

Form ADV Part 2A

THINKSHOP ADVISORS LLC

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This Form ADV Part 2A brochure (“Brochure”) provides information about the qualifications and business practices of Thinkshop Advisors LLC. If you have any questions about the contents of this Brochure, please contact Alan Kaplan at 631-515-6129 or via email at [akaplan@thinkshopadvisors.com](mailto:akaplan@thinkshopadvisors.com). 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 Thinkshop Advisors LLC is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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

## 2. Material Changes

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There are no material changes to report since March 29, 2022, the date of Thinkshop Advisors LLC's most recent annual updating amendment to its Brochure. Clients and prospective clients are encouraged to review this Brochure in its entirety.

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#### 4. Advisory Business

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Thinkshop Advisors LLC (“Thinkshop,” “we” or “our”) commenced business operations in 2014. Thinkshop is owned by its principals, Alan D. Kaplan and Keith Amchin (the “Principals”). Thinkshop is located in Melville, New York.

Thinkshop currently provides portfolio management and investment advisory services to: (i) a private fund, Thinking Capital Group LP (the “Fund”) and (ii) to separately managed accounts (each, an “SMA”). References throughout this document to “clients” refer to the Fund, the SMAs and any other private funds and SMAs that Thinkshop may advise in the future.

Thinkshop’s clients invest primarily in equity securities and options, including, without limitation, exchange traded funds (“ETFs”). In addition, persons related to Thinkshop (including, without limitation, its Principals and their family members) have invested and may continue to invest varying amounts in the Fund and/or have opened or will open SMAs advised by Thinkshop (collectively “Related Accounts”).

KA&AK Partners, LLC is the general partner of the Fund (the “General Partner”). The General Partner is owned and controlled by the Principals. Unless and only to the extent that the context otherwise requires, references herein to Thinkshop, we or us are deemed to include the General Partner as well.

Thinkshop tailors its advisory services for each SMA client to the needs, risk tolerances and investment goals of the client. Under certain circumstances, we will agree with an SMA client to adhere to limited risk and/or operating guidelines for an account as described in the client’s written investment management agreement (“IMA”).

The Fund is governed by the investment restrictions and guidelines contained in its governing and offering documents (collectively, “Fund Documents”). Thinkshop would not permit investors in the Fund to impose limitations on the investment activities described in the Fund Documents for the Fund. Information about the Fund, including information about investment strategies, fees, expenses, risks and other material information, is contained in the applicable Fund Documents.

As of December 31, 2022, we managed \$ 25,739,442 in regulatory assets under management on a discretionary basis. We currently do not manage any assets on a non-discretionary basis.

#### 5. Fees and Compensation

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The extent to and specific manner in which our clients are responsible for management fees, performance-based compensation and/or expenses are set forth in each client’s applicable IMA with Thinkshop (and, in the case of the Fund, in the Fund Documents).

### SMA:

SMA clients generally pay management fees of 1.5% (annually) of assets under management and are charged monthly in arrears based on each account's ending value. An SMA also may pay an annual incentive fee, subject to a high water mark, if provided in the client's IMA (as further described in *Item 6 – Performance-Based Fees and Side-by-Side Management*). Thinkshop does not have authority to unilaterally deduct fee amounts from SMA client assets held with a custodian or otherwise. Rather, on a monthly basis, the custodian for each SMA client will pursuant to the client's authorization, will pay the fees to Thinkshop. Where client's assets are held for a partial month as a result of a client's initial contribution into or final withdrawal from an SMA, the management fee will be prorated for such month on a per diem basis.

Under certain circumstances, fees for SMA clients are negotiable. The factors that determine whether or not fees will be negotiable include, among others, the relationship between Thinkshop and the client, amount of assets under management, and the type of advisory services to be provided. Management fees, performance-based compensation and expenses charged with respect to certain of Thinkshop's clients are different than those charged to other clients (and those charged to investors in the Fund). In addition, Thinkshop has the right to waive or modify management fees or performance-based compensation charged to Related Accounts of Thinkshop.

The expenses that are charged to each SMA client are determined on a case-by-case basis according to the specific terms of the client's IMA. In general, clients are solely responsible for all of the costs and expenses in operating their accounts, including, without limitation, expenses directly related to investment transactions and positions for the account, brokerage commissions and custody charges, interest and commitment fees on loans and debit balances and bank charges, as well as any legal fees and costs (including settlement costs) arising in connection with any litigation or regulatory investigation instituted against us in connection with the affairs of the account, and any withholding or transfer taxes imposed on the client as a result of its earnings, investments or withdrawals. Such costs and expenses are exclusive of and in addition to Thinkshop's management fees and performance-based compensation. For a summary of Thinkshop's brokerage practices, please see *Item 12 – Brokerage* below.

### The Fund:

Thinkshop receives a monthly management fee ("Management Fee") from the Fund generally equal to a percentage of each limited partner's (each, a "Limited Partner") share of the applicable Fund's net asset value (before deduction of that month's Management Fee and any accrued incentive allocation). The Management Fee percentage is equal to 0.167% per month (or 2% annually). The Management Fee is calculated and payable to Thinkshop monthly in advance, as of the balance on the first day of each month. Management Fees will be prorated partial months. All relevant monthly fees will be deducted directly from the Limited Partner's capital account. Limited Partners are subject to additional terms regarding fees applicable to assets held in side pocket accounts, as described in detail in the Fund Documents.

Thinkshop, in its sole discretion, may reduce, rebate, waive or modify Management Fees and/or performance-based compensation with respect to Limited Partners (including affiliates of the General Partner) for any period of time and has done so with respect to certain Limited Partners.

The General Partner is entitled to receive performance-based allocations from the Fund (the "Incentive Allocation"), as further described in *Item 6 – Performance-Based Fees and Side-By-Side Management*.

Thinkshop's fees are exclusive of the operating costs and expenses associated with the Fund's

investment activities, operations and research, which are borne by the Fund. Neither Thinkshop nor any of its employees accept compensation for the sale of securities or other investment products. Details regarding brokerage fees may be found in *Item 12 – Brokerage*.

*Organizational Expenses.* Unless otherwise set forth in the Fund Documents, the Fund pays or reimburses the General Partner, Thinkshop and/or their respective affiliates for all organizational expenses of the Fund.

*Operating Expenses.* Unless the Fund Documents provide otherwise, generally, each Fund bears (i) the Incentive Allocation and the Management Fee, (ii) all expenses associated with its investment activities, operations and research, including, without limitation, expenses such as brokerage commissions, interest on margin accounts and other indebtedness, borrowing charged on securities sold short, custodial fees, bank service fees, administrative, legal, accounting, auditing and tax services, preparation and related fees, governmental fees and taxes, withholding and transfer fees, administrator fees, costs of communications with Limited Partners, clearing and settlement charges, other expenses related to the purchase, sale or transfer of Fund assets, research reports, research equipment, ongoing legal, accounting, auditing, bookkeeping, consulting and other professional fees, (iii) technology-related costs and expenses, including, but not limited to, software licenses, data feeds and colocation expenses, (iv) all expenses related to attending any conference or seminar related to alternative investments (*e.g.*, registration, transportation, accommodation or meal expenses), (v) regulatory and other filing fees and expenses and compliance costs and expenses that are attributable to the Fund, as well as fees and expenses associated with the completion of regulatory filings that are attributable to the Fund (including, without limitation, Form PF filings), (vi) all travel expenses related to the Fund's investments, meeting with management teams, research analysts and/or consultants and/or attending any industry or trade show, conference or seminar related in any way to the Fund's investment program (such as, registration, transportation, accommodation and/or meal expenses), or other travel expenses related to any of the other categories of expenses set forth herein, (viii) any costs and expenses incurred by the Fund in connection with converting from a standalone fund into a feeder fund as part of a master-feeder structure, (vii) director and officer liability insurance or other insurance premiums for any principal or employee of the Fund, the General Partner, Thinkshop or any of Thinkshop's Affiliates, (viii) all expenses incurred in connection with the ongoing offering and sale of the Fund's interests, including, but not limited to, printing of the Fund's confidential private placement memoranda and all ancillary agreements and exhibits, and documentation of performance and the admission of Limited Partners, (ix) all fees incurred in connection with the investigation, prosecution or defense of any claims, assertion of rights or pursuit of remedies, by or against the Fund, including, without limitation, professional and other advisory and consulting expenses and travel expenses and (x) any and all costs and expenses incurred in connection with the dissolution, winding-up, or termination of the Fund. More detailed information about each Fund's expenses is set forth in its Fund Documents.

