit within the goals of each of the Strategies.

GMO is an uncorrelated discretionary macro strategy whose goal is to take advantage of asymmetric opportunities in global macro trends in a risk-controlled manner.

NCA is a bespoke risk mitigation overlay solution using a discretionary macro approach, designed to help institutional investors hedge systemic risks in their portfolios.

RTS, when launched, is intended to be an opportunistic right tail (distressed markets) strategy whose goal is to take advantage, on a convex basis, from a recovery of distressed risk assets after a potential market repricing/drawdown period in global markets.

CND, when launched, is intended to provide a convex return during major market repricing events, while aiming to neutralize the carry associated with a more aggressive pure tail risk strategy.

The Strategies are managed by the Principal/CIO and portfolio managers (the “Investment Committee”). For the NCA Strategy (inclusive of the Ultra version of such Strategy, or any investment focus sub-strategy, if applicable), portfolios are managed by the Principal and the other members of the Investment Committee. For the GMO Strategy, (inclusive of the Ultra version of such Strategy), currently, three members of the Investment Committee will have a carve out risk allocation amount to manage with limited discretion and the risk of each allocation will be overseen by the Principal/Chief Investment Officer and Chief Operating Officer. For the RTS, CND and any other new strategies, if and when implemented, portfolios will be managed as determined by the Principal/CIO at the time of implementation. Notwithstanding any carved-out risk allocation investment decisions, the ultimate responsibility of the trading program as a whole, for all of Penso Advisors, LLC’s Strategies, lies with the Principal, as Chief Investment Officer. Our investment professionals, consisting of principals and traders (PMs, both senior and junior), perform primary research to select investments for our Clients that we believe are appropriate for each Client within its selected Strategy. Once an idea or a theme is developed, the Investment Committee, or relevant portion thereof, will determine its relative conviction in each theme, in accordance with each Client’s relative risk allocation, if applicable. Also see Item 13, Review of Accounts.

The following is a general categorization of the types of trades predominantly deployed across the different strategies. In its investment analysis, generally, and in the sole discretion of the investment manager Penso Advisors will generally consider the following types of trades for its Strategies:

- Negative Correlation: relates to macro directional trades with negative correlation to risk with what we believe is positive convexity. These trades have a shorter tenor (i.e., up to 2 years) and are evaluated for inclusion in all of our strategy mandates. If such trades are included in the NCA strategy or, if implemented, the CND strategy, where applicable, they would be typically structured with a goal to achieve the highest convexity in a risk repricing event. If they are included in the GMO Strategy, they would be typically structured with a goal to maximize profit probabilities at lower multiples. Trades can be proactive or reactive in nature to markets or events. Proactive risk mitigation trades are often included in the NCA Strategy, and to a lesser extent, in the CND strategy, if implemented.
- Positive Correlation: relates to macro trades with positive correlation to the risk markets. These trades are typically included in GMO strategy and, if implemented, the CND strategy, and they will be included in the RTS strategy, if implemented, in an opportunistic (i.e., distressed assets) and convex basis.
- Equity Hedging: relates to direct equity volatility and downside exposure utilizing model driven signals and creative derivatives structures to benefit from equity repricings. These trades are typically included in the NCA Strategy and, if implemented, the CND strategy mandates and may be included in the GMO strategy opportunistically.
- Structural: relates to longer-dated (i.e., 1-5 years) risk repricing trades. These trades typically have negative or low carry volatility and term premia spreads and are usually only included in the NCA strategy, and, if implemented, the CND strategy. However, an opportunistic catalyst may cause us to evaluate such trades for inclusion in the GMO Strategy or, if implemented, RTS Strategy, as applicable. Some proactive risk mitigation trades may also be considered structural trades.

Each trade and the selection of investments is considered independently for each Strategy as appropriate to pursue the Strategy's intended goal. Nevertheless, there will be occasions where a trade idea or theme will be appropriate for and included in more than one Strategy. In such instance, members of the Investment Committee will consider the appropriate investment parameters for mandates for each Strategy in a "bottoms up" determination. Such parameters, including investment selection, expression of a theme and sizing and are decided on a strategy-by-strategy basis.

Generally, in the best interest of the participating Clients, Penso will then place the buy or sell order with the counterparty as a single (block) order among all of the Clients in the Strategies that participate in such trade. The allocation of such trade for Clients within each Strategy will be made in accordance with Penso's Allocation Policies. See Item 12, Brokerage Practices.

