

Item 1. Cover Page

SANDGLASS CAPITAL ADVISORS LLC

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**Part 2A of Form ADV
(the “Brochure”)**

March 31, 2023

This Brochure provides information about the qualifications and business practices of Sandglass Capital Advisors LLC (the “Adviser”). If you have any questions about the contents of this Brochure, please contact Sandra Satz, the Chief Compliance Officer (“CCO”), at (646) 780-1103 or sandra.satz@sandglasscapital.com. The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

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

Item 2. Material Changes

No material changes have been made to this Brochure since the Brochure was last submitted in March, 2022.

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Item 4. Advisory Business

Sandglass Capital Advisors LLC (the “Adviser”) is organized as a Delaware limited liability company and is a private investment management firm focused on making investments in emerging and frontier markets globally. The Adviser was founded in 2013 and is owned by Sandglass Capital Management Limited. Genna Lozovsky serves as a Director of the Adviser. Maria Michelle Kelner serves as the Vice President of the Adviser. Sandglass Capital Management Limited (the “Manager”), is organized as a Cayman Islands exempted company and is predominantly owned by an entity which is wholly owned by Genna Lozovsky. The Adviser serves as the manager to several pooled investment vehicles listed below (each a “Fund” and together, the “Funds”) and has delegated all investment advisory responsibilities to the Adviser. SAM Sandglass Advisors Limited, a limited company formed under the laws of the Republic of Cyprus and Sandglass Capital Advisors (UK) Limited, a private limited company formed under the laws of England and Wales (the “Sub-Advisers”), each of which are owned by the Adviser, provide investment research, portfolio management or other investment advisory services, and serve as sub-advisers to the Adviser. The Adviser and the Sub-Advisers, each a relying adviser, have together filed a single Form ADV. Accordingly the relying advisers are not separately registered as investment advisers with the SEC and are considered registered investment advisers by virtue of the Adviser’s umbrella registration with the SEC. The Adviser commenced operations in February 2013.

The Adviser currently serves as the investment adviser for the following Funds:

Sandglass Opportunity Feeder Fund (U.S.) LP (“SOF US Feeder”) and Sandglass Opportunity Feeder Fund (Cayman) Ltd, each of which is a “feeder” fund which invests all or substantially all of its assets through a common master fund, Sandglass Opportunity Fund L.P. (“SOF”); Sandglass Select Offshore Feeder Fund, L.P., a “feeder” fund which invests all or substantially all of its assets through a master fund, Sandglass Select Fund, L.P. (“Sandglass Select”), and; Sandglass Petrus Opportunity Fund L.P. (“Petrus Fund”), a fund of one.

In addition, the Adviser currently serves as a sub-manager to a separately managed account (the “SMA”) of an institutional investor. The Adviser may in the future provide investment advisory services to other private investment funds, employee and co-investment vehicles, other alternative investment vehicles, and other SMAs.

The Funds and the SMA are collectively referred to this Brochure as the “Clients” as applicable.

The Adviser tailors its advisory services to the specified investment mandates of its Clients, consistent with the Clients’ governing documents, which may include, among other things, a private placement memorandum, limited partnership agreement or limited liability company agreement, management or investment advisory agreement, and subscription agreement (individually and collectively, the “Governing Documents”). The Adviser does not tailor advisory services to the individual needs of investors in the Funds (“Fund Investors”). Any Client, Fund Investor or prospective Client or investor should closely review the applicable Governing Documents with respect to, among other things, the terms, conditions, and risks of investing.

As of December 31, 2022, the Adviser had approximately \$353,017,200 in Client regulatory assets under management, all of which were managed on a discretionary basis.

The Adviser does not participate in wrap fee programs.

This Brochure does not constitute an offer to sell or solicitation of an offer to buy any securities. The securities of the Funds are offered and sold on a private placement basis under exemptions promulgated

under the Securities Act of 1933, as amended, and other exemptions of similar import under the U.S. state laws and laws of other jurisdictions where an offering may be made. Investors in the Funds generally must be both “accredited investors” as defined in Regulations D, and “qualified purchasers,” as defined in the Investment Company Act of 1940, as amended, or otherwise qualified.

Item 5. Fees and Compensation

The fees applicable to each Client are set forth in detail in each Client's Governing Documents. It is critical that Clients, Fund Investors and prospective investors refer to the applicable Governing Documents for a complete understanding of how the Adviser are compensated for their services. A brief summary of such fees is provided below.

