

**Part 2A of Form ADV: Firm Brochure**

**Item 1 – Cover Page**



**Engle Capital Management, L.P.**

66 Field Point Road, 2<sup>nd</sup> Floor

Greenwich, CT 06830

(212) 601-5590

March 30, 2023

This brochure provides information about the qualifications and business practices of Engle Capital Management, L.P. ("Engle"). If you have any questions regarding the contents of this brochure, please contact us at 212-601-5590. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Additional information about Engle Capital Management, L.P. can also be found on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

## **Item 2 – Material Changes**

This brochure provides new and prospective clients and investors with current disclosure of Engle's business practices.

Since Engle's previous Brochure filing on March 30, 2022, there have been no material changes.

Engle encourages new and prospective clients and investors to review this brochure in its entirety.

## **Item 3 – Table of Contents**

|   |    |
|---|----|
| Item 2 – Material Changes   | 2  |
| Item 3 – Table of Contents  | 3  |
| Item 4 – Advisory Business  | 4  |
| Item 5 – Fees and Compensation  | 6  |
| Item 6 – Performance-Based Fees and Side-By-Side Management                                     | 8  |
| Item 7 – Types of Clients   | 9  |
| Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss                            | 10 |
| Item 9 – Disciplinary Information   | 21 |
| Item 10 – Other Financial Industry Activities and Affiliations                                  | 22 |
| Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading | 23 |
| Item 12 – Brokerage Practices   | 24 |
| Item 13 – Review of Accounts  | 26 |
| Item 14 – Advisory Client Referrals and Other Compensation                                      | 27 |
| Item 15 – Custody   | 28 |
| Item 16 – Investment Discretion   | 29 |
| Item 17 – Voting Client Securities  | 30 |
| Item 18 – Financial Information   | 31 |

## Item 4 – Advisory Business

### Description of Firm

Engle Capital Management, L.P. (“Engle” or the “Adviser”) is a Delaware partnership that was formed in October 2014 by Jeffrey Helman and began operations as an investment adviser in June 2015. Mr. Helman serves as Engle’s Portfolio Manager and is the Managing Member of Engle Capital GP, LLC, Engle’s General Partner. The Adviser’s principal place of business is located in Greenwich, Connecticut.

### Advisory Services

Engle provides investment advisory services to private investment funds that are offered to investors on a private placement basis. Engle’s funds are structured in a master-feeder fund structure, whereby a Delaware limited partnership, Engle Capital Partners L.P. (the “Onshore Fund”), and a Cayman Islands exempted limited company, Engle Capital Partners Offshore, Ltd. (the “Offshore Fund”) (collectively the “Feeders” or “Feeder Funds”), invest all or substantially all of their assets in a Cayman Islands exempted limited company, Engle Capital Master Fund, Ltd. (the “Master Fund” and together with the Onshore Fund and the Offshore Fund, the “Engle Funds”). Engle also provides investment advisory services to a separately managed account, and Engle may serve as an investment adviser to additional entities or accounts in the future (together with the Engle Funds the “Funds”).

Engle Capital Advisors, LLC (the “General Partner”) acts as the general partner of the Onshore Fund and is considered an affiliate of the Adviser.

### Investment Objective and Types of Investments

The investment objective of the Master Fund is to generate superior long-term returns while avoiding permanent impairment of capital. The Master Fund has a broad and flexible investment mandate, but its primary strategy is to invest in, or take short positions with respect to, publicly traded equity securities and opportunistically invest in credit instruments and securities.

At any given time, the Master Fund’s investments may include, without limitation, U.S. or non-U.S. long or short positions in publicly traded or privately issued or negotiated common stocks, preferred stocks, stock warrants and rights, corporate debt, bonds, notes or other debentures or debt participations, convertible securities, fixed income securities, swaps (including credit default swaps), currencies, options (purchased or written), futures contracts, commodities and forward contracts, derivative instruments in relation to one or more of the foregoing, and other securities or financial instruments. The Master Fund will from time to time take large positions, which results in a highly concentrated portfolio. The Master Fund may also employ leverage to enhance its investment performance, which could magnify the profit or exacerbate the losses of Master Fund.

Engle’s investment strategy generally involves making long and short equity investments in global equities based on “bottom-up” fundamental research. Although the target investable universe may change over time, at present, Engle targets \$1-10bn market cap companies undergoing transformative change, with a focus on industries in which the research team has invested over many years, including business services, consumer, financial services, financial technology, real estate and TMT. Each idea is evaluated through the lens of its three investment values (Circle of Competence, Quality of Business and Misunderstanding) and Engle generally tries to identify potential long and short investments that (i) fall within its circle of competence, (ii) are of high/low quality and (iii) reflect a misunderstanding about the earnings power or valuation of the business. By focusing research time on these types of investments, Engle believes it can consistently generate high absolute returns and favorable risk reward scenarios.

### Custom Services

The advisory services provided by Engle to the Funds are tailored to the investment objectives, investment strategy and investment restrictions, if any, as set forth in the governing documents of the Funds or the investment management agreement entered into by Engle with such clients. Engle typically does not tailor its advisory services to the individual needs of investors in the Funds.

**Wrap Fee Program**

Not applicable.

**Assets Under Management**

As of December 31, 2022, Engle had approximately \$541,242,504 in discretionary assets under management.

## **Item 5 – Fees and Compensation**

### **Management Fee**

Generally, investments in the Funds are charged an annual management fee of 1.00% to 2.00% (based on the series of interest or shares held by the investor) and are charged pursuant to the offering documents. The management fee is calculated as of the first day of each calendar quarter and is payable in advance. A prorated management fee will be due for any capital contribution made on any date other than the first day of a calendar quarter.

### **Incentive Allocation**

Investments in the Funds are generally also subject to an incentive allocation or fee of 15% to 20% (based on the series of interest or shares held by the investor) of net profits, which include both realized and unrealized gains and losses. The allocation occurs annually at year end, or upon redemption by an investor, is allocated to the General Partner, and is subject to a high-water mark or “loss carry forward”.

### **Terms**

In general, these fees are not negotiable. However, the management fee and/or the incentive allocation may be waived or reduced for Engle investors that are principals, employees, or affiliates of Engle in accordance with the governing documents of the Funds. Engle previously offered a Founder's Series, whose terms are no longer being offered for new investments.

The Adviser has entered into side agreements, and the Adviser may in the future enter into additional side agreements with specific investors in the Funds providing for different fees, withdrawal rights, access to information about the Fund's investments, or other matters relating to an investment in the Funds. A summary of the material terms of any such side agreements can be provided upon request.

In addition, in response to questions and requests and in connection with due diligence meetings and other communications, the Adviser could provide additional information to certain investors and prospective investors that is not distributed to other investors and prospective investors in the Funds. Such information may affect a prospective investor's decision to invest in the Funds or an existing investor's decision to stay invested in the Funds. Each investor is responsible for asking such questions as it believes are necessary to make its own investment decisions and must decide for itself whether the limited information provided by the Adviser is sufficient for its needs.