The Strategies and types of instruments employed by Penso Advisors are speculative in nature and entail a high degree of risk, including the risk of loss of some or all of an investment. There can be no assurance that the Strategy employed will be profitable or hedge the identified risks or achieve any other investment objectives.

Derivative instruments, or "derivatives," include futures, forwards, options, swaps, structured securities and other instruments and contracts that are derived from, or the value of which is related to, one or more underlying securities, financial benchmarks, currencies or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark currency or index at a fraction of the cost of investing in the underlying asset. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives are "leveraged," and thus provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement can not only result in the loss of the entire investment, but may also expose investors to the possibility of a loss exceeding the original amount invested. Derivatives may also expose investors to liquidity risk, as there may not be a liquid market within which to close or dispose of outstanding derivatives contracts, and to counterparty risk. The counterparty risk lies with each party with whom the funds contract for the purpose of making derivative investments. In the event of the counterparty's default, the investors generally will only rank as an unsecured creditor and thus risk the loss of all or a portion of the amounts they are contractually entitled to receive.

Penso's Strategies are primarily invested in listed and over-the-counter derivatives. A significant portion of the assets of any of the Penso Private Fund Clients may be held in cash or cash equivalents, such as U.S. treasury bills or other such short-term investments as determined by Penso.

Despite our thorough research and analysis, investing in any derivatives or securities involves a risk of loss that any of our Clients or any of the investors in our Clients must be prepared to bear.

Certain risks associated with an investment by any Client we advise include:

- *Investment Judgment and Market Risk:* The success of our investment programs depends, in large part, on correctly evaluating future price movements of potential investments. We cannot guarantee that we will be able to accurately predict these price movements and that our investment programs will be successful.

- *Investment and Trading Risk:* Investments in securities and other financial instruments involve a degree of risk that the entire investment may be lost. The use of short sales and option trading can, in certain circumstances, substantially exacerbate the impact of unfavorable price movements on our Clients' investments. Also, changes in the general level of interest rates may negatively affect our Clients' results. Supply and demand for securities and other financial instruments change rapidly and are affected by a variety of factors. Such factors include investment-specific price fluctuations as well as macro-economic, market and industry-specific conditions, including, but not limited to, national and international economic conditions, domestic and international financial policies and performance, conditions affecting particular investments (such as the results of operations, financial condition, sales and product lines of corporate issuers), national and international politics, governmental events and changes in interest rates and income tax laws. In addition, events such as political instability, terrorism, natural disasters, and regional and global health epidemics may occur. We may only have limited ability to vary our Clients' investment portfolios in response to changing economic, financial, investment and other conditions. No guarantee or representation can be made that our Clients' investment program will be successful. The market price of securities and other financial instruments owned by the Clients may go up or down, sometimes unpredictably, and investment results may vary substantially.
- *"Ultra" Sub-strategies.* Certain of Penso's Strategies have an option for an "Ultra" sub-strategy which generally uses a more leveraged or "geared" version of the standard strategy "Leverage" or "Gearing" in our strategies is defined as the ratio between the unencumbered cash vs the risk employed in the various derivatives structures in the strategy. The Ultra Strategies may use more or less leverage without notice to shareholders. By definition, depending on the level of success of the strategy, higher Leverage or Gearing can substantially improve or decrease performance when measured in percentage terms.
- *Frequency of Trading:* Historically, our Strategies have employed a low to medium frequency of securities trading. Dependent on market factors, opportunities presented, the risk budget of any of Penso's Strategies and any particular considerations of a Client or Investor's trading program, the amount of trading will vary, and the frequency may increase or decrease. An increase in the frequency of trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes. In particular, due to our Clients' trading in many over-the-counter securities, an increased amount of trading may cause counterparty's trading fees, clearing fees and premium charges to be significant.
- *Financial Markets and Regulatory Change:* The instability pervading global financial markets has heightened the risks associated with the investment activities and operations of hedge funds, including those resulting from a reduction in the availability of credit and

the increased cost of short-term credit, a decrease in market liquidity and an increased risk of bankruptcy of third parties with which we work. Market disruptions over the recent years and the increase in capital being allocated to hedge funds and other alternative investment vehicles have led to increased scrutiny and regulation over the hedge fund and asset management industry. In addition, the laws and regulations affecting business continue to evolve unpredictably. Laws and regulations applicable to our Clients, especially those involving taxation, investment and trade, can change quickly and unpredictably in a manner adverse to our Clients' interests.