Management Fees and Performance-Based Compensation

Management Fee

Generally, the Funds pay the Adviser a monthly or quarterly management fee ("Management Fee") in arrears. With respect to the SOF, the Management Fee annual rate is generally between 1.5% and 2.00% of the SOF net assets and is paid monthly in arrears. The Management Fee annual rate for the Petrus Fund is 1.5% of the Petrus Fund net assets and is paid monthly in arrears. With respect to the Select Fund, the Management Fee is equal to 1.5% of the sum of (a) such limited partner's interest in the assets of the Select Fund valued at historical cost and (b) such limited partner's unfunded Commitment (as those terms are defined in the Governing Document) and is paid quarterly in arrears. The Governing Documents allow the Adviser or the respective general partner of each Fund (each individually, a "General Partner" and, collectively, the "General Partners") to waive or agree to reduce the Management Fee for one or more investors without waiving or reducing it for all investors.

Performance Fees and Allocations

The Adviser and/or the General Partners are generally entitled to receive an annual performance fee (the "Performance Fee") or performance allocation (the "Performance Allocation") of up to 20.0% of the SOF net profits subject to a high-water mark, as outlined in the Governing Documents, calculated and paid annually following the SOF's fiscal year-end and 17.5% of the Petrus Fund's net profits subject to a high-water mark as outlined in the Petrus Fund's Governing Documents, calculated, and paid annually following the Petrus Fund's fiscal year-end. The Select Fund General Partner is generally entitled to receive a carried interest of 18% subject to preferred returns and waterfall calculations as outlined in the Select Fund's Governing Documents. For the SOF and Petrus Fund, , the Performance Fees and Allocations are also crystallized as of the Redemption Date (as defined in the Governing Documents) upon an investor redemption or withdrawal. The Governing Documents allow the Adviser or the respective General Partners to waive or reduce the Performance Fee or Performance Allocation for one or more investors without waiving or reducing it for all investors.

Certain Fund Investors currently have, or may in the future have, different fee arrangements. Fees and compensation paid by the Funds are generally deducted from the assets of such Funds.

SMA(s)

Compensation for services provided to an SMA are negotiated individually. Any management fee and performance-based fee will be payable as set forth in the applicable Governing Documents.

Expenses

The Funds

Each Fund will bear its own expenses in connection with the Fund's operations, including by not limited

to, legal, accounting (including external accounting and valuation expenses), auditing and other professional expenses; tax preparation and other tax related expenses (including preparation costs of tax returns and reports to investors), and any taxes, fees and other governmental charges incurred directly or indirectly in respect of the Fund and all expenses incurred in connection with any tax audit, investigation settlement or review of the Fund; expenses related to the negotiation of prime brokerage contracts and counterparty assessment; administrator and other service provider fees and expenses, including costs of preparing financial statements, and with respect to any calculations of the net asset value of the Fund; directors' fees; insurance expenses (including directors' and officers' insurance, errors and omissions insurance, fidelity insurance and other similar policies); expenses related to maintenance of the Fund's registered office and corporate licensing including the registered office expense, regulatory filings and corporate licensing of the applicable General Partner; organizational and offering expenses; expenses associated with certain reporting to existing and prospective investors; expenses in connection with responding to formal and informal inquiries, indemnification filings and other expenses to the extent they are in connection with, relate to or derive from the Fund or its investment activities; fees paid to third-party proxy services advisory firms; fees and expenses related to the negotiation of agreements with investors, including side letters; expenses incurred in connection with investments and prospective investments (including, without limitation, the evaluation, acquisition and/or disposing of such investments) whether or not consummated, including, without limitation, research products and services (including, without limitation, expert consultants and third party consultants/advisors), risk analytic services, expenses related to internally generated data analytics, which may include proprietary software and research, research travel-related costs and expenses, retainers to third party consultants/advisors, research reports and consultations, statistical data, market data and portfolio management services, order management services and software, data feeds, trading related software and licenses; Bloomberg expenses, and third-party electronic data storage and processing related to research, including systems used to access, analyze and visualize data; all transaction and investment-related costs and fees including without limitation commissions, interest on margin accounts and other indebtedness; expenses relating to the offer and sale of Interests (including, but not limited to, expenses related to registration, exemption and investor subscription filings made by or on behalf of the Fund) and withdrawals and transfers thereof; custodial and banking fees; registrar and transfer agent fees; bank service fees; litigation and indemnification expenses and extraordinary expenses not incurred in the ordinary course of business; expenses incurred in connection with the Fund's dissolution, liquidation, winding up and termination; and any other reasonable expenses related to the purchase, sale or transmittal of Fund assets.

SMA(s)

Expense terms for SMAs are negotiated with the individual client. Each SMA will be responsible for its own expenses as outlined in the respective Governing Documents. Such expenses may materially differ from the expenses paid by the Funds and the degree to which an SMA bears certain expenses is individually negotiated.