### **Additional Expenses**

As more fully described in the offering documents of the Funds, each Fund is responsible for various expenses associated with the investment activities and operations of the Funds and their proportionate share of the expenses of the Master Fund, including, without limitation, brokerage commissions; clearing fees; fees, interest and other costs on margin accounts or other financings or re-financings; borrowing charges on securities sold short; custodial fees; bank service fees; research and execution related costs, including third party research charges, market, pricing and execution data feeds and systems, alternative data, and related licensing fees and expenses; expenses in connection with proposed transactions (including transactions that fail to close); accounting, audit and tax preparation expenses; expenses incurred in connection with the issuance of shares in the Offshore Fund or with the admission of limited partners and the acceptance of capital contributions in the Onshore Fund; costs of any outside appraisers, accountants, attorneys or other experts or consultants engaged by the Advisers; any legal fees and costs (including settlement costs) arising in connection with any litigation or regulatory investigation instituted against the Funds or the Adviser in connection with the affairs of the Funds; fees and expenses of the Administrator and any custodian; fees of the directors of the Master Fund and the Offshore Fund; costs of insurance for the Funds, the General Partner, and/or the Adviser, including the Fund's allocable portion of directors and officers (D&O), errors and omissions (E&O), cybersecurity and fidelity insurance and bonds; costs of preparing regulatory filings (including but not limited to, SEC Form PF, Schedules 13D and G, and AIFMD Annex IV); costs of anti-money laundering compliance; costs of communication with or holding meetings of partners; and any other reasonable expenses (as determined by the General Partner in its sole discretion) related to the evaluation purchase, sale, holding or transmittal of the Fund assets or

liabilities. For administrative convenience, the Feeder Funds may elect to cause some or all operating expenses to be paid by the Master Fund. The organizational expenses of the Funds were borne by the Funds and were amortized over 60 months.

In addition, an investment in the Engle Funds is generally subject to an early withdrawal fee ranging from 3% to 5% (based on the series of interest or shares held by the investor) if redeemed prior to the expiration of the lock-up period or away from the redemption date applicable to the investment. This withdrawal charge will not be imposed on any compulsory withdrawal or any withdrawal made after a key person event as defined in the Fund's governing documents.

**Additional Compensation**

Not applicable.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

As discussed in Item 5 – Fees and Compensation, the General Partner receives performance-based compensation, referred to as the incentive allocation, from the Engle Funds. Investors should be aware that this allocation to the General Partner of a percentage of each investor's net asset value or net capital appreciation for a fiscal year may create an incentive for the Adviser to cause the Master Fund to make investments that are riskier or more speculative than would be the case if this special allocation were not made. In addition, since the Performance Allocation is calculated on a basis that includes unrealized appreciation of the Master Fund's assets, it may be greater than if such allocation were based solely on realized gains.

Engle is an adviser to a separately managed fund with an investment strategy that is managed *pari passu* with the Master Fund.



## **Item 7 – Types of Clients**

As noted in Item 4 – Advisory Business, Engle provides investment advisory services to the Funds. Investors in the Funds may include banks, corporate and public pension plans, high net-worth individuals, endowments, foundations, fund-of-funds, other business entities, or other types of investors. Subscription requirements are disclosed in each Fund's offering documents, and prospective investors are required to complete the subscription agreement, including know your client information, and to provide tax information. Generally, the minimum initial investment in the Funds is \$1,000,000.

The minimum investment requirement can be waived at the discretion of the General Partner for the Onshore Fund or the board of directors for the Offshore Fund.

## Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

### **Methods of Analysis and Investment Strategies**

As described in the Fund offering documents, the Adviser's investment strategy generally involves making long and short equity investments in global equities based on "bottom-up" fundamental research. The Adviser attempts to focus on three core investment values: (i) Circle of Competence, (ii) Quality of Business and (iii) Misunderstanding. Engle evaluates each idea through the lens of these investment values and generally tries to identify potential long and short investments that (i) fall within its circle of competence, (ii) are of high/low quality and (iii) reflect a misunderstanding about the earnings power or valuation of the business.

Engle seeks to generate high absolute returns by identifying companies undergoing transformative change. Change creates confusion and the potential for misunderstanding. Misunderstanding creates inefficiencies in the marketplace, providing opportunities for those investors focused on identifying a differential view. Engle will compete based on several factors including: (i) the depth and quality of its research, (ii) an adherence to its investment values, (iii) a willingness to opportunistically concentrate positions in order to differentiate returns, (iv) a long term focus, (v) a significant investment in and focus on risk management and (vi) its fully aligned incentives.

### **Risk of Loss**

The following summary identifies certain risks related to the Adviser's investment strategies and should be carefully evaluated before making an investment in a Fund. Prospective Fund investors should consider the Fund to be a speculative investment, as it is not intended to be a complete investment program. The Fund is designed only for sophisticated persons who are able to bear the risk of the loss of their entire investment in the Fund. The following risks do not intend to identify all possible risks of an investment in the Fund or provide a full description of the identified risks. Prospective Fund investors should carefully evaluate the relevant Fund's Offering Memorandum for a full description of risks before making an investment in the Fund.

### **General Risks**

***Investment and Trading Risks in General.*** All investments risk the loss of capital. No guarantee or representation is made that the Master Fund's investment program will be successful, and investment results may vary substantially over time. The Master Fund's investment program will utilize investment techniques such as futures, options, derivatives, margin transactions and short sales, which practices can, in certain circumstances, maximize the adverse impact to which the Master Fund may be subject.

### **Risks Arising from Broad Discretion and Dependence on Engle**

***Past Performance Not Indicative of Future Performance.*** There can be no assurance that the Master Fund will achieve its investment objective. The past investment performance of the Master Fund and other accounts managed by the Adviser may not be indicative of the future results of an investment in the Fund.

***Reliance on the Adviser.*** The Adviser has complete discretion in investing the Master Fund's assets. The Master Fund's success depends, to a great extent, on the ability of the Adviser to identify successful investments and strategies. The death or disability of Jeffrey Helman or Jeffrey Hoffner or the withdrawal of the Adviser could have a material adverse effect on the investment results of the Master Fund.

### **General Investment and Security Risks**

***Macroeconomic Factors.*** The performance of the Master Fund's investments could be adversely affected by macroeconomic factors, including general economic conditions affecting capital markets and participants therein (such as the obligations on or issuers of the Master Fund's investments). Such macroeconomic factors include the continuing uncertainties affecting economies and capital markets worldwide; incidents of terrorism, political or social unrest and similar events; concerns about financial performance, accounting and other issues relating to various companies; and changes to laws and

regulations affecting the financial industry, including banking, credit default swaps and other derivatives, mortgage lending, accounting and reporting standards.