#### Allocation of Expenses:

To the extent that we incur any expenses for the benefit of multiple clients, we generally will allocate such expenses in a reasonable manner, taking into account our written agreements with such clients (including the Fund Documents in the case of the Fund) and applicable facts and circumstances, including the relative size of the applicable entity or account, the nature or source of the product or service and the benefits derived from and the extent of use of the product or services. Furthermore, it is possible that under some of our advisory contracts we may not require a client to incur certain expenses, despite the fact that such client will receive a benefit in connection with our incurrence of

such expenses.

To the extent that a client benefits from an item that is chargeable to other clients, but is not permitted to incur such expense under its governing documents or IMA, we will bear such client's *pro rata* portion of the expense. Our expense allocations often depend on inherently subjective determinations, but the expense allocations made by us will be in good faith.

#### General Partner's and Thinkshop's Benefits:

Thinkshop and its personnel generally can be expected to receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of clients and client portfolio investments, including benefits and other discounts provided from service providers. For example, airline travel or hotel stays incurred as a client expense typically result in cash rebates, "miles," "points" or credit in loyalty/status programs, and such benefits and/or amounts will exclusively benefit Thinkshop and/or such personnel even though the cost of the underlying service is borne by clients. The value of such benefits and perquisites will neither be subject to an offset against fees or expenses payable by clients nor will they otherwise be shared with clients and/or portfolio investments.

#### General Disclosure about Investing in Other Fee-Bearing Products:

Thinkshop invests on behalf of its clients in money market funds, ETFs or similar fee-bearing products and may invest in private funds and accounts that are managed by other investment managers. In that case, client accounts generally would be responsible for paying the fees and expenses associated with such products, which would be in addition to the fees and expenses of Thinkshop as discussed herein. Such fees may include, without limitation, management fees, performance-based compensation, 12b-1 fees, custody fees and brokerage fees assessed by these entities.

#### 6. Performance-Based Fees and Side-by-Side Management

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Currently, SMA clients do not pay Thinkshop performance-based compensation. However, future SMA clients may do so. Such performance-based compensation may take the form of a performance allocation, performance fee, carried interest or other payment. Performance-based compensation would conform to Rule 205-3 under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), to the extent applicable.

The Fund has entered into an incentive allocation arrangement with its General Partner. An incentive allocation arrangement is a method of compensating an investment adviser on the basis of a share of the gains or appreciation of the assets under management. Specifically, as consideration for services provided, the General Partner generally will receive an incentive allocation equal to a percentage of the Fund's net profits (including realized and unrealized gains and losses) at the close of each fiscal year (or other period, as the case may be). Such percentage is equal to 20%. The Incentive Allocation will be conditioned upon whether the Fund achieves increases in net income (including realized and unrealized gains and net of the Management Fee) attributable to such Limited Partner's capital account for such period, subject to a high water mark.

Thinkshop's performance is contingent upon the return experienced by the client, which is computed based upon unrealized and realized appreciation of assets in the client's account. To the extent that Thinkshop is responsible for valuing a client's assets, it will have a conflict of interest in valuing the

assets held in the client's account. Thinkshop will follow its documented valuation policies (and, in the case of the Funds, consult with its third-party administrator) to mitigate this risk.

Performance-based compensation arrangements create an incentive for Thinkshop to seek to maximize the investment return by making investments that are subject to greater risk, or are more speculative than would be the case if Thinkshop's compensation were not based upon the investment return. Accounts participating in performance-based compensation arrangements may pay Thinkshop more compensation when compared to asset-based fee rates. Performance-based compensation arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. Thinkshop also has an incentive to favor accounts for which performance-based compensation is likely to be paid sooner than for accounts for which such compensation is likely to be paid later.

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

In order to address these conflicts of interest, Thinkshop has adopted procedures designed and implemented to seek to ensure that all clients are treated fairly and equitably, and to prevent such conflicts from influencing the allocation of investment opportunities among our clients.

Thinkshop does not discriminate on an impermissible basis against one client or group of clients, and strives to treat clients fairly and equally on an overall basis. Thinkshop generally follows documented procedures in allocating opportunities among client accounts, which do not take into account the performance-based compensation to which such accounts are subject. When Thinkshop determines that a particular trading opportunity would be desirable for more than one client, it generally seeks to allocate such opportunity among such clients in a manner that it deems fair and equitable under the circumstances existing at such time. Such allocation will be determined prior to the execution of the trade. The factors that Thinkshop may consider in making such determination include (but are not limited to): the relative amounts of capital in each client's account available for new positions of the type at issue; the mandate of each client account; our perception of the appropriate risk/reward ratio for each client account; the intended objective and strategy of each client account and any applicable investment or risk targets, restrictions or guidelines; the liquidity of each client account at the time of investment and thereafter; the ability to add positions to a client account on a leveraged basis; liquidity of the security; market capitalization and/or enterprise value of the underlying credit; whether the position is an "odd lot"; whether certain accounts would receive nominal or *de minimis* allocation amounts; transaction costs; position size; industry exposure; market exposure; gross, net, long and short exposure; applicable legal, tax and regulatory considerations; the overall portfolio composition of each client account; and such other considerations that we determine to be relevant at such time.

Notwithstanding the foregoing, there can be no assurance that certain allocation decisions will not directly or indirectly adversely affect our clients, even if such decisions are made in good faith. Allocations are subject to a significant degree of discretion exercised by us, including, but not limited to, in connection with portfolio rebalancing, investing in new, different or additional investment strategies and in connection with admissions and withdrawals of investors to and from the private investment funds that we manage. Even allocations designed to mitigate conflicts do not eliminate the possibility that an allocation of assets will not adversely affect our clients.



As noted below, the SMAs pursue different strategies from the Fund. Further, the strategies pursued by certain SMAs are expected to differ from one another. Accordingly, it is expected that the clients will commonly hold different securities from one another or may take different positions from one another in the same securities.

Performance-based compensation arrangements create an incentive for us to recommend investments that may be riskier or more speculative than those that would be recommended under a different compensation arrangement. Performance-based compensation arrangements also create an incentive for us to favor client accounts with higher compensation rates over other accounts when allocating investments. We have adopted procedures designed and implemented to ensure that all clients are treated fairly and equitably, and to prevent this conflict from influencing the allocation of investment opportunities among them. (See Item 12 – Brokerage Practices) In addition, because the clients' management fees and performance-based compensation are generally based on the account's net asset values, we have a conflict of interest in valuing the clients' assets. To mitigate this conflict, we will follow our documented valuation policies and periodically consult with auditors and the third-party administrator to each Fund.

Clients of Thinkshop and investors in the Fund are urged to review their respective IMAs and/or Fund Documents, as applicable, as well as this Brochure, for complete information on the fees, compensation and expenses applicable to them.

## 7. Types of Clients

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Currently, Thinkshop generally provides investment advice to the Fund, as well as to high net worth individuals and other individuals through SMAs. Thinkshop may provide investment advice in the future to other types of clients, such as institutional clients.

The minimum initial investment in the Fund, subject to waiver by the General Partner, currently is \$250,000. Thinkshop will determine the minimum investment for an SMA on a case-by-case basis, but generally it is expected to be at least \$500,000.