Expenses borne by each Client may differ from the expenses borne by other Clients. In certain instances, a Client may bear expenses that the Adviser has agreed to bear for one or more other Clients. Common expenses frequently will be incurred on behalf of more than one Client. The Adviser seeks to allocate those common expenses among the Clients in a manner that is fair and reasonable over time. However, expense allocation decisions may involve potential conflicts of interest (e.g., an incentive to favor accounts that pay higher performance fees, or conflicts relating to different expense arrangements with certain clients). The Adviser may use various methods to allocate particular expenses among the Clients, depending on the circumstances (e.g., pro rata based on assets under management, relative participation in the transaction related to the expense, general amount of trading activity, etc.). The determination as to the method or methods used may be based on relative use of the product or service, the nature or source of the product or service, the relative benefits derived by the Clients from the product or service, or other relevant factors.

Nonetheless, investors should note that the portion of a common expense that the Adviser allocates to a Client for a particular product or service, may not reflect the relative benefit derived by that Client from that product or service in any particular instance. The Adviser's expense allocations often depend on inherently subjective determinations. Expense allocations made by the Adviser in good faith will be final and binding on the Clients.

For more information on brokerage activity, see Item 12.

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

As described under “Fees and Compensation” above, the Adviser and their affiliates generally charge performance-based fees or allocations to every Client. Performance-based compensation may create an incentive for the Adviser to cause a Client to make investments that are riskier and more speculative than it would otherwise make. Performance-based fee arrangements may also create an incentive to favor higher performance fee paying Clients over other Clients in the devotion of time, resources, and allocation of investment opportunities.

The Adviser has adopted and implemented policies and procedures intended to address such conflicts of interest relating to the management of multiple Clients. When trading on behalf of multiple Clients, the Adviser endeavors to allocate investment opportunities to such Clients in a fair and equitable manner. The Adviser may consider the following factors, among others, in allocating securities among the Clients: (i) investment restrictions in governing documents or financing agreements; (ii) liquidity (e.g., allocation size may vary depending on a Client account’s cash availability, the other liquidity obligations of the Client account (e.g., the frequency of contributions, redemptions or withdrawals) or commitments made to other investments); (iii) tax considerations; (iv) regulatory considerations; (v) current portfolio composition and risk management; (vi) potential negative market impact that a rebalance trade or cross trade may have on a client portfolio; (vii) investment objectives and policies; (viii) follow-on investments (e.g., such investments may be allocated in accordance with the allocation of the original investment); (ix) disclosures previously made to Client accounts or investors in such Client accounts regarding allocations; (xi) or any other information determined to be relevant to the fair allocation of securities or other instruments.

Item 7. Types of Clients

The Adviser currently provides investment advisory services to the Funds and the SMA, and may in the future provide investment advisory services to other clients including, but not limited to, other pooled investment vehicles or SMAs.

Interests in the Funds are offered pursuant to applicable exemptions from registration under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and the U.S. Investment Company Act of 1940, as amended (the “1940 Act”). Fund Investors are required to be “accredited investors” and “qualified clients” as defined in the Securities Act and the 1940 Act, respectively. The Fund Investors may include, but are not limited to high net worth individuals, banks, insurance companies, pension and profit-sharing plans, trusts, estates or charitable organizations, educational and research institutions, corporations or other business or investment entities, and, directly or indirectly, the Adviser, the General Partners, and their Supervised Persons and other affiliates. The Funds generally have a stated minimum investment amount as described in the relevant Governing Documents. The Adviser or the General Partners have the discretion to waive minimum investment requirements for investment in the Funds.

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

The descriptions set forth in this Brochure of specific advisory services that the Adviser offers to Clients, and investment strategies pursued, and investments made by the Adviser on behalf of its Clients should not be understood to limit in any way the Adviser's investment activities. The Adviser may offer any advisory services, engage in any investment strategy, and make any investment, including any not described in this Brochure, that the Adviser considers appropriate, subject to each Client's investment objectives and guidelines. The investment strategies that the Adviser pursues are speculative and entail substantial risks. Clients and investors should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any Client will be achieved.

A. Methods of Analysis and Investment Strategies.

The Adviser utilizes a variety of methods and strategies to make investment decisions. The Adviser invests its Clients' portfolios primarily in emerging and frontier markets. The Funds' investment objectives and strategy are described below.

The investment objectives and strategy for an SMA are established on an individual basis and are tailored to the specified investment mandates of the applicable Client.

The Funds

The Funds generally invest in global special situation investments in emerging and frontier markets, seeking investment opportunities primarily in credit and equity investments where the Adviser considers that there is substantial upside potential compared to limited downside, and that are expected to be realized based on a visible near-term repricing catalyst. The Adviser intends to manage a diversified portfolio of carefully researched investment themes across a range of geographies and a range of financial instruments that offer low correlation with global market factors. The Adviser's investment strategy focuses on seeking to identify investment opportunities that broadly fall into one of the following three themes: (i) asset price dislocation, wherein reputable assets suffer price dislocation due to an event shock and wherein the Adviser believes that such prices vary excessively from such assets' fundamental value; (ii) turnaround and recovery, for investments that suffer from challenging macroeconomic conditions and/or difficult operational environment, and in which market prices underestimate the potential for improvements; and (iii) growth, wherein companies are in rapidly-growing markets with the potential for sustained, secular returns and are underestimated by market prices.