**Equity Securities.** The Master Fund acquires primarily long and short positions in common stocks, preferred stocks and convertible securities of U.S. and foreign issuers. Equity securities fluctuate in value, often based on factors unrelated to the value of the issuer of the securities. The market price of equity securities may be affected by general economic and market conditions, such as a broad decline in stock market prices, or by conditions or events affecting a specific issuer, such as changes in a company's financial condition or earnings forecasts. Equity securities that are offered via initial public offerings may involve higher risks due to a number of factors, including, but not limited to, the number of shares available for trading, liquidity and price volatility.

**Concentration of Investments; Limited Diversification.** Although the Adviser follows a general policy of seeking to spread the Master Fund's capital among a number of investments, the Adviser could depart from such policy from time to time and hold a few, relatively large securities positions in relation to the Master Fund's capital. Losses incurred in the portfolio's more concentrated positions could have a material adverse effect on the Master Fund's overall financial condition. In addition, if the price of any of the Master Fund's investments decreases and the Adviser is unable for any reason to liquidate the position quickly or at a relatively advantageous price, the effect of such decrease on the Master Fund's portfolio would be greater than if the Master Fund had not concentrated its assets in such a position. The result of such concentration of investments is that a loss in any such position could materially reduce the Master Fund's capital.

**Short Sales.** The Master Fund engages in "short sale" transactions. A short sale involves the sale of a security that the Master Fund does not own in the hope of purchasing the same security (or a security exchangeable therefor) at a later date at a lower price. To make delivery to the buyer, the Master Fund must borrow the security, and the Master Fund is obligated to return the security to the lender, which is accomplished by a later purchase of the security by the Master Fund. Short selling can result in profits when the prices of the securities sold short decline. In a generally rising market, the Master Fund's short positions may be more likely to result in losses because the environment would be more conducive for the securities sold short to increase in value. A short sale involves the theoretically unlimited risk of an increase in the market price of the securities sold short.

**Leverage.** The Master Fund may use leverage or borrowing, in order to enhance its investment performance. Loans generally may be obtained from securities brokers and dealers or from other financial institutions and will be secured by securities or other assets of the Master Fund pledged to such institutions. Brokers and dealers generally may vary the margin requirements, or amount of leverage, that they are willing to make available to the Master Fund at any time. Borrowing will tend to magnify the profits or losses of the Master Fund. The level of interest rates at which the Master Fund can borrow will affect the operating results of the Master Fund. If securities pledged to brokers to secure the Master Fund's margin accounts decline in value, the Master Fund could be subject to a "margin call," pursuant to which the Master Fund must either deposit additional funds with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden precipitous drop in the value of the Master Fund's assets, the Master Fund might not be able to liquidate assets quickly enough to pay off its margin debt.

**Small and Medium Capitalization Companies.** The Master Fund invests in small and medium capitalization companies. Investing in lesser known, small and medium capitalization companies may involve greater risk of volatile performance than is customarily associated with investing in larger, more established companies. Small and medium capitalization companies often have limited product lines and, in some cases, may be dependent entirely on a single product, distribution channel or geographic market. These and other factors may make small and medium sized companies more susceptible to economic setbacks or downturns. Small and medium sized companies often have fewer shares outstanding and less trading volume than larger companies, and taking or exiting a position may take many trading days, during which the market may move unfavorably for the position.

**Fixed Income Investments.** The Master Fund may invest in bonds and other fixed income securities, including commercial paper and “higher yielding” (and, therefore, higher risk) debt securities. Debt securities may pay fixed, variable or floating rates of interest, and may include zero coupon obligations. Debt securities are subject to the risk of the issuer’s inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to the risk of price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness or financial condition of the issuer, and general market liquidity (i.e., market risk). Such securities may be below “investment grade” and face ongoing uncertainties and exposure to adverse business, financial or economic conditions that could lead to the issuer’s inability to meet timely interest and principal payments. The market values of lower rated debt securities tend to reflect individual corporate developments to a greater extent than do higher rated securities and tend to be more sensitive to economic conditions than are higher rated securities. Companies that issue such securities often are highly leveraged and may not have available to them more traditional methods of financing. A major economic recession could severely disrupt the market for such securities and may have an adverse impact on the value of such securities. In addition, it is likely that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

**Distressed Securities.** The Master Fund may invest in investments that are rated below investment grade, including debt of companies in bankruptcy or receivership proceedings. Such investments typically involve greater credit and liquidity risk than debt with an investment grade rating. The risks of debt instruments include (among others): (i) limited liquidity and secondary market support, (ii) the possibility that earnings of the relevant obligor may be insufficient to meet its debt service, (iii) the declining creditworthiness and potential for (or actual) insolvency of the relevant obligor of such debt during periods of economic downturn, (iv) the relevant obligor is often a small or mid-size company serving only local or regional interests, (v) spread compression over the reference interest rate available for reinvestment during any period in which prepayments are received, and (vi) if subordinated, subordination to the prior claims of other debt or senior lenders. Debt instruments are generally subject to market value volatility that may not be apparent from historical volatility studies and that could be significant at times. An economic downturn could severely disrupt the market for debt instruments and adversely affect the value of outstanding debt and the ability of the borrowers thereof to repay principal and interest. Moreover, the default history for debt instruments is limited, actual defaults may be greater than indicated by historical data and the timing of defaults may vary significantly from historical observations.

In certain circumstances, the collateral securing a debt instrument, if any, might not be sufficient to satisfy the relevant obligor’s obligations in the event of nonpayment of scheduled interest or principal, and may be difficult to liquidate on a timely basis. Additionally, a decline in the value of the collateral could cause the debt to become substantially unsecured, and circumstances could arise (such as in the bankruptcy of a borrower) which could cause the security interest in the debt instrument’s collateral to be invalidated.

The Master Fund’s portfolio may also include unsecured debt instruments. Unsecured debt instruments are subject to the same investment risks generally applicable to debt instruments described above but are subject to additional risk that the assets and cash flow of the relevant obligor may be insufficient to repay the scheduled payments to the lender after giving effect to any secured obligations of the relevant obligor. Unsecured debt instruments will be subject to certain additional risks to the extent that such debt may not be protected, and such debt is not secured by collateral, financial covenants or limitations upon additional indebtedness.

**Hedging Transactions.** The Master Fund utilizes financial instruments such as forward contracts, options, futures, and swaps for hedging purposes or as part of its trading strategies. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from

those same developments, thus moderating the decline in the portfolio positions' value. Hedging transactions may also limit the opportunity for gain if the value of the portfolio position should increase.