- *Disaster Recovery and Data Security.* In implementing investment strategies, Penso relies heavily on information technology and data management systems, which can fail or be subject to interruption or destruction caused by natural or man-made occurrences such as extreme weather, fires, earthquakes, power loss, telecommunications failures, terrorist attacks, hacking, break-ins, sabotage, intentional acts of destruction, vandalism, or similar events or misconduct. Any failure, interruption, or destruction of Penso's information technology systems or data could have a material adverse impact on Clients and the operations of Penso. In addition, a breach in the security of Penso's systems could result in the theft, disclosure, or loss of investor, proprietary, and other sensitive information relating to a Client, which in turn could lead to litigation in which a Client could incur liability. Penso has in place information security, backup, and disaster recovery procedures intended to prevent or mitigate damage if such an event occurs. However, a breach could nevertheless occur, and such procedures could fail or be insufficient to avoid, mitigate, or remedy the breach. Moreover, the ever-changing methods and technologies used to obtain unauthorized access to systems through means such as third-party acts, computer error, malicious code, employee error, or malfeasance often are not known until used against a potential target. Therefore, Penso may be unable to anticipate the destructive or invasive methods and technologies that could be used against its systems or to implement adequate protections.
- *Force Majeure.* Penso's activities could be affected by force majeure events (i.e., unforeseen circumstances beyond Penso's control). Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and business activity in general. Force majeure events include, but are not limited to: acts of God, war, riots, fire, flood, hurricane, earthquake, explosion, outbreaks of an infectious disease, pandemic or any other serious public health concern, act or threat of terrorism, labor strikes, theft, cyber-attacks, malicious damage, electricity line rupture, energy blackouts, failure of technology, social instability, etcetera).
- *Potential Public Health Crisis.* A public health crisis, pandemic, epidemic or outbreak of a contagious disease, such as the outbreak of Coronavirus (or COVID-19), could have an adverse impact on global, national and local economies, which in turn could negatively impact our Clients and the operations of Penso, notwithstanding any business continuity

procedures that may be in place. Disruptions to commercial activity relating to the imposition of quarantines or travel restrictions (or more generally, a failure of containment efforts) may adversely impact any of the Client's investments and Penso's operations. In addition, the imposition of travel restrictions may impact the ability of Penso's personnel to travel in connection with potential or existing Clients or to Penso's offices, which could negatively impact the ability of Penso to effectively identify, monitor, operate and dispose of investments. Finally, COVID-19 has contributed to, and may continue to contribute to, volatility in financial markets. A continuation or mutation of the outbreak may affect our Clients' investments which could have material adverse impact on some or all of our Clients' returns. The impact of a public health crisis such as COVID-19 (or any future pandemic, epidemic or outbreak of a contagious disease) is difficult to predict, which presents material uncertainty and risk with respect to our Clients' performance and Penso's operations.

- *Cyber risk disclosure.* There can be no guarantee that the cybersecurity measures employed by the Firm and service providers will always succeed in fending off cybersecurity attacks from viruses, malware, computer hackers or other malicious corruption of their information technology systems. Cybersecurity breaches may cause disruptions to business operations, cause losses due to theft or other reasons, interfere with net asset value calculations, impede trading, or lead to violations of applicable privacy and other laws, regulatory fines, and penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs.
- *Failure of Counterparties to Perform Obligations.* In its ordinary course of business, the Firm relies on various counterparties, which include, but is not limited to, brokers, dealers, banks, custodians, and administrators ("Counterparties"). These Counterparties, with which the Firm does business and on behalf of a Fund, may, from time to time, default on their obligations with or without notice. Such defaults include, but are not limited to, a Counterparty's bankruptcy, insolvency, or other failure. A Counterparty's default on their obligations may impact the Firm's or the Fund's ability to conduct its business in the ordinary course. There is a risk of loss of assets on deposit at the Counterparty. Although government agencies or other organizations provide insurance coverage to depositors in the event of a Counterparty failure, coverage is limited to a specified amount and subject to rules and regulations. Prior events where a government agency or other organization stepped in to make depositors whole over their excess deposits at select Counterparties, which may or may not have a current or prior relationship with the Firm or the Fund, should not be construed as a guarantee that such action will be taken in the future. There is no guarantee that any excess deposits are recoverable. In the event of a Counterparty's default, the Firm will work diligently to access its capital and take actions it deems appropriate while acting in the best interest of the Fund. However, the Firm's access to capital is subject to a variety of external factors that are outside of the Firm's control, including the timing of default, a government agency's or other organization's actions, including the timing of