This strategy may be deemed to be highly speculative and is not intended as a complete investment program. It is designed only for sophisticated investors who can accept the risks of such an investment including a substantial or complete loss of their investment and who have a limited need for liquidity. The Adviser can give no assurance that its investment strategy will achieve its investment objective.

For the Funds, the Adviser relies on a structured investment process. The principal pillars of the process are (a) comprehensive due diligence by individual investment sponsors, (b) a peer-driven investment committee review and (c) a disciplined capital allocation and monitoring process.

The review of each investment is led by a representative of the investment team who serves as an investment sponsor for that investment. The investment sponsor undertakes a detailed due diligence review of each investment, focusing on financial modeling, an analysis of stakeholder incentives, legal research if required, and accessing industry and issuer contacts. The investment sponsor presents his or her results in the form of a trade template, which provides a quantitative and qualitative multi-factor scenario analysis as well as market technicals relating to that investment.

Each investment opportunity is evaluated to understand that portion of potential returns in which the Adviser believes it has relative expertise. The Investment Committee, which includes the investment professionals of the Adviser, reviews key risk parameters with the individual investment sponsor and/or additional areas for research. To the extent the Investment Committee approves the risk parameters, and the Fund allocates capital to the investment opportunity, the investment sponsor is responsible for active monitoring of the investment and periodically reports to the Investment Committee, including any events which alter the investment assumptions.

The Adviser intends to apply standard risk-return optimization techniques to allocate capital. The Adviser has established a high threshold return rate and seeks to actively monitor and redeploy the Funds' capital where possible from recently appreciated assets into those that remain undervalued. The capital reallocation process also seeks to incorporate changes to initial investment assumptions which may alter the potential returns and risks associated with investment strategies.

B. Material, Significant or Unusual Risks Relating to Investment Strategies

The following summary identifies certain material risks related to the Adviser's investment strategies and should be carefully evaluated before making an investment. The following does not intend to identify all possible risks of an investment with the Adviser or provide a full description of the identified risks. Not all risk factors noted below may apply equally, or at all, to every Client. Potential clients and investors should review each respective Client's Private Placement Memorandum and other Governing Documents for additional risk factors and a more detailed discussion of Material Risks.

Investment Strategy. The success of the Clients' investment activities depends on the Adviser's ability to identify investment opportunities and make investment decisions. Identification and exploitation of the investment strategies to be pursued by the Clients involves a high degree of uncertainty. No assurance can be given that the Adviser will be able to locate suitable investment opportunities in which to deploy all of the Clients' assets. In many cases, the success of the Clients' investment strategy will depend on the ability to introduce strategies to improve corporate value. These activities entail a high degree of uncertainty. There can neither be assurance that such value enhancing strategies will be successfully implemented in such target companies nor that the market price of a portfolio company's securities increases in response to any actions taken. Such strategies and actions taken may have a negative effect on the value of the investment portfolio.

General Economic and Market Conditions. The success of the Clients' activities will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Clients' investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of investments' prices and the liquidity of the Clients' investments. Volatility or illiquidity could impair the Clients' profitability or result in losses. The Clients may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets — the larger the positions, the greater the potential for loss.

The economies of countries in which the Clients may invest may differ in such respects as growth of gross domestic product, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and balance of payments position. Further, certain economies are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated

by the countries with which they trade. The economies of certain countries may be based, predominantly, on only a few industries and may be vulnerable to changes in trade conditions and may have higher levels of debt or inflation.

Emerging and Frontier Markets. The Clients invest their assets in emerging markets and frontier markets. Investment in such markets involves risk factors and special considerations which may not be typically associated with investments in more developed markets. Such risks include, among other things: less publicly available information; more volatile markets; less liquidity or available credit; political or economic instability; less strict securities market regulation; less favorable tax or legal provisions; price controls and other restrictive governmental actions; a greater likelihood of severe inflation; unstable currency; and war and expropriation of personal property.

Emerging and frontier markets generally are not as efficient as those in more developed markets. In some cases, a market for the security may not exist locally and transactions will need to be made on a neighboring exchange. Volume and liquidity levels in emerging and frontier markets are lower than in more developed markets. When seeking to sell emerging and frontier market investments, little or no market may exist for the investments. In addition, issuers based in emerging and frontier markets are not generally subject to uniform accounting and financial reporting standards, practices and requirements comparable to those applicable to issuers based in countries in more developed markets, thereby potentially increasing the risk of fraud or other deceptive practices. The quality and reliability of official data published by the government or securities exchanges in emerging and frontier markets may not accurately reflect the actual circumstances being reported. The issuers of some securities, such as banks and other financial institutions, may be subject to less stringent regulations than would be the case for issuers in countries in more developed markets and, therefore, potentially carry greater risk. In addition, the Clients' investment opportunities in certain emerging and frontier markets may be restricted by legal limits on foreign investment in local securities or restrictions on the ability to convert currency or to take currencies out of certain countries.