The success of the Master Fund's hedging transactions is subject to the movements in the direction of securities prices and currency and interest rates. The degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio position being hedged may vary. The Master Fund may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the Master Fund from achieving the intended hedge or expose the Master Fund to risk of loss.

**Credit Risk.** The Master Fund may be exposed to losses resulting from default and foreclosure. The value of the underlying collateral, if any, the creditworthiness of the borrower and the priority of the lien are each of great importance (although the Master Fund may invest in subordinate or second priority liens). There is no assurance that the Master Fund will correctly evaluate the value of the assets collateralizing the loans or the prospects for a successful reorganization or similar action. In any reorganization or liquidation proceeding relating to a company in which the Master Fund has an investment, the Master Fund may lose all or part of the amounts advanced to the borrower. The Master Fund cannot guarantee the adequacy of the protection of the Master Fund's interests, including the validity or enforceability of the loan and the maintenance of the anticipated priority and perfection of the applicable security interests. Furthermore, the Master Fund cannot assure that claims may not be asserted that might interfere with enforcement of the Master Fund's rights. In the event of a foreclosure, the Master Fund or an affiliate of the Master Fund may assume direct ownership of the underlying asset. The liquidation proceeds upon sale of such asset may not satisfy the entire outstanding balance of principal and interest on the loan, resulting in a loss to the Master Fund. Any costs or delays involved in the effectuation of a foreclosure of the loan or a liquidation of the underlying property will further reduce the proceeds and thus increase the loss.

**Convertible Instruments.** The Master Fund may invest in convertible instruments. A convertible instrument is a bond, debenture, note, preferred stock, or other security that may be converted into or exchanged for a prescribed amount of common stock of the same or a different issuer within a particular period of time at a specified price or formula. Convertible debt instruments have characteristics of both fixed income and equity investments. The Master Fund may invest in convertible instruments that have varying conversion values. If a convertible instrument held by the Master Fund is called for redemption, the Master Fund will be required to permit the issuer to redeem the instrument, or convert it into the underlying stock, and will hold the stock to the extent the Investment Manager determines that such equity investment is consistent with the investment objective of the Master Fund.

**Swaps and Derivatives.** The Master Fund invests and trades in swaps, including credit default swaps, "synthetic" or derivative instruments, over-the-counter options and other customized financial instruments issued by banks, brokerage firms or other financial institutions. A swap is an agreement between the Master Fund and a financial intermediary whereby cash payments periodically are exchanged between the parties based upon changes in the price of an underlying asset (such as an equity security, an index of securities, or another asset or group of assets with a readily determinable value). For example, an interest rate swap involves one party agreeing to make periodic fixed payments to the other party in return for the other party agreeing to make periodic payments to the first party that vary with the prime rate or another variable interest rate indicator. Swaps and other derivatives are subject to the risk of non-performance by the swap counterparty, including risks relating to the financial soundness and credit worthiness of the swap counterparty. Swaps and other forms of derivative instruments may not be guaranteed by an exchange or clearing house or regulated by any U.S. or foreign governmental authority. It may not be possible to dispose of or close out a swap or other derivative position without the consent of the counterparty, and the Master Fund may not be able to enter into an offsetting contract in order to be able to cover its risk. Regulatory changes in the United States and other countries may significantly impact the trading of swaps and other derivatives in the future.

**Loans.** The Master Fund may invest in loans. Loans include fixed and floating rate loans arranged through private negotiations between one or more financial institutions and an obligor in an emerging country. Although loans are traded among certain financial institutions, some of the loans the Master Fund may invest in will be considered illiquid.

**Loan Participations.** The Master Fund may invest in loan participations. Investment in loan participations involves certain risks in addition to those associated with direct loans. A loan participant has no contractual relationship with the borrower of the underlying loan. As a result, the participant is generally dependent upon the lender to enforce its rights and obligations under the loan agreement in the event of a default, and may not have the right to object to amendments or modifications of the terms of such loan agreement. A participant in a syndicated loan generally does not have voting rights, which are retained by the lender. In addition, a loan participant is subject to the credit risk of the lender as well as the borrower, since a loan participant is dependent upon the lender to pay its percentage of payments of principal and interest received on the underlying loan. The Master Fund will acquire participations only if the seller of the participation is determined by the Adviser to be creditworthy.

**Illiquidity of Debt Instruments.** Debt instruments and interests in debt instruments have significant liquidity risks and market value risks since they are not generally traded in organized exchange markets but are traded by certain banks and other institutional investors. In such cases, the primary resale opportunities for such debt instruments are privately negotiated transactions with a limited number of purchasers. This may restrict the ability of the Master Fund to dispose of investments in a timely fashion and/or at a favorable price. The inability to dispose of a debt instrument position could result in losses to the Master Fund, including the loss of its entire investment. The debt of highly-leveraged companies or companies in default also may be less liquid than other debt. If the Master Fund voluntarily or involuntarily sold its interest in those types of debt securities, it may not receive the full value that it expected.

**Futures.** Futures prices are highly volatile. Such volatility may lead to substantial risks and returns, generally much larger than in the case of equity or fixed-income investments. The Master Fund trades futures on a leveraged basis due to the low margin deposits normally required for trading. As a result, a relatively small price movement in a futures contract may result in immediate and substantial gains or losses for the Master Fund.

Futures trading at times may be illiquid. Certain exchanges do not permit trading particular futures at prices that represent a fluctuation in price during a single day's trading beyond certain set limits, which could prevent the Master Fund from promptly liquidating unfavorable positions, subjecting the Master Fund to substantial losses. In addition, the U.S. Commodity Futures Trading Commission ("CFTC") and various exchanges impose speculative position limits on the number of futures positions a person or group may hold or control in particular futures. For purposes of complying with speculative position limits, the Master Fund's outright futures positions will be required to be aggregated with any futures positions owned or controlled by the Adviser or any principal of the Adviser. As a result, the Master Fund may be unable to take futures positions in particular futures or may be forced to liquidate positions in particular futures.

Trading on non-U.S. commodity exchanges may be less regulated and subject to greater risks than trading on U.S. exchanges. For example, some non-U.S. exchanges are "principals' markets" in which no common clearing facility exists, and a trader may look only to the broker for performance of the contract. In addition, unless the Master Fund hedges against fluctuations in the exchange rate between the U.S. dollar (in which the Interests (as defined below) are denominated) and other currencies in which trading is done on non-U.S. exchanges, any profits that the Master Fund might realize in trading could be reduced or eliminated by adverse changes in the exchange rate, or the Master Fund could incur losses as a result of those changes.

**Foreign Investments.** The Master Fund invests in foreign or domestic securities denominated in foreign currencies and/or traded outside of the United States. Such investments require consideration of certain risks typically not associated with investing in U.S. securities or property. Such risks include, among other things, trade balances and imbalances and related economic policies, unfavorable currency exchange rate fluctuations, imposition of exchange control regulation by the United States or foreign governments, U.S. and foreign withholding taxes, limitations on the removal of funds or other assets, policies of governments with respect to possible nationalization of their industries, political difficulties, including expropriation of assets, confiscatory taxation and economic or political instability in foreign nations.