the Counterparty's closure, ability to liquidate the Counterparty's assets, or to effect the Counterparty's sale or dissolution, unforeseeable economic factors or market conditions, and the Counterparty's technology infrastructure operating as intended to facilitate access. Furthermore, the Firm's ability to access capital may have an impact on the Firm's and the Fund's ability to conduct operations in the normal course including, but not limited to paying expenses, funding investment opportunities resulting in delayed or missed opportunities, and calling capital from or making distributions to limited partners. Deposits concentrated at one or a limited number of Counterparties may amplify these risks.

ITEM 9
DISCIPLINARY INFORMATION

There are no legal or disciplinary events that are material to a Client's or prospective client's evaluation of the Penso Advisors' advisory business or the integrity of the Penso Advisors' management.

ITEM 10

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Penso Advisors and its management are not registered, and do not have any application pending to register, as broker-dealers, futures commission merchants, or an associated person of the foregoing entities.

Penso Advisors is currently registered as a Commodity Trading Advisor with the National Futures Association. Penso Advisors is also currently registered as a Commodity Pool Operator.

Penso Advisors established an advisory board in May 2020 (the “Advisory Board”). It is comprised of three industry veterans who serve as external advisors. This board helps Penso steer the firm towards constant improvement in various areas of our business, including business development, market trends, operational matters, and overall firm governance. The Advisory Board does not provide specific investment advice to Penso, nor are any specific investment trades or ideas discussed with the Board. One of the members of the Advisory Board is an indirect owner of a non-controlling minority interest in Penso Advisors and has an investment in one of Penso’s Clients. A potential exists for such Advisory Board member’s investment to be favored over other Investors within the invested Clients and/or for such Client to be favored over other Clients. We have adopted policies and procedures intended to address any possible conflict of interest. Such policies include limiting the nature of the advice of the Advisory Board to generally relating to the firm and not inherently related to advice regarding specific trading or investment opportunities. Additionally, any investment by such Advisory Board member in any Commingled Cell, would be subject to the terms of such Client applicable to all investors in such Client, which may be modified by any Side Letter. Any investment by such Advisory Board member in a Managed Account or fund-of-one ring-fenced Cell would be subject to terms separately negotiated. Furthermore, we have adopted policies relating to the management of multiple accounts and the allocation of investments to ensure the fair allocation of trading opportunities among Clients within each Strategy, as applicable, including any Strategy in which the Advisory Board member makes an investment. See Item 8: Methods of Analysis, Investment Strategies and Risk of Loss and Item 12: Brokerage Practices, for a detailed explanation of this process among our Clients.

Penso outsources its middle and back-office operations to a third-party service provider consultant “Outsourced Operations Provider” which assists with the monitoring, testing and review of operations of Penso Advisors and the Clients that it manages, and may expand its role to other outsourced operations and fund structuring services. The Outsourced Operations Provider was previously owned by an entity affiliated with one of Penso’s minority equity owners and one of Penso’s Clients.

ITEM 11
**CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS
AND PERSONAL TRADING**

Code of Ethics

We have adopted a code of ethics (“Code of Ethics”) which is designed to foster compliance with the applicable federal statutes and regulatory requirements, prevent circumstances that may lead to or give the appearance of conflicts of interest with Clients, insider trading or unethical business conduct, as well as to promote a culture of high ethical standards. Among other things, the Code of Ethics governs personal securities trading by our employees.

Generally, no employee may personally trade or own any security (with the exception of certain securities such as U.S. government obligations, cash equivalents, money market funds and open-end mutual funds) without the prior written approval of the Chief Compliance Officer. The approval process for any proposed personal trading takes into account the sources for which the personal trade is based, the trading positions executed or proposed for Penso Advisors’ Client transactions, the industry of Penso Advisors’ Clients, Penso Advisors’ trading strategies in general, and the impact such personal trades may have on the marketplace. Personal trading that is inconsistent with the positions recommended or executed for Client transactions generally is discouraged although it is not prohibited. Any personal trading that is approved may not occur unless offered first to Clients where such trades would be appropriate for the Clients to the extent such personal trading could have a material effect on the Client’s positions or the marketplace in general.