Interest Rate Risk; Inflation/Deflation Risk. Changes in interest rates can affect the value of the Clients' investments in fixed-income instruments. Increases in interest rates may cause the value of the Clients' debt investments to decline. During periods of rising interest rates, the average life of certain types of securities in which the Clients may invest may be extended, because investees may choose not to repay principal on the fixed-income instruments to take advantage of a below market interest rate. This extension risk increases the security's duration (the estimated period until the security is paid in full) and may reduce the value of the security. During periods of declining interest rates, an issuer of fixed-income securities may be more likely to exercise its option to prepay principal, which may make an investment less profitable. This is known as call or prepayment risk. Securities held by the Clients may have call features that allow the issuer to repurchase the securities before stated maturity. An issuer may redeem a lower-grade obligation if the issuer can refinance the debt at a lower cost due to declining interest rates or an improvement in the issuer's credit standing. Inflation risk is the risk that the value of assets or income from the Clients' fixed-income investments will be worth less in the future as inflation decreases the present value of payments at future dates. Deflation risk is the risk that prices throughout the economy decline over time, which may adversely affect the creditworthiness of issuers and make issuer default more likely, reducing the value of the Clients' portfolios.

Some countries are currently and may in the future experience substantial rates of inflation, which may have negative effects on the economies and securities markets of their economies. Governmental efforts to curb inflation (such as price controls) may involve drastic economic measures affecting the level of economic activities. There can be no assurance that the relevant governments will be able to exercise effective control over inflation rates or that a high rate of inflation will not have a materially adverse effect on the Clients' investments.

Emerging Market/Developed Market Credit Spread. During “credit squeezes” and market disruptions, the differential between the interest rates on emerging market debt and the interest rates on developed market debt denominated in the same currency (i.e., the “credit spread”) may widen dramatically, irrespective of the actual economic conditions in a given emerging market. The widening of emerging market/developed market credit spreads may cause the value of emerging market credit instruments held by the Clients to decline materially. A credit squeeze in emerging markets may negatively impact general economic and market conditions in certain regions, which may adversely affect the Clients' profitability or result in losses.

Exchange Rate Fluctuations; Currency Considerations. The Clients' assets will often be invested in securities denominated in other currencies and any income or capital received by the Clients will be denominated in the local currency of investment. Accordingly, changes in currency exchange rates (to the extent unhedged) will affect the value of the Clients' portfolios and the unrealized appreciation or depreciation of investments.

The Clients conduct their currency exchange transactions either on a spot (i.e., cash) basis at the spot rate prevailing in the currency exchange market, or by entering into forward or options contracts to purchase or sell non-U.S. Dollar currencies. It is anticipated that most of the Clients' currency exchange transactions will occur at the time securities are purchased and will be executed through the local broker or custodian acting for the Clients. There can be no assurance that any currency hedging will be successful.

Investments in Undervalued Securities. The Clients seek to invest in undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer the opportunity for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the Clients' investments may not adequately compensate for the business and financial risks assumed. In addition, the Clients may be required to hold such securities for a substantial period of time before realizing their anticipated value. During this period, a portion of the Clients' capital would be committed to the securities purchased, thus possibly preventing the Clients from investing in other opportunities. In addition, the Clients may finance such purchases with borrowed funds and thus will have to pay interest on such funds during such waiting period.

Event Driven Investing. The Clients may engage in event driven investing. Event driven investing requires the investor to make predictions about (a) the likelihood that an event will occur and (b) the impact such event will have on the value of a company's securities. If the event fails to occur or it does not have the effect foreseen, losses can result. For example, the adoption of new business strategies or completion of asset dispositions or debt reduction programs by a company may not be valued as highly by the market as the Adviser had anticipated, resulting in losses. In addition, a company may announce a plan of restructuring which promises to enhance value and fails to implement it, resulting in losses to investors. In liquidations and other forms of corporate reorganization, the risk exists that the reorganization either will be unsuccessful, will be delayed or will result in a distribution of cash or a new security, the value of which will be less than the purchase price to the Clients of the security in respect of which such distribution was made. The consummation of mergers and tender and exchange offers can be prevented or delayed by a variety of factors, including: (i) opposition of the management or stockholders of the target company, which will often result in litigation to enjoin the proposed transaction; (ii) intervention of a federal or state regulatory agency; (iii) efforts by the target company to pursue a “defensive” strategy, including a merger with, or a friendly tender offer by, a company other than the offeror; (iv) in the case of a merger, failure to obtain the necessary stockholder approvals; (v) market conditions resulting in material changes in securities prices; (vi) compliance with any applicable federal or state securities laws; and (vii) inability to obtain adequate financing. Because of the inherently speculative nature of event driven investing, the results of

the Clients' operations may be expected to fluctuate from period to period. Accordingly, investors should understand that the results of a particular period will not necessarily be indicative of results that may be expected in future periods.