There may be less publicly available information about certain foreign companies than would be the case for comparable companies in the United States and certain foreign companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of U.S. companies. Securities markets outside the United States, while growing in volume, have for the most part substantially less volume than U.S. markets, and many securities traded on these foreign markets are less liquid and their prices more volatile than securities of comparable U.S. companies. Settlement of trades in some non-U.S. markets is much slower and more subject to failure than in U.S. markets. There also may be less extensive regulation of the securities markets in particular countries than in the United States.

Additional costs could be incurred in connection with international investment activities. Foreign brokerage commissions generally are higher than in the United States. Expenses also may be incurred on currency exchanges when the Master Fund changes investments from one country to another. Increased custodian costs as well as administrative difficulties (such as the applicability of foreign laws to foreign custodians in various circumstances, including bankruptcy, ability to recover lost assets, expropriation, nationalization and record access) may be associated with the maintenance of assets in foreign jurisdictions.

**Investment in Reorganizations.** The Master Fund may make investments in companies that are experiencing or are expected to experience severe financial difficulties, including companies undergoing reorganization. These severe financial difficulties may never be overcome and may cause such companies to become subject to bankruptcy proceedings. In such situations, the Master Fund's investment may be subject to the risk that a bankruptcy filing may adversely and permanently impact the value of a company and that high administrative costs may impair the value of the company. Such investments could subject the Master Fund to certain additional potential liabilities that may exceed the value of the Master Fund's original investment therein. Investments in distressed companies may be adversely affected by statutes relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims.

**Currencies.** The Master Fund invests in debt and/or equity securities denominated in currencies other than the U.S. dollar and in other financial instruments, the price of which is determined with reference to currencies other than the U.S. dollar. However, the Master Fund values its securities and other assets in U.S. dollars. To the extent unhedged, the value of the Master Fund's assets will fluctuate with U.S. dollar exchange rates as well as with price changes of the Master Fund's investments in the various local markets and currencies. Thus, an increase in the value of the U.S. dollar compared to the other currencies in which the Master Fund makes its investments will reduce the effect of increases and magnify the effect of decreases in the prices of the Master Fund's securities in their local markets. Conversely, a decrease in the value of the U.S. dollar will have the opposite effect of magnifying the effect of increases and reducing the effect of decreases in the prices of the Master Fund's non-U.S. dollar securities.

**Forward Currency Contracts.** The Master Fund may invest in forward currency contracts with banks, financial institutions or dealers acting as principal. Forward currency contracts may not be liquid in all circumstances, so that in volatile markets, to the extent the Master Fund wishes to do so, it may not be

able to close out a position by taking another position equal and opposite to such position on a timely basis or without incurring a sizeable loss. Closing transactions with respect to forward currency contracts usually are effected with the currency trader who is a party to the original forward contract and generally require the consent of such trader. There can be no assurance that the Master Fund will be able to close out its obligations.

There are no limitations on daily price moves in forward contracts. Banks and other financial institutions with which the Master Fund may maintain accounts may require the Master Fund to deposit margin with respect to such trading. Banks are not required to continue to make markets in forward contracts. There have been periods during which certain banks have refused to quote prices for such forward contracts or have quoted prices with an unusually wide spread between the price at which the bank is prepared to buy and that at which it is prepared to sell. Trading of forward contracts through banks is not regulated by any U.S. governmental agency. The Master Fund will be subject to the risk of bank failure and the inability of, or refusal by, a bank to perform with respect to such contracts.

**Options.** The Master Fund can invest in, or write, options. The purchaser of a put or call option runs the risk of losing his, her or its entire investment in a relatively short period of time if an option expires unexercised. The uncovered writer of a call option is subject to a risk of loss should the price of the underlying security increase, and the uncovered writer of a put option is subject to a risk of loss should the price of the underlying security decrease.

**Counterparty Credit Risk.** To the extent that the Master Fund engages in over-the-counter transactions, it must rely on the creditworthiness of its counterparty. The Master Fund is generally not limited in the amount of its assets that may from time to time be subject to the risk of non-performance by a counterparty.

**Brokerage and Custodial Risks.** There are risks involved in dealing with the custodians or prime brokers who settle trades and hold assets for the Master Fund. Although the Adviser monitors the prime brokers and custodians used by the Master Fund and believes that they are appropriate custodians, there is no guarantee that the Master Fund's prime brokers and custodians, or any other custodians that the Master Fund may use from time to time, will not become bankrupt or insolvent. While U.S. laws seek to protect customer property in the event of a bankruptcy, insolvency, failure or liquidation of a broker-dealer, there is no certainty that, in the event of a failure of a broker-dealer that has custody of Master Fund assets, the Master Fund would not incur losses due to its assets being unavailable for a period of time, the ultimate receipt of less than full recovery of its assets, or both. Due to the recent bank failures, there are risks surrounding liquidity concentration, systemic risk regarding the failure of other banks, and increased compliance costs associated with diversifying deposits among multiple banks.

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



problems associated with enforcing the Master Fund's rights to its assets in the case of a bankruptcy or insolvency of any such party.

***Illiquid Assets.*** Certain investment positions of the Master Fund may be illiquid. The Master Fund may invest in "restricted" or non-publicly traded securities and securities traded on foreign exchanges. The Master Fund may not be readily able to dispose of such non- publicly traded securities, and in some cases, may be contractually prohibited from disposing of such securities for a specified period of time. An exchange or regulatory authority may suspend trading in a particular security or contract, order immediate liquidation and settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only.

#### **Other Risks**

***Limited Liquidity.*** An investment in the Funds is suitable only for sophisticated investors who have no need for immediate liquidity in this investment.

***Valuation Risks.*** Due to the Master Fund's overall size and concentrations in particular securities markets, the ultimate realizable values of the Master Fund's securities and other investments may differ from the interim valuations of such investments derived from the valuation methods described herein. Such differences may also be affected by the time frames within which such realization occurs. Valuations of the Master Fund's securities and other investments, which will affect the amount of the Management Fee and the Performance Allocation, may involve uncertainties and require judgmental determinations by the General Partner. If such valuations should prove incorrect, the net value of the assets of the Master Fund could be adversely affected.

***Limited Regulatory Oversight.*** The Funds are not required to, nor do the Funds intend to, register as such under the Investment Company Act of 1940, as amended. The Offshore Fund and the Master Fund are registered in the Cayman Islands pursuant to section 4(3) of the Mutual Funds Law (as amended) of the Cayman Islands, but such registration does not involve a detailed examination of the merits of the Offshore Fund or the Master Fund or substantive supervision of the investment performance or portfolio constitution of the Offshore Fund or the Master Fund by the Cayman Islands Government or the Cayman Islands Monetary Authority.