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

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Thinkshop pursues various strategies on behalf of its clients. In pursuing each strategy, Thinkshop primarily trades a variety of equity and equity-related instruments (*e.g.*, options). Securities of all market capitalizations will be considered, although the emphasis will be in large-cap and mid-cap highly liquid stocks. Hedging strategies, including put options, covered call options and ETFs, may be utilized to potentially decrease downside risk.

Thinkshop intends to assemble client investment portfolios utilizing its own research, skills and industry knowledge developed over many years of analyzing and investing in securities. Thinkshop typically will use a bottom-up approach in analyzing securities to identify stocks of well-managed companies that have strong or improving fundamentals. Thinkshop may use some or all of the methodologies described above or other methodologies in its discretion.

In general, the SMAs make investments that are longer-term in nature than those of the Fund. The

Fund trades more actively than the SMAs.

The development of an investment strategy for a client is an ongoing process. The strategies, techniques and methods described above will therefore be modified by us from time to time and over time. There is no limitation on the investment strategies, techniques, methods or processes which we may adopt for any particular client or the factors that we may take into account in analyzing investments for our clients. Depending on conditions and trends in securities markets and the economy generally, we may pursue other objectives, or employ other strategies, techniques, methods or processes, that we consider appropriate and in the best interest of our clients, without notice to them or their consent, except to the extent that our written agreement with a client may provide otherwise.

The above description of our investment strategies, techniques, methods and processes is intended only as a general overview, and is subject to the specific terms of our written agreements with clients.

#### Material Risks Associated with Significant Methods of Analysis and Investment Strategies

A brief summary of the material risks involved with our significant investment strategies and methods of analysis follows. An investment in a private investment fund and/or separately managed account involves substantial risks, and prospective investors should carefully consider, among other factors, the risks described below. These risk factors are not intended to be an exhaustive listing of all potential risks associated with such an investment. Investors are urged to review the written agreement or offering documents applicable to their investment for additional information concerning the risks applicable to them. **Investing in securities involves risk of loss that clients and investors should be prepared to bear.**

*General Investment and Trading Risks.* All securities investments present a risk of loss of capital. Volatile financial markets increase that risk. If our evaluation of an investment opportunity should prove incorrect, our clients could experience losses. No guarantee or representation is made that our clients' investment programs will be successful, that clients will achieve their targeted returns or that there will be any return of capital invested to investors. In addition, investment results may vary substantially over time.

*Business Dependent upon Key Individuals and Individual Judgment.* Thinkshop's operations are dependent upon its principals, Alan D. Kaplan and Keith Amchin. The individual judgment and discretion of Messrs. Kaplan and Amchin are fundamental to the implementation of Thinkshop's strategies. There can be no assurance that such individual judgment will be accurate, achieve profits or avoid losses. If either of Messrs. Kaplan or Amchin were to become unable to directly participate in Thinkshop's management, the consequences may be material and adverse and may lead to the premature termination of Thinkshop's management of client assets.

*Concentration of Investments.* Thinkshop's investment program intends to have a highly concentrated investment portfolio which, in light of investment considerations, market risks and other factors, it believes will provide the best opportunity for attractive risk-adjusted returns in the value of client assets. Although Thinkshop intends to target certain position limits, the IMAs and Fund Documents generally do not formally limit the amount of client assets that may be invested in a single company, security, country, region, industry, sector or asset class, and Thinkshop does not subject the portfolio to any formal policies regarding diversification. The concentration of a client's portfolio in any manner described above would subject the client to a greater degree of risk with respect to the failure of one

or a few investments, or with respect to economic downturns in relation to an individual country, region, industry or sector.

*Equity Securities.* Thinkshop will invest in equity and equity-related securities on behalf of its clients. Equity securities fluctuate in value in response to many factors, including the activities, results of operations and financial condition of individual companies, the business market in which individual companies compete, industry market conditions, interest rates and general economic environments. In addition, events such as political instability, terrorism and natural disasters may be unforeseeable and contribute to market volatility in ways that may adversely affect trades made for client accounts.

*Portfolio Turnover.* Thinkshop's investment strategy may involve client accounts frequently trading positions, and, as a result, turnover and brokerage commission expenses of those accounts may significantly exceed those of other accounts of comparable size.

*Development and Risks of Thinkshop's Trading Strategy.* The development of a trading strategy is a continuous process and Thinkshop's trading strategy and methods with respect to its clients may therefore be modified from time to time. The trading strategies used by Thinkshop and its affiliates with respect to a client's account may differ from other accounts that they manage. Trading decisions require the exercise of judgment by Thinkshop. Thinkshop may, at times, decide not to make certain trades, thereby foregoing participation in price movements which would have yielded profits or avoided losses. Clients cannot be assured that the strategies or methods utilized by Thinkshop will result in profitable trading for their accounts.

*Accuracy of Public Information.* Thinkshop selects investments for its clients, in part, on the basis of information and data filed by issuers with various government regulators or made directly available to Thinkshop by the issuers or through sources other than the issuers. Although Thinkshop evaluates certain such information and data and sometimes seeks independent corroboration when Thinkshop considers it is appropriate and when it is reasonably available, Thinkshop is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not available. Investments may not perform as expected if information is inaccurate.

*Investments in Securities and Other Assets Believed to Be Undervalued.* Thinkshop's investment program contemplates that a portion of a client's portfolio may be invested in securities and other assets that Thinkshop believes to be undervalued. The identification of such investment opportunities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While such investments offer the opportunities for above-average capital appreciation, they also involve a high degree of financial risk and can result in substantial losses. Returns generated from a client's investments may not adequately compensate for the business and financial risks assumed. The current severe economic conditions and any future major economic recession can severely disrupt the market for such investments and significantly impact their value. In addition, such economic downturn can have a significant adverse effect on the ability of issuers of such obligations to make timely payment of principal and interest thereon and can increase the incidence of default for such securities.

Additionally, there can be no assurance that other investors will ever come to realize the value of some of these investments, and that they will ever increase in price. Furthermore, a client may be forced to hold such investments for a substantial period of time before realizing their anticipated value. During this period, a portion of the client's funds would be committed to the investments made, thus possibly

preventing the client from investing in other opportunities.

*Short Sales.* A short sale involves the sale of a security that a client does not own in the expectation 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 client must borrow the security and the client is obligated to return the security to the lender, which is accomplished by a later purchase of the security by the client. When a client makes a short sale in the United States, it must leave the proceeds thereof with the broker and it must also deposit with the broker an amount of cash or U.S. government or other securities sufficient under current margin regulations to collateralize its obligation to replace the borrowed securities that have been sold. If short sales are effected on a foreign exchange, such transactions will be governed by local law. A short sale involves the risk of a theoretically unlimited increase in the market price of the security that would result in a theoretically unlimited loss to clients. The extent to which clients will engage in short sales will depend upon our trading strategy and perception of market direction and the value of individual securities. We may engage in short sales on behalf of clients as a hedge against potential market declines and/or based on our fundamental analysis of the subject issuers.

*Options And Other Derivative Instruments.* Thinkshop may invest, from time to time, on behalf of client accounts in options and derivative instruments, including buying and writing puts and calls on some of the securities held by the client in an attempt to supplement income derived from those securities. The prices of many derivative instruments, including many options and swaps, are highly volatile. The value of options and swap agreements depend primarily upon the price of the securities, indexes, commodities, currencies or other instruments underlying them. Price movements of options contracts and payments pursuant to swap agreements are also influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. Client accounts are also subject to the risk of the failure of any of the exchanges on which their positions trade or of their clearinghouses or of counterparties. The cost of options is related, in part, to the degree of volatility of the underlying securities, currencies or other assets. Accordingly, options on highly volatile securities, currencies or other assets may be more expensive than options on other investments.