Legal Risk. Many of the laws that govern private and foreign investment, equity securities transactions and other contractual relationships in certain countries, particularly in developing countries, are new and largely untested. As a result, the Clients may be subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear, and changing laws, ignorance, or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets and lack of enforcement of existing regulations. Furthermore, it may be difficult to obtain and enforce a judgment in certain countries in which assets of the Clients are invested. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on the Clients and their operations. In addition, the income and gains of the Clients may be subject to withholding taxes imposed by foreign governments for which shareholders may not receive a full foreign tax credit.

Regulatory controls and corporate governance of companies in some developing countries may confer little protection on minority shareholders. Anti-fraud and anti-insider trading legislation is often rudimentary. The concept of fiduciary duty to shareholders by officers and directors is also limited when compared to such concepts in more developed markets. In certain instances, management may take significant actions without the consent of shareholders and anti-dilution protection also may be limited.

OFAC, FCPA, and Similar Considerations. Economic sanction laws in the United States, the United Kingdom, the European Union ("EU"), and other jurisdictions may prohibit the Adviser, its professionals, and the Clients from transacting with or in certain countries and with certain individuals and companies. In the United States, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") administers and enforces laws, Executive Orders, and regulations establishing U.S. economic and trade sanctions. Such sanctions prohibit, among other things, transactions with, and the provision of services to, certain foreign countries, territories, entities, and individuals. In addition, certain programs administered by OFAC prohibit dealing with individuals or entities in certain countries regardless of whether such individuals or entities appear on the lists maintained by OFAC. Similar sanction lists are maintained by the United Kingdom, including the consolidated list of financial sanctions targets, and the European Union, including the consolidated list of persons, groups, and entities subject to EU financial sanctions. These types of sanctions may restrict the Clients' investment activities. Although, as a matter of policy, the Clients will not seek to invest in any assets that are subject to OFAC sanctions and/or embargo programs, because the Clients invests primarily in emerging and frontier markets, there can be no assurance that any investment that the Clients has completed will not fall under OFAC sanctions and/or embargo programs after the completion of an investment by the Clients. Should any investment made on behalf of the Clients subsequently become subject to applicable sanctions, the Clients may be subject to limitations on further dealings with that investment until the applicable sanctions are lifted or a license is obtained under applicable law to continue such dealings.

EU List of Non-Cooperative Jurisdictions. In November 2016, the EU established criteria based on OECD methodologies against which to evaluate non-EU jurisdictions for compliance with transparency and information exchange standards and the use of tax regimes perceived to offer unfair tax competition. Jurisdictions whose domestic tax systems were found to contain elements regarded as unsatisfactory were expected to commit to the EU to remedy these within an agreed timeframe. The formal output of that review process is the EU list of non-cooperative jurisdictions for tax purposes. The list identifies those non-EU jurisdictions which have refused to cooperate, or which have failed to meet their commitments given to the EU.

Where a jurisdiction is included on the non-cooperative list, the direct tax consequences are limited at the EU level as the EU has not developed comprehensive sanctions. However, EU member states have committed to adopt administrative measures targeted towards listed jurisdictions, and as such, individual EU member states may have a range of actions available under their domestic laws. Such actions include, but are not limited to, transaction reporting, increased tax audits for taxpayers with connections to a listed jurisdiction, application of controlled foreign companies' rules, withholding taxes at punitive rates, and restrictions on capital gains exemptions. If such actions are implemented in the jurisdictions in which the Client will have investments this could adversely affect the returns from the Client to its investors.

Investment and Repatriation Restrictions. Some countries in emerging and frontier markets have laws and regulations that currently preclude direct foreign investment in the securities of their companies. However, indirect foreign investment in the securities of companies listed and traded on the stock exchanges in these countries is permitted by certain countries in emerging and frontier markets through investment funds which have been specifically authorized.

In addition to the foregoing investment restrictions, prior governmental approval for foreign investments may be required under certain circumstances in some countries in emerging and frontier markets. Ownership limitations also may be imposed by the charters of individual companies in countries in emerging and frontier markets to prevent, among other concerns, violation of foreign investment limitations. Some attractive equity securities may not be available to the Clients because foreign investors hold the maximum amount permitted under current laws or because of minimum eligibility requirements (such as net worth) for investing in certain types of securities in some countries in emerging and frontier markets.

Repatriation of investment income, assets, and the proceeds of sales by foreign investors may require governmental registration and/or approval in some countries in emerging and frontier markets. The Clients could be adversely affected by delays in or a refusal to grant any required governmental registration or approval for such repatriation or by withholding taxes imposed by countries in emerging and frontier markets on interest or dividends paid on securities held by the Clients or gains from the disposition of such securities.