While Penso and its employees may have investments in the Clients, as a matter of general practice, neither Penso or any of its related persons acquire or sell securities that are also recommended to the Clients.

The Code of Ethics also requires employees to 1) provide copies of all relevant personal account statements on a monthly or quarterly basis; 2) file annual personal account disclosures and report securities holdings; and 3) certify their compliance with the Code of Ethics on an annual basis. The Chief Compliance Officer also conducts annual training with all Penso Advisors employees.

Restrictions Due to Insider Information

We forbid employees from trading, either personally or on behalf of others, on material non-public information or communicating material non-public information (“inside information”) to others in violation of the federal securities laws. This conduct is frequently referred to as “insider trading”. We have designed and implemented policies and controls in order to monitor the flow of inside information as well as prevent trading on the basis of inside information.

Penso Advisors will provide a copy of the Code of Ethics to any Client or prospective client upon request.

ITEM 12

BROKERAGE PRACTICES

We have a duty to obtain best execution in effecting transactions on behalf of our Clients. In selecting brokers or dealers to execute transactions, we are not required to solicit competitive bids and do not have an obligation to seek the lowest available commission. In selecting the counterparties to execute a particular transaction, we use our best judgment in evaluating the terms of the transaction, and give consideration to various relevant factors, which generally will include: the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution; the financial strength, integrity and stability of the broker; the firm's risk in positioning a block of securities; the ability of the counterparty to make a market in such instrument; capital introduction capabilities; the responsiveness of such broker to us; and the competitiveness of commission rates in comparison with other brokers satisfying our other selection criteria.

We subscribe to certain independent research firms whose business model is to provide economic analysis and research publications to institutional investors.

Penso Advisors has entered into agreements on behalf of its Funds with certain brokers-dealers that act as prime brokers or other brokers on behalf of the Funds. Penso Advisor's personnel may speak at conferences and programs for, or may introduce, potential Clients or Investors serviced by those brokers which are interested in investing in private funds. These conferences and programs may be a means by which Penso can be introduced to potential Clients and Investors. Currently, neither Penso nor the Funds compensate these brokers for organizing such "capital introduction" events or for any investments ultimately made by prospective Clients or Investors attending such events (although may do so in the future). While such events and other services provided by a broker may influence Penso in deciding whether to use such prime broker in connection with brokerage, financing and other activities of its Clients, Penso will not commit to allocate a particular amount of brokerage services to a broker-dealer in any such situation. In addition, capital introduction capabilities is only one factor in consideration of the selection of broker-dealers in Penso's best execution analysis.

Currently, we do not have any soft dollar arrangements from any of the broker-dealers or counterparties we transact with. However, we are exploring and may establish soft dollar arrangements in the future for our Client Accounts, as appropriate. If established, at times, our firm may pay higher execution costs to brokerage firms that provide us with credit to receive investment, research or brokerage products and services. These products and services, often referred to as "soft dollar" benefits, may otherwise only be available to us for cash payment. Research services furnished by brokers may include written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts;

statistics and pricing or appraisal services; and discussions with research personnel. The products and services that we generally would anticipate obtaining from broker-dealers would include both internally generated items (such as research reports that a broker-dealer's employee prepare) as well as items that a broker-dealer acquires from third parties (such as the appropriate portion of Bloomberg and other quotation equipment). We would use these research services and products in connection with our advisory services for any or all of our accounts, and not necessarily for only the account that "paid" for them.

We intend that, if adopted, our soft dollar arrangements would fall within the safe harbor afforded by Section 28(e) of the Securities Exchange Act of 1934. This safe harbor protects financial advisors from liability for a possible breach of fiduciary duty to their clients for engaging in soft dollar arrangements for certain services at other than the lowest transaction costs if they make a good faith determination that the amount of the commission was reasonable in relation to the value of the services received. To the extent that portions of the services provided by the brokerage firms fall outside the safe harbor, we would intend to make a good faith allocation of the mixed use items so that the portion attributable to soft dollars corresponds only to the portion of the services that would fall within the safe harbor. Any use of soft dollar credits would require the approval of our Chief Compliance Officer.