Put options and call options typically have similar structural characteristics and operational mechanics regardless of the underlying instrument or asset on which they are purchased or sold. A put option gives the purchaser of the option, upon payment of a premium, the right to sell, and the writer the obligation to buy, the underlying security, commodity, index, currency or other instrument or asset at the exercise price. A call option, upon payment of a premium, gives the purchaser of the option the right to buy, and the seller the obligation to sell, the underlying instrument at the exercise price.

If a put or call option purchased by a client account were permitted to expire without being sold or exercised, the client would lose the entire premium it paid for the option. The risk involved in writing a put option is that there could be a decrease in the market value of the underlying instrument or asset caused by rising interest rates or other factors. If this occurred, the option could be exercised and the underlying instrument or asset would then be sold to the client at a higher price than its current market value. The risk involved in writing a call option is that there could be an increase in the market value of the underlying instrument or asset caused by declining interest rates or other factors. If this occurred, the option could be exercised and the underlying instrument or asset would then be sold by the client at a lower price than its current market value.

Purchasing and writing put and call options and, in particular, writing “uncovered” options are highly

specialized activities and entail greater than ordinary investment risks. In particular, the writer of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying instrument or asset above the exercise price of the option. This risk is enhanced if the instrument or asset being sold short is highly volatile and there is a significant outstanding short interest. These conditions exist in the stocks of many companies. The instrument or asset necessary to satisfy the exercise of the call option may be unavailable for purchase except at much higher prices. Purchasing instruments or assets to satisfy the exercise of the call option can itself cause the price of the instruments or assets to rise further, sometimes by a significant amount, thereby exacerbating the loss. Accordingly, the sale of an uncovered call option could result in a loss by the client of all or a substantial portion of its assets.

Swaps and certain options and other custom instruments are subject to the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty.

*ETFs.* Thinkshop will invest in ETFs on behalf of its clients. ETFs represent an interest in a passively managed portfolio of securities and financial instruments selected to replicate a securities or financial instruments index. Unlike open-end mutual funds, the shares of ETFs are not purchased and redeemed by investors directly with the ETF, but instead are purchased and sold through broker-dealers in transactions on an exchange. Because ETF shares are traded on an exchange, they may trade at a discount from or a premium to the net asset value per share of the underlying portfolio of securities or financial instruments. In addition to bearing the risks related to investments in securities or financial instruments, investors in ETFs intended to replicate an index bear the risk that the ETFs performance may not correctly replicate the performance of the index. Investors in ETFs, closed-end funds and other investment companies bear a proportionate share of the expenses of those funds, including management fees, custodial and accounting costs, and other expenses. As such, our clients (and, indirectly, the investors in the Fund) who invest in ETFs is subject to layering of such fees. Trading in ETF and closed-end fund shares also entails payment of brokerage commissions and other transaction costs.

*ETF Liquidity Risk.* In certain circumstances, such as the disruption of the orderly markets for the securities or financial instruments in which an ETF invests, an ETF might not be able to dispose of certain holdings quickly or at prices that represent true market value in the judgment of the ETF's investment managers. Such a situation may prevent an ETF from limiting losses, realizing gains or achieving a high correlation or inverse correlation with its underlying index.

*Fixed Income Securities.* Thinkshop may trade on behalf of client accounts in bonds or other fixed income securities of U.S. and non-U.S. issuers, including, without limitation, bonds, notes and debentures issued by corporations, or debt securities issued or guaranteed by a sovereign government or one of its agencies or instrumentalities. Fixed income securities pay fixed, variable or floating rates of interest. The value of fixed income securities will change in response to fluctuations in interest rates. In addition, the value of certain fixed income securities can fluctuate in response to perceptions of credit worthiness, political stability or soundness of economic policies. Fixed income 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 price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (i.e., market risk).

Client accounts may trade in fixed-income securities which are not protected by financial covenants or limitations on additional indebtedness. In addition, evaluating credit risk for foreign debt involves

greater uncertainty because credit rating agencies throughout the world have different standards, making comparisons across countries difficult.

*Leverage.* Leverage is the use of borrowed funds for investment. Such borrowed funds would generally be obtained by using securities a client owns as collateral. Leverage may also be obtained through other means including the use of derivative instruments. To the extent clients purchase securities with borrowed funds, their net assets will tend to increase or decrease at a greater rate than if borrowed funds are not used. If the interest expense on borrowings were to exceed the net return on the portfolio securities purchased with borrowed funds, a client's use of leverage would result in a lower rate of return than if the client were not leveraged. If the amount of borrowings which the client may have outstanding at any one time is large in relation to its capital, fluctuations in the market value of the client portfolio will have a disproportionately large effect in relation to its capital and the possibilities for profit and the risk of loss will therefore be increased. Any investment gains made with the additional monies borrowed will generally cause the value of a client's assets to rise more rapidly than would otherwise be the case. Conversely, if the investment performance of the additional monies fails to cover their cost to the client, the value of the client's assets will generally decline faster than would otherwise be the case.

The amount of any borrowing may also be limited by regulations imposed by the Federal Reserve Board or by the availability and cost of credit. If, due to market fluctuations or other reasons, the value of a client's assets should fall below required regulatory levels, the client will be required to reduce its debt by selling securities in its long portfolio.

*Hedging Transactions.* Investments in financial instruments such as forward contracts, options, commodities and interest rate swaps, caps and floors, and other derivatives are commonly utilized to hedge against fluctuations in the relative values of its portfolio positions as a result of changes in currency exchange rates, interest rates and/or the equity markets or sectors thereof. Any hedging against a decline in the value of portfolio positions 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. Such hedging transactions also limit the opportunity for gain if the value of the portfolio positions should increase. Moreover, it may not be possible for a client portfolio to hedge against a fluctuation at a price sufficient to protect the client's assets from the decline in value of the portfolio positions anticipated as a result of such fluctuations. For example, the cost of options is related, in part, to the degree of volatility of the underlying instruments or assets. Accordingly, options on highly volatile instruments or assets may be more expensive than options on other instruments or assets and of limited utility in hedging against fluctuations in their prices.

Thinkshop generally is not obligated to establish hedges for portfolio positions and may not do so. To the extent that hedging transactions are effected, their success is dependent on Thinkshop's ability to correctly predict movements in the direction of currency and interest rates and the equity markets or sectors thereof.

Please note that there are many other circumstances not described above that could adversely affect a client's investment and prevent a portfolio from reaching its objective. Specifically, each client (or Fund investor) should review the specific investment objectives, strategies and risks detailed in the IMA or Fund Documents applicable to its account.

*Risks Related to Technology and Cyber Security.* We and our clients depend heavily on telecommunication,

information technology and other operational systems, whether ours or those of others (such as custodians, financial intermediaries, transfer agents and other parties to which we or they outsource the provision of services or business operations). These systems may fail to operate properly or become disabled as a result of events or circumstances wholly or partly beyond our or their control. Further, despite implementation of a variety of risk management and security measures, our information technology and other systems, and those of others, could be subject to physical or electronic break-ins, unauthorized tampering or other security breaches, resulting in a failure to maintain the security, availability, integrity and confidentiality of data assets. Technology failures or cyber security breaches, whether deliberate or unintentional, including those arising from use of third-party service providers or client usage of systems to access accounts, could have a material adverse effect on our business or our clients and could result in, among other things, financial loss, reputational damage, regulatory penalties or the inability to transact business.

*Changes and Uncertainty in U.S. and International Regulation.* Clients may be adversely affected by uncertainties such as international and domestic political developments, changes in government policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of the countries to which a client's assets are exposed through their investments or investor base. During this period of uncertainty, market participants may react quickly to unconfirmed reports or information and as a result there may be increased market volatility. This unpredictability could cause Thinkshop to alter investment and trading plans, including the holding period of positions and the nature of instruments used to achieve a client's investment objectives.