The General Partner and the Adviser are exempt from registration with the CFTC, in each case pursuant to CFTC Rule 4.13(a)(3). The interests have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), in reliance upon an exemption therefrom available under Regulation D under the Securities Act. Accordingly, Interests will be offered only to investors that, among other requirements, are accredited investors within the meaning of Regulation D, such that the offering of Interests will not constitute a public offering.

***Possible Effects of Changes in Regulation.*** Global financial markets are subject to comprehensive regulation by the SEC, CFTC and other U.S. and non-U.S. regulators, self-regulatory organizations and exchanges. Changes in the regulation of financial markets, hedge funds and their trading activities may adversely affect the ability of the Master Fund to pursue certain investment strategies. U.S. and non-U.S. regulators may take extraordinary actions to intervene in financial markets in the event of extraordinary market conditions. Additional legislation and regulations in global markets may further regulate or limit short-selling and other investment activities. The imposition of additional margin and other requirements in connection with the use of swaps and other derivatives may adversely affect the markets in which the Master Fund invests, and may limit or adversely affect the ability of the Adviser to use swaps and other derivatives as part of the investment and hedging strategies used by the Adviser.

***Delayed Schedules K-1.*** The Onshore Fund may be unable to provide final Schedules K-1 to investors for any given fiscal year until significantly after the due dates for the investors' tax returns. Final Schedules K-1 may not be available until completion of the Fund's annual audit. Investors may be required to obtain extensions of the filing dates for their income tax returns at the U.S. federal, state and local levels.

**Imposition of Tax Regardless of Cash Distributions.** Investors must recognize for income tax purposes their pro rata shares of the taxable net income of the Funds, regardless of whether the investor requested a partial withdrawal from the Funds to cover their tax liabilities. The Funds may generate taxable income for an investor even though the value of the investment has declined.

**Unrelated Business Taxable Income.** As a result of the Master Fund's use of leverage in connection with its investment activities, it is likely that a portion of the Funds' income will be treated as unrelated business taxable income.

**Uncertainty of Certain Tax Positions; Risk of Audit.** The Onshore Fund and the Master Fund will be required to file tax returns with the Internal Revenue Service (the "IRS") and may be required to file tax returns or make other filings in other jurisdictions. The Funds may take positions with respect to certain tax issues that may be challenged by the IRS or other tax authorities. Certain positions taken by the Funds may depend on legal conclusions not yet resolved by the relevant tax authorities or courts. The tax returns or other filings made by the Funds may be audited, and adjustments may be made to such returns or other filings as a result of such an audit. If an audit results in an adjustment, investors may be required to file amended returns (which may themselves be audited) and to pay back taxes with respect to prior periods. In addition, interest and penalties, which are non-deductible, may be asserted and imposed on tax deficiencies as the result of an audit. Prospective investors are urged to consult their own tax advisers about the tax-related risks inherent in an investment in the Funds.

**Accounting for Uncertainty in Income Taxes.** ASC 740, "Income Taxes" (in part formerly known as "FIN 48") provides guidance on the recognition of uncertain tax positions. ASC 740 prescribes the minimum recognition threshold that a tax position is required to meet before being recognized in an entity's financial statements. It also provides guidance on recognition, measurement, classification and interest and penalties with respect to tax positions. ASC 740 could have a material effect on the Fund's net asset value, including reducing the net asset value to reflect reserves for income taxes that may be payable by the Fund in the future and increasing the net asset value to reflect the reversal of any such reserves.

**AEOL Regimes.** Pursuant to an intergovernmental agreement ("IGA") relating to automatic tax information exchange that the Cayman Islands has entered into with the United States and a Multilateral Competent Authority Agreement to demonstrate its commitment to implement the Common Reporting Standard ("CRS"), and legislation implementing such agreements (collectively, "Automatic Exchange of Information Regimes" or "AEOL Regimes"), the Offshore Feeder and the Master Fund may be required to disclose to the Cayman Islands Tax Information Authority certain confidential information regarding investors, which information may be automatically exchanged with tax authorities in the United States and other jurisdictions. In the case of the agreement with the United States, such agreement gives effect to the Foreign Account Tax Compliance Act, or "FATCA." The Cayman Islands government may also enter into additional agreements with other countries in the future, and additional countries may adopt CRS, which will likely further increase the reporting and/or withholding obligations of the Offshore Feeder and the Master Fund.

**In-Kind Distributions.** If significant withdrawals are requested, the Adviser may not be able to liquidate the Master Fund's investments at the time such withdrawals are requested or may be able to do so only at prices which the Adviser believes do not reflect the true value of such investments and which would adversely affect the return to the investors. The Adviser does not currently intend to make distributions in-kind of the Master Fund's portfolio investments; however, under certain circumstances, the investors may receive in-kind distributions of securities or obligations in the Master Fund's portfolio. Such securities and obligations may not be readily marketable or salable and may have to be held by the investors for an indefinite period of time.

**Master-Feeder Structure.** The Feeder Funds invest, through a master-feeder fund structure, in the Master Fund. Although a master-feeder fund structure can provide administrative efficiencies, it can also involve certain additional risks for investors. Substantial additions and withdrawals of capital by investors in the

Onshore Fund, the Offshore Fund or other feeder funds investing in the Master Fund could cause the Master Fund to incur additional transactional and other expenses, could affect the expense ratio of the Funds, and could affect the value of the Master Fund's assets. The Adviser may make investment decisions on behalf of the Master Fund without taking into account tax or other considerations applicable to, or the different circumstances of, investors in the different feeder funds investing in the Master Fund, which may at times be in conflict with each other. The Adviser may also in its discretion take into account tax or other considerations applicable to some but not all investors in the different feeder funds investing in the Master Fund.

**Operational Risks.** The Adviser is responsible for developing, implementing and operating appropriate systems and procedures to execute all investment transactions and monitor and control operational risk on behalf of the Partnership. The Adviser relies on its execution, financial, accounting and other data processing systems to trade, clear and settle all transactions, to evaluate and monitor potential and existing portfolio investments, and to generate risk management and other reports that are critical to oversight of client accounts. Certain of the Adviser's operations are dependent upon systems operated by third parties, including the Administrator, prime brokers, counterparties, electronic exchanges, other execution platforms and their various service providers. Engle may not be in a position to verify the reliability of such third-party systems or data. Failure of or errors in such systems could result in mistakes or delays in the execution, confirmation or settlement of transactions, or in transactions not being properly booked, evaluated or accounted for. The increasing reliance on internet-based programs and applications to conduct transactions and store data also creates increased security risks. Targeted cyber-attacks, or accidental events, can lead to a breach in computer and data systems and access by unauthorized persons to sensitive transactional or personal information. Data taken in breaches may be used by criminals to commit identity theft, obtain loans or payments under false identities, and other crimes. Cybersecurity breaches at the Adviser or its service providers or counterparties may directly or indirectly affect clients, and could lead to theft, data corruption, interference with business operations, disruption of operational systems, interference with the Adviser's or the Funds' ability to execute transactions, direct financial loss or reputational damage, or violations of applicable laws related to data and privacy protection and consumer protection.