Reliance on Double Tax Treaties. The Clients may use subsidiary companies to take advantage of double tax avoidance treaties when investing in securities of companies domiciled in particular countries. No assurance can be given that local taxation will not be payable, both now and in the future, or that the terms of any such treaty will not be subject to re-negotiation in the future or that national law will not change, and any such changes could have a material adverse effect on the returns of the relevant subsidiary. There can be no assurance that such treaties will continue and will be in full force and effect during the life of the relevant subsidiary or that reliance on such treaties will not be challenged by a tax authority. In addition to withholding and other taxes in respect of their investments, any subsidiary companies may be subject to taxation in the jurisdiction, *inter alia*, in which they are incorporated.

Global Taxes at the Investor Level. Investors may be subject to taxation in various jurisdictions as a result of their investment in a Client.

Short Sales. Short selling involves selling securities which are not owned by the short seller, and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the seller to profit from a decline in market price to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. The extent to which the Clients engage in short sales depends upon the Adviser's investment strategy and opportunities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Clients of buying those securities to cover the short position. There can

be no assurance that the Clients will be able to maintain the ability to borrow securities sold short. In such cases, the Clients can be “bought in” (i.e., forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Legal and regulatory restrictions may impact the ability of the Clients to sell a security short and/or may require the Clients to disclose any short position with possible adverse consequences to the Clients.

Hedging Transactions. The Clients may utilize financial instruments, both for investment purposes and for risk management purposes in order to (a) protect against possible changes in the market value of the Clients’ investment portfolios resulting from fluctuations in the securities markets and changes in interest rates; (b) protect the Clients’ unrealized gains in the value of the Clients’ investment portfolios; (c) facilitate the sale of any such investments; (d) enhance or preserve returns, spreads or gains on any investment in the Clients’ portfolios; (e) hedge the interest rate or currency exchange rate on any of the Clients’ liabilities or assets; (f) protect against any increase in the price of any securities the Adviser anticipates purchasing at a later date; or (g) for any other reason that the Adviser deems appropriate.

The success of the Clients’ hedging strategy depends, in part, upon the Adviser’s ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged and the subsequent implementation of such hedging strategy. Since the characteristics of many securities change as markets change or time passes, the success of the Clients’ hedging strategy will also be subject to the Adviser’s ability to continually recalculate, readjust and recommend hedges in an efficient and timely manner. While the Clients may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Clients than if it had not engaged in such hedging transactions. For a variety of reasons, the Adviser may not advise seeking to establish a perfect correlation between the hedging instruments utilized and the portfolio holdings being hedged. Such an imperfect correlation may prevent the Clients from achieving the intended hedge or expose the Clients to risk of loss. The Adviser may not advise hedging against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because it does not foresee the occurrence of the risk. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of the Clients’ portfolio holdings.

Leverage. The Clients may make limited use of borrowed funds from brokerage firms, banks and other financial institutions. The use of leverage allows the Clients to make additional investments, thereby increasing exposure to assets, such that a Client’s total assets may be greater than its capital. While leverage presents opportunities for increasing the total return on investments, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of an investment could be magnified to the extent leverage is utilized and may result, if utilized, in a substantial loss to the Client. Additionally, the level of interest rates at which the Client can borrow may affect the operating results of the Client.

Counterparty Risk. Some of the markets in which the Clients may effect transactions may include over-the-counter (“OTC”) or “interdealer” markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as members of “exchange-based” markets. This exposes the Client to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Clients to suffer a loss. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Clients has concentrated its transactions with a single or small group of counterparties. Furthermore, there is a risk that any of such counterparties could become insolvent and/or the subject of insolvency proceedings. If one or

more of the Clients' counterparties were to become insolvent or the subject of insolvency proceedings, there exists the risk that the recovery of the Clients' securities and other assets from such counterparty will be delayed or be of a value less than the value of the securities or assets originally entrusted to such counterparty. Investors should assume that the insolvency of any counterparty would result in a loss to the Clients, which could be material.

The Clients are not restricted from dealing with any particular counterparty or from concentrating any or all of their transactions with one counterparty. Moreover, the Clients have no internal credit function which evaluates the creditworthiness of its counterparties. The ability of the Clients to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Clients.

Cybersecurity Breaches. The computer systems, networks and devices used by the Adviser and its related parties, and by service providers to the Adviser and its Clients are subject to risks associated with a breach in its cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs, and data from "hacking" by other computer users, other unauthorized access and the resulting damage and disruption of hardware and software systems, loss, or corruption of data, as well as misappropriation of confidential information. If a cybersecurity breach occurs, the Clients may incur substantial costs, including those associated with: forensic analysis of the origin and scope of the breach; increased and upgraded cybersecurity; investment losses from sabotaged trading systems; identity theft; unauthorized use of proprietary information; litigation; adverse investor reaction; the dissemination of confidential and proprietary information; and reputational damage. Any such breach could expose the Adviser and its related parties and the Clients to civil liability, as well as regulatory inquiry and/or action. In addition, any such breach could cause substantial redemptions and/or withdrawals. In addition, investors could be exposed to additional losses as a result of unauthorized use of their personal information.