In the United States, Thinkshop and its clients may be adversely affected as a result of new or revised legislation or regulations imposed by the SEC, the Financial Stability Oversight Council, and other U.S. governmental regulatory authorities or self-regulatory organizations that supervise the financial markets. In addition, the securities and futures markets are subject to comprehensive statutes and regulations, including margin requirements. Regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") and the rules promulgated thereunder could result in a client and Thinkshop becoming subject to additional regulatory compliance burdens and trade reporting, which may add significant costs to a client. The Dodd-Frank Act endows the SEC, the CFTC, and other regulators with discretionary authority to write and interpret new rules. The ultimate impact of the Dodd-Frank Act on a client and Thinkshop is unclear and will depend in large part on the regulations that the CFTC and SEC promulgate, as well as any legislative changes that may be made. There is speculation that some of the provisions of the Dodd-Frank Act and rules and regulations promulgated thereunder may be revised, repealed or amended. The impact of any such changes is unknown.

*Market Disruption Events and Geopolitical Risks.* We may on behalf of our clients trade in different markets and different kinds of instrument types. It is possible that as a result of war, terrorist act, natural disaster, outbreak of infectious disease, epidemic, pandemic or other serious public health concern, or geopolitical or other extraordinary or unforeseen circumstance or event (a "Market Disruption Event"), one or more of these markets may cease operating for a limited or indeterminable period of time. In that event, it may be difficult for Thinkshop to value the positions that trade in the affected markets, and a client may be exposed to significant movements in the perceived value of instruments without having the ability to trade those instruments.

Additionally, Market Disruption Events may have a substantial effect on economies and securities

markets in the U.S. or worldwide, and could materially adversely affect individual issuers or related groups of issuers, securities markets, interest rates, credit ratings, inflation, investor sentiment, and other factors affecting the value of a client's investments. Market Disruption Events could also affect the principal prime brokers and custodians that carry and clear a client's trades and positions. The inability of key marketplace intermediaries to function could have an adverse impact upon liquidity as well as the ability of a client to trade its positions. Market Disruption Events could also have a direct physical impact upon a client's and/or Thinkshop's operations, including the destruction of their facilities and/or incapacity or loss of life to key personnel.

While Thinkshop has taken steps intended to mitigate the adverse consequences that could arise from the occurrence of a Market Disruption Event, the inability to predict the timing, location, source and severity of such event or events make it difficult to provide assurances that a client would not suffer material adverse consequences should a Market Disruption Event occur.

*Investments in Non-U.S. Investments.* Clients may invest and trade, from time to time, a portion of their assets in non-U.S. securities and other assets (through American Depositary Receipts and otherwise), which will give rise to risks relating to political, social and economic developments abroad, as well as risks resulting from the differences between the regulations to which U.S. and non-U.S. issuers and markets are subject. Such risks may include:

- Political or social instability, the seizure by non-U.S. governments of company assets, acts of war or terrorism, withholding taxes on dividends and interest, high or confiscatory tax levels, and limitations on the use or transfer of portfolio assets.
- Enforcing legal rights in some non-U.S. countries is difficult, costly and slow, and there are sometimes special problems enforcing claims against non-U.S. governments.
- Non-U.S. securities and other assets often trade in currencies other than the U.S. Dollar, and clients may directly hold non-U.S. currencies and purchase and sell non-U.S. currencies through forward exchange contracts. Changes in currency exchange rates will affect the values of client accounts, the value of dividends and interest earned, and gains and losses realized on the sale of investments. An increase in the strength of the U.S. Dollar relative to these other currencies may cause the value of a client's investments to decline. Some non-U.S. currencies are particularly volatile. Non-U.S. governments may intervene in the currency markets, causing a decline in value or liquidity of a client's non-U.S. currency holdings. If a client enters into forward non-U.S. currency exchange contracts for hedging purposes, it may lose the benefits of advantageous changes in exchange rates. On the other hand, if a client enters forward contracts for the purpose of increasing return, it may sustain losses.
- Non-U.S. securities, commodities and other markets may be less liquid, more volatile and less closely supervised by the government than in the United States. Non-U.S. countries often lack uniform accounting, auditing and financial reporting standards, and there may be less public information about the operations of issuers in such markets.

*Risk of Default or Bankruptcy of Third Parties.* Clients may engage in transactions in securities, commodities, other financial instruments and other assets that involve counterparties. Under certain conditions, a client could suffer losses if a counterparty to a transaction were to default or if the market for certain securities, commodities, other financial instruments and/or other assets were to become illiquid. In



addition, a client could suffer losses if there were a default or bankruptcy by certain other third parties, including brokerage firms and banks with which the client does business, or to which securities, commodities, other financial instruments and/or other assets have been entrusted for custodial purposes. For example, if a client's prime broker and custodian were to become insolvent or file for bankruptcy, the client could suffer significant losses with respect to any securities held by such firm.

*Inflation Risk.* Inflation risk results from the variation in the value of cash flows from a fixed income security or instrument due to inflation, as measured in terms of purchasing power. For example, if a client purchases a 5-year bond with a coupon rate of 5%, but the rate of inflation is 6%, then the purchasing power of the cash flow has declined. For all but inflation-linked bonds, adjustable bonds or floating rate bonds, a client is exposed to inflation risk because the interest rate the issuer promises to make is fixed for the life of the security. To the extent that interest rates reflect the expected inflation rate, floating rate bonds have a lower level of inflation risk.

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

*Coronavirus and Global Health Events.* Epidemics, pandemics and other widespread public health problems could adversely affect a client's performance. For example, in late 2019, a novel virus started causing a disease ("COVID-19") with severe acute respiratory syndromes in humans, at times with serious health complications that sometimes result in death. What began as a local outbreak in Wuhan, China, spread globally over the course of weeks, stressing advanced healthcare systems of Western countries and resulting in financial disruptions of an extent that remains unclear. On March 11, 2020, the World Health Organization assessed that the outbreak can be characterized as a pandemic. Many countries have been imposing increasingly stringent restrictions on travel and strict measures of social distancing.

As the final impact on global markets from COVID-19, or future epidemics, pandemics or other health crisis, is impossible to predict, the extent to which any such crisis may negatively affect a client's performance or the duration of any potential business disruption is uncertain. Precautions or restrictions imposed by governmental authorities and public health departments related to this pandemic have resulted in and are expected to continue to result in indeterminate periods of decreased economic activity throughout the U.S. and globally, including reduced or ceased business operations, decline in international trade and shortages of supplies, goods and services. An outbreak such as COVID-19, and the reactions to such an outbreak have caused and are expected to continue to cause uncertainty in the markets and businesses and have adversely affected and are expected to continue to adversely affect the performance of the U.S. and global economy, including due to market volatility,

market and business uncertainty and closures, supply chain and travel interruptions, the need for employees to work at external locations and extensive medical absences among the workforce. As a reaction to such an outbreak, governmental fiscal and economic measures have led, and will likely continue to lead to an increase in spending and other forms of financial stimuli, and it is difficult to predict what effect such measures will have on the U.S. and the global economy. Although vaccines for COVID-19 have started to be distributed, it is impossible to predict when or whether the disruptions caused by the COVID-19 pandemic will end.

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

#### 9. Disciplinary Information

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There have been no legal or disciplinary events that would be material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

#### 10. Other Financial Industry Activities and Affiliations

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As described above in Item 4, Thinkshop's Principals are also the principals of the General Partner.

Mr. Amchin, one of Thinkshop's Principals, is also the sole owner of an accounting firm named "Keith Amchin CPA." Dr. Kaplan, Thinkshop's other Principal, is a licensed psychologist and has a psychology practice "Better Life Through Psychiatric Services PC." Each of them currently devotes a substantial majority of their time to the management of Thinkshop and we do not believe that the time that they spend on such activities impacts their ability to perform their services for Thinkshop.