We would generally seek to allocate soft dollar benefits equitably among all of our Clients by pooling the credits for investment or trading related activities for all of our Clients. However, the soft dollar benefits allocated to each Client account may not be in proportion to the soft dollar credits each Client generates.

We would also intend to generally enter into commission sharing arrangements whereby soft dollars which have been generated are paid to other brokers or providers of research and trading products and services to our firm.

Our procedures would require the authorization of the Chief Compliance Officer prior to obtaining a soft dollar product or service with the expectation of directing commissions to the broker that provides or pays for such product or service. In order to obtain such authorization, among other things, either the Principal or the head trader must determine in good faith that the target commissions are reasonable in relation to the value of the brokerage and research services received.

If soft dollar arrangements are established, the use of such soft dollars to obtain research services and to pay for other costs and expenses that our firm might otherwise incur may create a conflict of interest between our firm and our Clients because our Clients pay for products and services that are not exclusively for their benefit and that may be primarily or exclusively for the benefit of our firm. Additionally, as a result of soft dollars, the brokerage commission rate paid by the account, and thus the total amount of commissions paid by the account, may be somewhat higher than if Penso did not receive soft dollar credits from the broker. Furthermore, if Penso did not pay for the

services with soft dollars, Penso may have to use its own funds to pay for the services, and thus the soft dollar arrangement thereby would reduce Penso's expenses. Also, soft dollars creates a potential conflict of interest for Penso in that utilizing soft dollars may give Penso an incentive to trade more actively for an account than it would in the absence of soft dollars, and a disincentive to negotiate the lowest feasible commission rate for the account.

Penso Advisors routinely advises Clients that use similar strategies and have similar investment objectives, and thus Penso Advisors may purchase or sell the same security at or about the same time for two or more similar accounts. We generally consider similar accounts to be discretionary accounts investing in the same Strategy. In managing these similar accounts, Penso Advisors shall always treat each similar account in a manner that is fair and equitable in light of all relevant factors, including the relative net asset values ("NAVs") of the accounts taking into account the agreed risk levels of such account; additional considerations are particular variations among the accounts in terms of investment guidelines, specific strategies, asset class specific focus, leverage, objectives or related factors; the amount of the security available to be purchased or sold at the time in relation to the total amount of the security that Penso Advisors wishes to buy or sell for the similar accounts; the smallest efficient transaction size for each such account; and the relative need of each such account for an allocation of the purchase or sale. A discretionary account that has very different investment guidelines from the other accounts in the same strategy may not be considered a Similar Account to such other discretionary accounts. Additionally, a separate Share Class within a Cell will generally implement one-off opportunities will be tracked separately from the main Share Class investments. Such additional Share Classes will not be considered a Similar Account for allocation purposes.

For accounts that are non-discretionary, we might not be able to execute recommended trades at the same time as the other accounts in the same Strategy, due to factors including: the requirement to receive authorization for trading, the use of different counterparties, investment restrictions and the specific program of each non-discretionary account. In addition, some discretionary accounts execute trades that we recommend on their own trading platform, or choose not to execute trades at the time that we recommend the trade or not to execute the trade at all.

Depending on these factors, Penso Advisors may, with respect to individual transactions over-allocate (in terms of the relative NAVs, taking into account the agreed risk levels of the similar accounts) the available amounts of the security that can be purchased or sold to one or more of the similar accounts, and thus under-allocate to one or more of the similar accounts ("Non-Pro Rata Allocations"). To be clear, any allocation among similar accounts that are slightly adjusted in order to round the allocation (i.e. to the nearest million) for ease of execution and efficiency of

booking and unwinding, such as allocating notional amounts for a non-OTC trade on the SEF-Swap Execution Facility portal, is not considered to be a Non-Pro Rata Allocation

In addition, in the case of any Non-Pro Rata Allocation, Penso Advisors shall use its reasonable efforts, in subsequent transactions for the similar accounts that were involved, to compensate for the under-allocation, so that over time each of the similar accounts receives equal treatment with the other similar accounts over time.

The Chief Compliance Officer will be notified and review accordingly any Non-Pro Rata Allocations and compensating allocations to ensure that similar accounts receive equal treatment over the course of the period reviewed.