**Business Continuity and Disaster Recovery.** The Adviser's business operations could become vulnerable to disruption in the case of catastrophic events such as fires, natural disaster (e.g., tornadoes, floods, hurricanes and earthquakes), epidemics and pandemics (as further detailed below), terrorist attacks or other circumstances resulting in property damage, network interruption and / or prolonged power outages. Although the Adviser has implemented various measures to manage risks relating to these types of events, there can be no assurances that all contingencies are planned for. If such business operations are disrupted or suspended for extended periods of time, the Funds may be adversely affected.

**Natural Disasters and Other Events.** The Funds and their investments may be affected by events beyond the control of the Adviser, including earthquakes, hurricanes, floods or other natural disasters, outbreaks of an infectious disease, pandemic or any other serious public health concern, infrastructure failures, war, terrorism, labor strikes, or social unrest or instability. The Adviser is not able to predict the extent, severity or duration of these or other similar events or the impact that these events may have on the Funds or their investments.

**Coronavirus Outbreak Risks.** The recent global outbreak of the 2019 novel coronavirus ("COVID-19"), together with resulting voluntary and U.S. federal and state and non-U.S. governmental actions, including, without limitation, mandatory business closures, public gathering limitations restrictions on travel and quarantines, has meaningfully disrupted the global economy and markets. Although the long-term economic fallout of COVID-19 is difficult to predict, it has contributed, and is expected to continue to contribute, to market volatility. It is also likely to lead to an economic slowdown given the disruption to supply chains across sectors and industries worldwide, which may materially and adversely affect the Funds. Since COVID-19 is present in jurisdictions in which the Adviser conducts business, it could affect the ability of the Adviser to operate effectively, including the ability of personnel to function, communicate and travel to the extent necessary to carry out the Funds' investment strategies and objectives. In addition, the Adviser's

personnel and personnel of critical service providers to the Adviser or the Funds may be directly impacted by the spread of COVID-19, both through direct exposure and exposure to family members, which could impact the Adviser's ability to satisfy its obligations to the Funds, their investors, and pursuant to applicable law. The spread of COVID-19 among the Adviser's personnel has the potential to significantly affect the Adviser's ability to properly oversee the affairs of the Funds (particularly to the extent such impacted personnel include key investment professionals or other members of senior management).

## **Item 9 – Disciplinary Information**

Engle and its employees have not been involved in any legal or disciplinary events that would be material to a client's or prospective client's assessment of its advisory business or integrity.

## **Item 10 – Other Financial Industry Activities and Affiliations**

Neither Engle nor any of its management persons are registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Engle and the General Partner rely on certain exemptions from registration as commodity trading advisers and commodity pool operators under the Commodities Exchange Act and no action relief provided by the CFTC.

Engle provides discretionary investment management services to the Master Fund and the Feeder Funds. Engle Capital Advisors, LLC, an affiliate of Engle, serves as General Partner of the Onshore Fund.

Engle employees do not have any relationships with other financial firms that have been identified to pose a material conflict of interest.

## **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### **Code of Ethics**

Engle has adopted a Code of Ethics (the “Code”) pursuant to Rule 204A-1 under the Investment Advisers Act designed to promote high ethical standards and reflect Engle’s fiduciary duty to its clients. The Code establishes standards of business conduct for all employees and is designed to detect and prevent prohibited acts and mitigate potential conflicts of interest between Engle, its employees and the Funds. Engle requires its employees to certify their compliance to the Code on an annual basis.

In addition to the specifics required under Rule 204A-1, the Code also describes rules and restrictions surrounding personal securities transactions. In general, Engle employees will not be authorized to trade most reportable securities, as defined in the Code, in any investment account where the Employee has beneficial ownership and where the employee can exercise discretion. Employees will be allowed to invest in open ended registered investment companies (such as mutual funds), ETFs, fixed income, US Treasuries, precious metals, and certain managed accounts. Employees will not be permitted to trade equities or options for their own accounts except to close existing positions, and with prior written approval. Employees are required to report transactions and holdings on regular basis.

The Code also identifies limitations on an employee’s outside business activities, limits on gifts and entertainment received or given, limitations on making political contributions, policies to prevent the misuse of material non-public information, among other policies.

Current and prospective clients and investors may obtain a copy of the Code by contacting Engle’s Chief Compliance Officer Ms. Aili Areng at 212-601-5592.

### **Client Transactions**

It will not be in Engle’s usual practice as principal to purchase securities or other instruments for itself from any Engle Fund, nor to sell securities or other instruments to any Engle Fund.

### **Personal Trading**

Engle employees may have invested in securities or instruments in which the Master Fund has also invested in. In order to avoid any conflict of interest, personal trading policies have been implemented in the Code including pre-approval requirements, reporting requirements, restrictions on the types of securities an employee may invest in and adherence to a restricted list.

## Item 12 – Brokerage Practices

### Broker Selection

Engle has complete discretion and authority in deciding what brokers, dealers, and other counterparties to use for portfolio transactions. Engle also has full discretion to negotiate compensation and transaction terms with these parties, including commissions.

As part of its fiduciary duty, Engle has an obligation to seek the best price and execution of Fund transactions when Engle is in a position to direct brokerage transactions. Best execution does not necessarily entail obtaining the lowest commission cost, but rather whether the transaction represents the best qualitative execution for the account. Engle maintains a list of approved brokers, and the Best Execution and Brokerage Allocation Committee and the Risk Committee have the authority to approve and remove brokers from the list. The Best Execution and Brokerage Allocation Committee meets at least on a semi-annual basis to review each broker on a qualitative and quantitative basis. The Risk Committee meets monthly and may have brokerage related topics on its agenda.

In selecting brokers or dealers to effect portfolio transactions on behalf of the Master Fund, the Adviser considers such factors as price, the ability to effect the transactions, the brokers' or dealers' facilities, reliability and financial responsibility, special execution capabilities, block trading and block positioning capabilities, willingness to execute related or unrelated difficult transactions in the future, efficiency of execution and error resolution, quotation services, the availability of stocks to borrow for short trades, custody, recordkeeping and similar services, and any research or investment management-related services and equipment provided by such brokers or dealers. The Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. The Adviser may cause a higher commission to be paid to a broker or dealer that furnishes research, services or equipment than might be charged by another broker or dealer for effecting the same transaction, provided that the Adviser determines in good faith that the amount of commissions charged is reasonable in relation to the value of the brokerage and research or investment management-related services and equipment provided by such broker or dealer. The Adviser does not expect to receive any benefits outside the safe harbor under Section 28(e) of the Securities Exchange Act of 1934, as amended, for the use of commissions or "soft dollars" to obtain "research and execution" services.