We and our affiliates are subject, and each of us and our clients are exposed, to a number of actual and potential conflicts of interest. Any such conflict of interest could have a material adverse effect on our clients. However, the existence of an actual or potential conflict of interest does not mean that it will be acted upon to the detriment of any client. When a conflict of interest arises, we will endeavor to ensure that the conflict is resolved fairly and in an equitable manner that is consistent with our fiduciary duties to the relevant client(s). We have in place policies and procedures that we believe are reasonably designed to identify and resolve actual and potential conflicts of interest. However, there can be no assurance that these policies and procedures will be successful in identifying or mitigating all actual or potential conflicts of interest.

In particular, our management of clients may result in conflicts of interests when we and our related persons allocate time and investment opportunities among our clients (including clients in which we or our related persons may be invested). In addition, terms regarding fees and performance-based compensation differ among our clients. This results in a potential conflict of interest when we allocate opportunities among our clients because we have an incentive to favor clients that have higher fee and/or performance-based compensation arrangements as well as clients in which we or our related persons have invested. To avoid such conflicts of interest we generally follow documented procedures in allocating opportunities among such accounts, which do not take into account the fees

or performance-based compensation to which such clients are subject or the investment in such clients by us or our related persons (as further described in *Item 6 – Performance-Based Fees and Side-by-Side Management*).

Thinkshop may offer to certain clients, or to any third party, the opportunity to co-invest in opportunities in which a client has invested or that become available to a client. We may offer such opportunities to investors that we select in our sole discretion without notice to or the consent of any other client or investor. The economic and other terms of any co-investment will be determined by us in our discretion on a case-by-case basis, and we may receive fees and/or allocations from co-investors, which may differ among co-investors and also may differ from the fees and/or allocations borne by our clients (or investors in the Fund).

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

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Thinkshop has adopted a Code of Ethics, which is designed to help ensure that it conducts its business in accordance with all applicable laws and regulations and in an ethical and professional manner. In addition, Thinkshop's Code of Ethics sets forth standards of conduct for its employees to ensure that they conduct their business on Thinkshop's behalf in a manner that enables Thinkshop to fulfill its fiduciary duty to our clients.

Among other things, Thinkshop's Code of Ethics: (i) governs personal trading by Thinkshop's employees, (ii) contains its policies with respect to gifts and entertainment, (iii) contains its policies regarding certain outside activities of its employees, (iv) sets forth its policies and procedures relating to insider trading, and (v) sets forth the manner in which employees may report violations of law or our policies and procedures.

Thinkshop or its related persons may invest in the same securities that it recommends to its clients. Thinkshop may recommend to its clients that they invest in the Fund. Thinkshop would have an incentive and a conflict of interest arises, to recommend that clients invest in the Fund over opening SMAs managed according to the same or a different strategy because, in such cases, Thinkshop (and, to the extent applicable, indirectly, certain of its related person investors in the Fund) typically would benefit from more streamlined and efficient operations and may in certain circumstances receive greater fees and/or expense reimbursement from the Fund. Generally, however, Thinkshop allows a client to open a SMA if the client provides certain minimum investment amounts that justify the higher costs associated with administering SMAs. See also Items 4 and 7.

Thinkshop is aware of the potential for conflicts of interest between Thinkshop and its clients in connection with the buying and selling of securities. As such, employees are required to obtain the written consent of Thinkshop's Chief Compliance Officer prior to engaging in most personal transactions. In addition:

1. The CCO will not approve employee transactions in single name issuers that are held by (or expected to be held by) our clients except for issuers that exceed a market capitalization that Thinkshop's Chief Compliance Officer has determined will generally not pose a conflict for us.
2. No related person may knowingly purchase or sell for any personal account any security, directly or indirectly, in such a way as to adversely affect an advisory client's transactions.

3. Thinkshop's Chief Compliance Officer will be responsible for monitoring and eliminating in advance any possible "front-running" by reviewing each related person's personal account trades with the timing of client transactions.

Our Code of Ethics is intended to identify and prevent actual conflicts of interest with clients and to resolve such conflicts appropriately if they do occur. For example, our employees are required to disclose their personal securities holdings on an initial and annual basis, and their personal securities transactions quarterly, which requirements are designed to address potential conflicts of interest that might interfere or appear to interfere with making decisions in the best interest of our clients.

Thinkshop's policies relating to personal trading also generally apply to an employee's spouse or minor child, or an immediate family member of an employee living in the same household as such employee.

A cross-trade occurs when an investment adviser effects a trade between two or more of its advisory clients. we were to cause a cross-trade between two client accounts, it may result in a conflict of interest because the transaction may result in benefits to one client that may be greater than the benefits to the other client. Thinkshop does not generally expect to engage in cross trades. In the event that Thinkshop determines to make a cross-trade, it will only do so if it determines that such transaction is in the best interest of, and is fair and equitable to, the applicable clients. All cross-trades between clients require the prior approval of Thinkshop's Chief Compliance Officer. Such transactions will be placed through an unaffiliated broker-dealer or custodian, will not involve any accounts subject to ERISA, and will be effected for cash consideration, at the closing price for the applicable security on such day or, if no closing price is available, at a price for the relevant security that is determined in accordance with Thinkshop's Valuation Policy. In addition, no brokerage commission, transfer fee or other commission will be paid to us or our affiliates in connection with any such transaction. Any transaction costs incurred in connection with any such transaction will be shared *pro rata* between the applicable clients.

In the event that we effect a cross trade between an account in which we or our Principals own more than twenty five percent (25%) and a client account, such transaction may be deemed to be a principal transaction under the Advisers Act. Such transactions would create a conflict of interest for us because we may put our or our Principals' interests in such accounts before the interests of our client in the other account. We will not effect any cross trades between accounts if we believe that such trade would result in a principal transaction, unless:

1. We believe that such transaction is in the best interest of the clients participating in the transaction; and
2. We obtain the consent of the applicable clients to the extent required under the Advisers Act.

Clients and prospective clients can obtain a copy of Thinkshop's Code of Ethics by contacting Alan D. Kaplan.

## 12. Brokerage Practices

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### Selection of Brokers

Thinkshop generally has the discretion and authority under the IMAs that it enters into with its clients to determine, without obtaining client consent, (1) securities to be bought and sold, (2) amount of

securities to be bought and sold, (3) the broker or dealer to be used, and (4) commission rates paid. Although the commissions paid by Thinkshop's clients will comply with Thinkshop's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Thinkshop determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost but is instead whether the transaction represents the best qualitative execution taking into consideration the financial integrity and strength and stability of the broker, the full range of the broker-dealer's services, the broker's execution capability, commission rates, responsiveness and quality of service. Accordingly, although Thinkshop will seek competitive rates, it may not necessarily obtain the lowest possible commission rates on any particular transaction.

While there is no direct link with the investment advice given, economic benefits may be received which would not be received if Thinkshop's clients did not establish a custody relationship with the recommended broker-dealers. These benefits may include: receipt of duplicate client confirmations and bundled duplicate statements; access to trading desks serving institutional advisors exclusively; ability to have investment advisory fees deducted directly from client accounts; receipt of compliance publications; ability to view account balances and activity online; etc. The benefits received may or may not depend upon the amount of assets held in custody. To the extent that Thinkshop receives these benefits, the benefits may be used to facilitate the management of not only the client accounts which generated the benefits, but all client accounts.

The brokerage commissions and/or transaction fees charged by executing brokers are exclusive of and in addition to Thinkshop's fees.

Brokers sometimes suggest a level of business they would like to receive in return for the various services they provide. We have not committed to provide any level of brokerage business to any broker to date, and actual brokerage business received by any broker may be less than the suggested allocations, but can (and often does) exceed the suggestions, because total brokerage is allocated on the basis of all the considerations described above.