If Penso Advisors purchases or sells the same instrument for similar accounts on the same trading platform, it is generally in the best interests of the similar accounts for the buy or sell order to be placed as a single (block) order. If similar accounts are not traded on the same platform and trades are executed with different dealers or brokers, Penso will execute the trade for each Client as ordered in a manner as consistent with each as reasonably possible.

If the aggregated order is filled only in part (a partial fill), Penso Advisors will allocate the fills pro rata to the participating accounts, unless Penso Advisors determines that a reasonably different allocation is in the best interests of the participating accounts, as specified above.

If the aggregated order is filled at different prices (a split price fill), Penso Advisors will allocate the fills so that all participating accounts receive approximately the same average price. If this is not possible with respect to a particular transaction, Penso Advisors will endeavor, through the allocation of the fills of a subsequent transaction, to ensure that no Client account consistently receives more favorable or less favorable treatment than any other Client account.

This allocation policy is implemented once the Investment Committee has decided on a trade idea and structure and allocation to each Strategy on a strategy-by-strategy basis. See Item 8: Methods of Analysis, Investment Strategies and Risk of Loss.

If a trading strategy for a Client is inconsistent with a trading strategy for a different Client for which the execution of a trading position could influence or impact the positions of the other Client, a conflict of interest could arise in Penso Advisors' best execution policy. The result could be that one Client is injured by the trading execution for another Client. Penso Advisors will not execute trades for one Client that knowingly result in an adverse impact to another Client without the express written consent of the potentially injured Client. If Penso Advisors anticipates executing any trade that would knowingly negatively impact another Client (either economically or otherwise), Penso Advisors will inform the potentially affected Client and disclose the nature

of the trade and the potential impact of such execution, or otherwise not execute the trade. If a determination is made not to execute the trade because of the knowing adverse impact on another Client (either because the potentially affected Client objects to the trade or because Penso Advisors determines it constitutes a conflict of interest), Penso Advisors will inform the Client for whom the trade was structured the reason for the decision not to execute the trading position. In order to avoid such potential conflicts of interest, Penso Advisors will address at the time of the execution of the appropriate advisory or management agreement with a new Client the nature of their trading strategy and consider and disclose whether any potential conflicts of interest may result from being retained by that Client. Generally, due to the nature of the instruments that we trade, with high volume and market liquidity, the risk is very low that one Client's trade will adversely negatively impact another Client.

To the extent that any Penso Advisors Client is related to one of Penso Advisors' owners, such Client's account would be traded in accordance with the terms of its specific investment guidelines in order to avoid any potential or perceived conflict of interest. Any trading done for such a Client would be managed and traded as a similar account with respect to allocations, if applicable. However, if the investment guidelines differ, or the account is non-discretionary, Penso Advisors would follow the investment guidelines of such a Client.

Penso Advisors currently outsources its middle and back-office operations to a third-party service provider consultant "Outsourced Operations Provider" which assists with the monitoring, testing and review of operations of Penso Advisors and the Clients that it manages. The Outsourced Operations Provider reviews all Non-Pro Rata allocations on a T+1 basis each day and informs the CCO and the internal operations team at Penso Advisors the details of all exceptions.

ITEM 13

REVIEW OF ACCOUNTS

Ari Bergmann, Penso Advisors' Managing Principal, serves as the Chief Investment Officer and the chief risk officer. In addition to reviewing all Clients' portfolios on a regular basis, Mr. Bergmann consults with his other portfolio managers, both senior and junior, and his team on a daily basis to review and monitor various risk metrics, exposures in the portfolios, capital at risk etc. Mr. Bergmann and the senior and junior portfolio managers also serve on the firm's Investment Committee which is responsible for identifying and generating industry themes and macro trends, as well as structuring trades and overseeing capital allocation for the firm's Clients' portfolios.

The Investment Committee discusses risk management with respect to the Clients' portfolios and has the ultimate discretion to trade for certain of Penso's Clients. The Investment Committee's meetings are informal and occur in person, over telephone and through email correspondence. The Investment Committee meets on an as-needed basis and does not meet with any set frequency. The Investment Committee is supported by the operations team, including risk personnel, who provide information and metrics on the Firm's Clients and investments. In addition, the Chief Operating Officer and Chief Compliance Officer, in consultation with the General Counsel, will periodically review the trade policies and procedures to ensure that it represents our current practices and (to the best of our reasonable knowledge and belief) is in conformity with applicable law and regulations.