### Use of Soft Dollars and Other Research Benefits

Engle does not currently have any formal soft dollar arrangements, however Engle may receive research or other products and services other than execution from a broker-dealer. If Engle does enter into any soft dollar arrangements, Engle will aim to use soft dollars to obtain products and services that fall within the safe harbor provided by Section 28(e) of the Exchange Act.

Section 28(e) is a "safe harbor" that permits an adviser to use commissions or soft dollars to obtain research and brokerage services that provide lawful and appropriate assistance in the investment decision-making process. It is Engle's policy to only use soft dollars to obtain research and brokerage services that constitute research and brokerage within the meaning of Section 28(e). Research services within Section 28(e) may 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 brokers on order execution; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental to those services (i.e., connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations.



Examples of the types of research or other products and services that Engle may acquire via brokers, dealers and other counterparties include: reports, recommendations or information about particular companies, industries or specific securities; financial or market data; economic analysis; pricing or other statistical information; market, financial or economic news; reports on legal, tax, accounting or compliance issues and developments; meetings, conferences or conversations with research analysts, corporate executives and/or consultants; among other services.

### **Custody and Prime Brokers**

Custody of all cash or other investments of the Master Fund will be maintained at one or more financial institutions or brokerage firms selected by Engle. First Republic Bank serves as a custodian, while Morgan Stanley & Co., Goldman Sachs & Co., Bank of America Merrill Lynch and their affiliates currently serve as the prime brokers and custodians of the Master Fund. Engle may replace any such firm or appoint an additional prime broker or custodian at any time. The services that these firms provide to the Master Fund include custody, margin financing, clearing, settlement and stock borrow. Each prime broker also may provide Engle with other services such as capital introduction services, consulting services and portfolio reporting. The Adviser is not required to direct a particular number of trades to any prime broker or to continue to use any prime broker, but the Adviser may have an incentive to do so based on their prior and continuing services.

### **Trade Errors**

While Engle carefully transacts investment decisions on behalf of the Master Fund, faults such as trade errors may occur. Pursuant to the indemnification provisions contained in the Funds' offering documents, Engle and its affiliates generally will not be liable for consequences of their conduct, and will be indemnified against any losses they may incur in the absence of gross negligence, recklessness or willful misconduct. Accordingly, the Funds are ordinarily responsible for any losses and will benefit from any gains resulting from trading errors and similar human errors, absent gross negligence, recklessness, or willful misconduct.

To dispel the risks associated with trade errors, Engle adopted a trade error policy which requires such errors to be immediately reversed or cancelled where possible and reported to the Chief Compliance Officer, who will document the incident. The Chief Compliance Officer will aim to understand the source of the error and will determine whether any remedial action to workflow or systems should be implemented.

## Item 13 – Review of Accounts

Engle's Portfolio Manager, Mr. Jeffrey Helman, along with other investment professionals, monitor and review the Master Fund's portfolio on a frequent and routine basis. Engle's finance and operations employees work closely with the Funds' administrator to reconcile positions, cash and pricing daily. Risk, performance and exposure reports are prepared daily and reviewed regularly by Engle's Investment Committee members and analysts.

Engle and the Funds' service providers will provide the following to investors:

| <b>FREQUENCY</b> | <b>INFORMATION</b>   | <b>PREPARED BY</b>  |
|------------------|--|---|
| Monthly          | End of month performance estimate<br>Capital statements<br>Exposure and attribution report | Engle Capital<br>Administrator<br>Engle Capital                             |
| Quarterly        | Investor letter  | Engle Capital   |
| Annual           | Year-end tax estimates<br>Schedule K-1s (if applicable)<br>Audited financial statements    | Tax Preparer<br>Tax Preparer<br>Administrator, Auditor and<br>Engle Capital |
| By Request       | Performance, portfolio and organization<br>update calls/meetings                           | Engle Capital   |

## **Item 14 – Advisory Client Referrals and Other Compensation**

As part of a selling agreement, and as more fully described in the Onshore Fund's offering and subscription documents and relevant supplements, Engle compensates Merrill Lynch for the placement of certain investors into the Fund. Engle does not charge any portion of the compensation paid to Merrill Lynch to the Funds. Any investors placed by Merrill Lynch may pay fees to such third party, and not to Engle, that are separate and in addition to the Onshore Fund's management and incentive fees.

## **Item 15 – Custody**

Under Rule 206(4)-2 of the Advisers Act (the “Custody Rule”), Engle is deemed to have custody of the assets of each Engle Fund for which it or an affiliate serves as the general partner, or for any Fund for which it has authority to withdraw funds from a Fund account. Accordingly, Engle adheres to the applicable requirements of the Custody Rule with respect to the Engle Funds.

The Adviser will arrange for annual audits of the Engle Funds by an independent auditor in accordance with generally accepted accounting principles and expects to deliver the audited financial statements to investors within 120 days of the Engle Funds’ fiscal year end. Engle recommends that investors carefully review the annual financial statements.

## **Item 16 – Investment Discretion**

Pursuant to an investment management agreement, the Adviser manages the Funds on a fully discretionary basis. The Adviser has the authority to determine the securities or other financial instruments and the amount of the securities or other financial instruments to be purchased or sold for client accounts, as set forth in the Funds' offering documents.

## Item 17 – Voting Client Securities

Engle has adopted written proxy voting policies and procedures in accordance with Rule 206(4)-6 under the Advisers Act. The Adviser's goal is to act prudently and vote proxies in the best interests of the Fund. When the Adviser votes proxies, it does so in a manner that it believes will be consistent with efforts to maximize the value of the Fund's positions. Engle may abstain from voting a particular proxy at Engle's discretion.

The Adviser's policies and procedures contain procedures designed to address potential conflicts of interest that may arise between Engle and its Funds. If Engle identifies a potential conflict of interest prior to exercising its voting authority, Engle, in consultation with the Portfolio Manager or the Head of Research, the Chief Compliance Officer and/or outside legal counsel, as appropriate, reviews the relevant facts and determines whether or not a material conflict of interest may arise.

Engle will provide a copy of its Proxy Voting Policies and Procedures and information about how the Adviser voted a client's proxies to any investor or prospective investor upon request.

Engle may receive notices regarding class action lawsuits involving securities that are or were held by the Funds. The Adviser will not serve as the lead in class action matters. If any proceeds are received as a result of Engle's participation in such suits, the proceeds will be allotted to the appropriate Funds and investors.

## **Item 18 – Financial Information**

Not applicable.