We have adopted policies and procedures intended to seek best execution on an ongoing basis for securities transactions, based upon the aforementioned factors.

We have established a Best Execution Committee, which meets on a quarterly basis to evaluate, among other things, the execution performance of the broker-dealers we use to execute client transactions. In conducting its analysis, the committee may consider the factors listed above, among others, and will review gifts and entertainment received, and any known conflicts of interest (*e.g.*, directing commissions to a broker that employs a family member of one of our employees).

### Research and Other Soft Dollar Benefits

Soft dollar arrangements arise when an investment adviser obtains products and services, other than securities execution, from a broker in return for directing client securities transactions to the broker. Soft dollar arrangements pose a conflict of interest for us in that such arrangements allow us to pay with client commissions expenses that would otherwise be borne by us.

We do not currently have any formal soft dollar arrangements, but we may enter into such arrangements in the future. Nonetheless, we execute securities transactions on behalf of client accounts with broker-dealers that provide us with access to bundled services, including access to proprietary research reports (such as standard investment research and credit reports). To our

knowledge, these services are generally made available to all institutional investors doing business with such broker-dealers. These bundled services are made available to us on an unsolicited basis and without regard to the rates of commissions charged or paid by client accounts or the volume of business that we direct to such broker-dealers.

During our last fiscal year, we acquired research (such as proprietary research from brokers) through bundled products or services with client brokerage commissions.

In the event that we engage in soft dollar transactions in the future, we intend to comply with the safe harbor requirements of Section 28(e) of the Securities Exchange Act of 1934, as amended. Under this provision, in exercising our discretionary authority to select or arrange for the selection of brokers for execution of transactions for our clients, and, subject to our duty to obtain best execution, we may consider the value of research and brokerage products and services (collectively, “Research”) provided by such brokers. Accordingly, if we determine in good faith that the amount of commissions charged by a broker is reasonable in relation to the value of the brokerage and products or services provided by such broker, our clients may pay commissions to such broker in an amount greater than the amount another broker might charge.

Research that we acquire from brokers may include, among other things, proprietary research, which may be written or oral. Research products that we acquire from brokers may include, among other things, databases and quotation services, and Research services may include, among other things, research concerning market, economic and financial data, a particular aspect of economics or on the economy in general, statistical information, pricing data and availability of securities, financial publications, electronic market quotations, performance measurement services, analyses concerning specific securities, companies, industries or sectors, market, economic and financial studies and forecasts, appraisal services, and invitations to attend conferences or meetings with management or industry consultants. We may in the future acquire other Research with client brokerage commissions in accordance with our policies and procedures.

Research provided by brokers may be used to service all client accounts and not exclusively in connection with the management of the client account that generated the particular soft dollar benefit. Where a product or service obtained with client commission dollars provides both research and non-research assistance to us, we will make a reasonable allocation of the cost which may be paid for with client commission dollars.

#### Brokerage for Client Referrals

In selecting or recommending broker-dealers, we do not consider whether we or our related persons receive investor referrals from a broker-dealer or third party. However, our brokers provide us with capital introduction services. Our clients will pay fees to such brokers in accordance with the fee schedules negotiated with such brokers. Because such services, if any, are likely to benefit us but will provide an insignificant (if any) benefit to our clients, we have a conflict of interest with our clients when allocating client brokerage business to a broker that has referred investors to us. We believe that this conflict is avoided because we will not allocate client brokerage business to a referring broker unless we determine that such allocation is consistent with our best execution duties.

#### Aggregation of Orders

Aggregation, or “bunching,” describes a procedure whereby an investment adviser combines the orders of two or more clients into a single order for the purpose of obtaining better prices and lower

execution costs. Aggregation opportunities for us generally arise when more than one client is capable of purchasing or selling a particular security based on the allocation factors described above.

To the extent that a security is purchased or sold for more than one client account pursuing the same strategy, Thinkshop will aggregate orders for such security (if applicable) among such accounts unless aggregation is not consistent with its duty to seek best execution. When an aggregated order is only partially filled, we will allocate the investment opportunity on a fair and equitable basis based on the criteria described in Item 6 above.

Each client that participates in an aggregated order will participate at the average price for all of Thinkshop's transactions in that security on a given business day, with transaction costs shared *pro rata* based on each client's participation in the transaction.

Thinkshop does not expect that trades in the same security by clients pursuing different strategies will be aggregated. In such cases, trades will typically be placed with the intent being that no single client (or type of client) will be systematically disadvantaged over time. Notwithstanding any applicable policies, there can be no assurance that a particular client will not be disadvantaged relative to other clients on a trade-by-trade basis and/or over time. When trades are not aggregated, each client will bear the commission and ticket charges applicable to its own trades.

Clients may pay more to the extent that we do not, or are unable to, aggregate trades, as seeking to place separate, non-simultaneous transactions in the same security for multiple clients may negatively affect market price, transaction commissions and/or trade execution.

#### Trade Errors

Thinkshop seeks to prevent trade errors from occurring. However, on those occasions when such an error does occur, Thinkshop will reasonably determine how to correct the error (if it can be corrected). Subject to applicable law and the terms of our written agreements with clients, Thinkshop will reimburse each client for net losses resulting from trade errors in accordance with such client's governing documents or IMA.

Thinkshop may correct misallocations of trades among client accounts by re-allocating the applicable trade using the intended allocation methodology established prior to the trade's settlement date. If an erroneous allocation cannot be corrected prior to or after settlement, we may, if appropriate and subject to applicable law, correct such erroneous allocation by effecting a cross trade between client accounts at the price at which the initial trade was effected.

### 13. Review of Accounts

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Thinkshop's portfolio manager typically reviews client account balances, cash balances, fee accruals and investments held on a daily basis. Thinkshop's Chief Financial Officer reconciles account information for the Funds against statements or electronic files from the third party administrator on a monthly basis. We also confirm on a quarterly basis that each client's account is in keeping with the stated objectives and restrictions of the client. Account reviews may also be triggered by purchases and sales of securities holdings, investment strategy changes, rebalancing exercises and client needs.

Account statements for Fund investors are prepared on a monthly basis by the Fund's third party administrator, reviewed and approved by Thinkshop, and distributed by the administrator to the investors.

SMA clients typically will receive quarterly account statements directly from their respective custodians



in accordance with the terms of their custodial agreements. In addition, since a SMA client directly owns the positions in its SMA, such client will have full, real-time transparency as to all transactions and holdings in such account. SMA clients may have the right to withdraw all or a portion of their capital from such accounts on shorter notice and/or with more frequency than the terms applicable to an investment in the Fund.

From time to time, we enter into agreements (“side letters”) with one or more Fund investors that result in investment terms that differ from the terms applicable to other investors in such Fund, which may include, without limitation, with respect to fees, performance-based fees or allocations, and/or withdrawal terms. In addition, pursuant to side letters, we may provide particular investors with more frequent and/or more detailed information regarding the Fund’s positions, performance, finances, and management and/or other information about such Fund or us (including, notification of senior employee departures, the commencement of disciplinary actions, legal proceedings, investigations or similar matters, or redemptions from the Fund by us, our affiliates and/or our respective personnel), possibly enabling such investors to better assess the prospects and performance of the Fund. As a result of such side letters, certain investors may receive additional rights and/or information that other investors will not necessarily receive. Subject to applicable law and contractual arrangements, we do not intend to disclose the terms of side letter agreements or other arrangements and do not intend to disclose the identities of the investors that have entered into such agreements with the Fund or us. We will not be required to offer such additional or different rights and terms to any or all other investors.

We may provide certain additional information to any investor, or prospective investor, in a Fund (or to any of our clients or prospective clients) who requests such information. This information may be provided in response to questions and requests and in connection with due diligence meetings and other communications, but will not be distributed to other investors and prospective investors (or other clients or prospective clients) who do not request such information. Such information may affect a prospective investor’s (or prospective client’s) decision to invest, and investors and clients (which may include our personnel, affiliates and/or related persons) who receive such additional information may be able to act on such additional information and redeem their investments potentially at higher values than other investors (or clients). Each investor and client is responsible for asking such questions that it believes are necessary in order to make its own investment decisions and must decide for itself whether the limited information provided by us is sufficient for its needs.