Additionally, when an investment is made for more than one Strategy, the Investment Committee, or applicable members thereof, will informally review the trade in the context of each Strategy and each Client or underlying investor in such Strategy in the context of such Client or investors objectives and guidelines. See Item 8: Methods of Analysis, Investment Strategies and Risk of Loss. The Investment Committee will review, on a periodic basis, as necessary, all investments or trades that are made across more than one Strategy. Moreover, the identification of a trading error or other apparent irregularity may trigger a further review of Client accounts to ensure that the trading on the accounts was properly executed and documented. In the event of any such trading error, Penso Advisors will bear the cost of correcting such error and will maintain appropriate documentation of the corrective action.

Penso Advisors provides regular reporting (which may vary in the form of written or oral communications) of Client accounts and portfolios, with support from Penso's Outsourced Operations Provider, according to the terms and conditions of the investment advisory, investment management or consulting agreements or arrangements entered into with the Client. With respect to the Penso Private Funds, each fund's Administrator provides monthly reports reviewing the Fund's performance for such calendar month. Certain interim reporting of estimated performance may be available and/or certain additional transparency information may, in the discretion of the Investment Manager, be agreed to in side letters with such investors.

We provide investors in the Penso Private Funds with a balance sheet, a statement of net profits and losses and other audited financial statements, within 90 days of the end of each fiscal year, or as soon as practicable thereafter.

ITEM 14
CLIENT REFERRALS AND OTHER COMPENSATION

Penso Advisors does not currently have an active engagement or agreement with a third party in connection with placing investors in some of Penso's Funds or Penso's Clients.

ITEM 15
CUSTODY

Penso Advisors does not maintain physical custody of any Client funds or assets.

ITEM 16

INVESTMENT DISCRETION

Our investment advisory agreements vary from Client to Client with different levels of discretion. Some agreements contain language whereby the Client grants us broad discretionary power to manage the account. We adhere to the investment strategy, guidelines and risk parameters set forth in each account. Some agreements are non-discretionary or have different levels of discretion (i.e. requiring approval before entering trades, requiring the Client to be on the same communication as Penso Advisors when placing a trade, or providing that the Client executes their own trade that we propose). Any Client that is not fully-discretionary might not conduct the same trade at the same time as the other discretionary accounts in the similar Strategy. A conflict may arise where some Clients may obtain more favorable prices due to the difference in timing of the execution of trades. To address this conflict, each Client has their own terms and investment guidelines granting different levels of discretion. For discretionary Clients in the same strategy, the trades are generally executed pari-passu to the extent of the relative risk allocation and specific investment guidelines, generally excluding any additional Share Classes within a Cell Client (see Item 12- Brokerage Practices). For non-discretionary Clients, each trade is approved by or conducted with or by the Client itself.

ITEM 17

VOTING CLIENT SECURITIES

Any proxies or other solicitations will typically be sent directly to Clients or their Administrators from the custodians for such securities.

With respect to Managed Accounts, Penso Advisors does not vote securities on behalf of such Clients and generally will not accept such authority from these Clients. With respect to any Penso Private Fund, we have the authority to take corporate actions, however, since Penso rarely, if ever, trades single name securities for its Clients, the likelihood that Penso will receive a proxy is unlikely. If Penso received a proxy on behalf of a Penso Private Fund, Penso would determine on a case-by-case basis, if and how to vote such action and effect such vote or action with the assistance of the respective Fund's Administrator.

Upon request, our Penso Private Funds or any of the investors in such Clients can obtain (1) a copy of these proxy voting policies and procedures and (2) information concerning proxy votes, if any, on its behalf.

If we receive "class action" documents on behalf of a Penso Private Fund, we will coordinate with such Client's Administrator to determine eligibility to file a claim and, if applicable, ensure that the client either participates in, or opts out of, any class action settlements received. In the event we opt out of a class action settlement, we will maintain documentation of any cost/benefit analysis to support such decision. If we receive "class action" documents on behalf of a Managed Account, we will forward all relevant information to such Client's Administrator, if requested.

ITEM 18
FINANCIAL INFORMATION

Penso Advisors does not have any financial condition reasonably likely to impair the firm's ability to meet contractual commitments to Clients and it has not previously been the subject of a bankruptcy petition.