We may provide clients with reports in such forms and at such times as such clients and we may agree.

Clients are free to contact Thinkshop to receive information regarding the investment tactics and strategies being followed.

#### 14. Client Referrals and Other Compensation

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Other than the circumstances described above in Item 12, Thinkshop currently does not receive any economic benefits from non-clients in connection with the provision of investment advice or other advisory services to our clients.

From time to time, Thinkshop may compensate certain unaffiliated persons or entities for client referrals, introductions to Thinkshop or placements of interests in private funds, including circumstances where Thinkshop will pay or split a portion of the fees with an unaffiliated third-party



for assisting in obtaining a specific client or investor. If a client is introduced to us by a third-party placement agent, we and/or our affiliates may pay that placement agent a referral fee in accordance with the requirements of Rule 206(4)-1 under the Advisers Act to the extent applicable. Any such referral fee will be paid solely by us or our affiliates, and will not result in any additional charge to the client, unless the client agrees otherwise in its applicable written agreement with us. Placement agents are subject to a conflict of interest because they will be compensated in connection with their solicitation activities. This conflict applies as well to nominees that are compensated in connection with the investment of their clients' assets with us or in the private investment funds that we manage.

## 15. Custody

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Client funds and securities are maintained by qualified custodians to the extent required by Rule 206(4)-2 under the Advisers Act. Thinkshop currently does not have actual custody, or custody as defined in Rule 206(4)-2 under the Advisers Act (the "Custody Rule"), of any SMA client assets. SMA clients will receive account statements from their respective brokers and/or custodians, and are urged to carefully review those statements. To the extent that any clients (or Fund investors) receive any account statements directly from Thinkshop, they are urged to compare those statements with the statements that they receive from the brokers, custodians and/or administrators for their accounts.

For purposes of the Custody Rule, Thinkshop will be deemed to have custody over the Fund's assets. In accordance with the Custody Rule, a qualified custodian is not required to deliver quarterly account statements to the Fund or its investors as long as: (i) the Fund is audited by an independent public accountant that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board, (ii) the Fund's audited financial statements are prepared in accordance with U.S. generally accepted accounting principles, and (iii) Thinkshop delivers such annual audited financial statements to investors within 120 days after the end of the Fund's fiscal year.

## 16. Investment Discretion

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Thinkshop has full discretionary authority over the Fund's portfolio.

Thinkshop generally has limited power of attorney to act on a fully discretionary basis on an SMA client's behalf solely with respect to placing trades in such client's account without obtaining its permission prior to each trade. Thinkshop's discretionary authority includes the ability to (1) determine the security to buy or sell; (2) determine the price at which to buy/sell; and/or (3) determine the amount of the security to buy or sell.

Each client gives Thinkshop discretionary authority when it signs a discretionary IMA with us. Thinkshop generally accepts any reasonable limitation or restriction to such authority placed by a SMA client when done so in writing. SMA clients may also change or amend such limitations by providing Thinkshop written instructions. The investors in the Fund generally may not place any limits on our authority beyond the limitations set forth in the Fund Documents.

## 17. Voting Client Securities

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Thinkshop may be delegated the authority to vote proxies for a client account to the extent provided in its written agreement with the client. Thinkshop has voting discretion over securities held by the Fund pursuant to the Fund Documents. Typically, Thinkshop will not accept proxy voting authority or questions about particular solicitations from SMA clients, who should contact their custodians to coordinate receipt of proxies and other solicitations directly from the custodian.

We have adopted proxy voting policies and procedures that are designed to ensure that in cases where we vote proxies with respect to client securities, such proxies are voted in the best interests of such clients, and that any material conflict of interest between our interests and the interests of our clients will be resolved in a manner that is consistent with the best interests of clients and in a manner not affected by such conflict of interest.

To the extent that we are authorized to vote proxies for a client account, invest in a security for a client account for which a proxy vote may arise and receive timely notice of such proxy from the client's custodian, we will be guided by general fiduciary principles and will seek to vote proxies in the best interests of each particular client for which Thinkshop has been delegated the authority to vote proxies. In the absence of specific voting guidelines mandated by a particular client:

1. Our policy is to vote all proxies for a specific issuer in the same way for each such client, absent some qualifying restrictions or a material conflict of interest.
2. Thinkshop will generally vote in favor of routine corporate housekeeping proposals such as the election of directors and the selection of auditors (e.g., an auditor's provision of non-audit services).
3. Thinkshop will generally vote against proposals that cause board members to become entrenched or cause unequal voting rights.
4. In reviewing proposals, Thinkshop may also consider, without limitation, the opinion of management, the effect on management, the effect on shareholder value and the issuer's business practices.

There may be times (which may be frequent) when we are authorized to vote proxies for a client account and determine that refraining from voting is in the best interest of that client. For example, we may refrain from voting a client proxy under certain circumstances, including, but not limited to, when: (i) the economic effect on shareholder's interests or the value of the client's portfolio holding is indeterminable or insignificant; (ii) voting the proxy would unduly impair the investment management process; or (iii) the cost of voting the proxies outweighs the benefits or is otherwise impractical. In addition, we may refrain from voting a proxy on behalf of our clients' accounts due to: (i) *de minimis* holdings; (ii) *de minimis* impact on a client's portfolio; (iii) contractual arrangements with clients; (iv) their authorized delegates or the failure of a proxy to provide sufficient information to allow for informed decision making; and/or (5) items relating to non-U.S. issuers (such as those described below). We may refrain from voting a proxy of a non-U.S. issuer due to logistical considerations that may have a detrimental effect on our ability to vote the proxy. These issues may include, but are not limited to: (i) proxy statements and ballots being written in a foreign language; (ii) untimely notice of a shareholder meeting; (iii) requirements to vote proxies in person; (iv) restrictions on non-U.S. persons' ability to exercise votes; (v) restrictions on the sale of securities for a period of time in proximity to the shareholder meeting (e.g., share blocking); or (vi) requirements to provide local

agents with power of attorney to facilitate the voting instructions.

To the extent that we have discretion to participate in class action lawsuits filed against companies or issuers in which our clients are invested, we may participate in such class action lawsuit if we believe that such participation is in the best interest of our clients on a case-by-case basis.

If a conflict is identified and believed to be “material” by Thinkshop’s Chief Compliance Officer, Thinkshop may determine whether voting in accordance with the proxy voting guidelines outlined above is in the best interests of affected clients and may utilize an independent third party to vote such proxies. In such case, for SMA clients, Thinkshop also may disclose the conflict to the affected clients and give such clients the opportunity to vote their securities themselves. Where applicable, Thinkshop will consider any specific voting guidelines designated in writing by a SMA client.

In the event that we do not accept proxy voting authority over a client’s securities, we generally will not accept questions about particular solicitations from such client, who should contact its custodian to coordinate receipt of proxies and other solicitations directly from the custodian.

We currently do not permit clients to direct our vote in a particular solicitation. We may enter into arrangements with clients or other investment managers pursuant to which such clients or managers have responsibility to vote proxies according to their own policies and procedures or wishes (such as in the event that we advise a separately managed account or act as a sub-adviser to a private investment fund managed by a third-party manager).

Clients may request a copy of Thinkshop’s written policies and procedures regarding proxy voting and/or information on how particular proxies were voted by contacting Alan Kaplan.

## 18. Financial Information

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Currently, there is no financial condition that is reasonably likely to impair our ability to meet contractual commitments to our clients.

## 19. Requirements for State-Registered Advisers

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Thinkshop is not a state-registered adviser.