Effects of Health Crises and Other Catastrophic Events. Health crises, such as pandemic and epidemic diseases, as well as other catastrophes that interrupt the expected course of events such as natural disasters, war, or civil disturbance, acts of terrorism, power outages, and other unforeseeable and external events, and the public response to or fear of such diseases or events, have and may in the future have an adverse effect on Clients' investments and the Adviser's operations. For example, any preventative or protective actions that governments may take in respect of such diseases or events may result in periods of business disruption, inability to obtain raw materials, supplies and component parts, and reduced or disrupted operations for Client portfolio companies. In addition, under such circumstances the operations including functions such as trading and valuation, of the Adviser and other service providers could be reduced, delayed, suspended, or otherwise disrupted. Further, the occurrence and pendency of such diseases or events could adversely affect the economies and financial markets either in specific countries or worldwide.

European Instability. Recent events, including the invasion of Ukraine by Russia, have interjected uncertainty into global financial markets, especially European markets. It is possible that any fallout from the Ukrainian conflict will have effects on other European countries as they address refugee movements and potential further threats. A number of countries, including the United States and a number in Europe, have imposed sanctions on Russia and businesses affiliated with that country. The long-term impact of these sanctions is not entirely clear, but they have the potential to limit potential investment opportunities and may impair cash flow that is material to investment opportunities including, for example, if persons doing business with the Clients become sanctioned parties. The regulatory framework of sanctions is often complex and at times counter intuitive. It is possible that the Clients might have exposure to transactions that directly or indirectly involve sanctioned parties and that may pose liability and compliance risks.

High Growth Industry Related Risks. The Clients may have investments in the securities of high growth companies. These securities may be very volatile. In addition, these companies may face undeveloped or limited markets, have limited products, have no proven profit-making history, have limited access to capital and/or be in the developmental stages of their businesses, have limited ability to protect their rights to certain patents, copyrights, trademarks and other trade secrets, or be otherwise adversely effected by the extremely competitive markets in which many of their competitors operate.

Long-Term Investments. The Adviser may pursue investment opportunities that seek to maximize asset value or create market opportunities on a long-term basis. In pursuing such long-term strategies, the Adviser may forego value in the short term or temporary investments in order to be able to pursue additional and/or longer-term opportunities in the future. Consequently, the Clients may not capture maximum available value in the short term, which may be disadvantageous, for example, for Clients who withdraw or redeem all or a portion of their assets before such long-term value may be realized.

Risks Associated with Particular Types of Securities

Equity Securities. The Clients may invest in equity securities and equity derivatives. The value of these financial instruments generally will vary with the performance of the issuer and movements in the equity markets. As a result, the Clients may suffer losses if it invests in equity instruments of issuers whose performance diverges from the Adviser's expectations or if equity markets generally move in a single direction and the Clients have not hedged against such a general move. The Clients also may be exposed to risks that issuers will not fulfill contractual obligations such as, in the case of convertible securities or private placements, delivering marketable common stock upon conversions of convertible securities and registering restricted securities for public resale.

Preferred Securities. The Clients may invest in preferred stock of certain companies. Preferred stock, unlike common stock, offers a stated dividend rate payable from a corporation's earnings. These dividends may be cumulative or non-cumulative, participating or auction rate. If interest rates rise, the fixed dividend on preferred stocks may be less attractive, causing the prices of preferred stocks to decline. Preferred stock may have mandatory sinking fund provisions and call/redemption provisions prior to maturity, a negative feature when interest rates decline. Dividends on some preferred stock may be "cumulative," requiring all or a portion of prior unpaid dividends to be paid before dividends are paid on the issuer's common stock. Preferred stock also generally has a preference over common stock on the distribution of a corporation's assets upon liquidation of the corporation, and may be "participating," which means that it may be entitled to a dividend exceeding the stated dividend in certain cases. Preferred securities may include provisions that permit the issuer, at its discretion, to defer distributions for a stated period without any adverse consequences to the issuer. If the Clients owns a preferred security that is deferring its distributions, the Clients may be required to report income for tax purposes although they have not yet received such income. Preferred securities are generally subordinate to the rights associated with an issuer's debt securities in terms of priority to corporate income and liquidation payments, and therefore are subject to greater credit risk than more senior debt instruments. Preferred securities may be substantially less liquid than many other securities.

Small and Medium Capitalization Companies. The Clients may invest a portion of their assets in the securities of companies with small- to medium-sized market capitalizations. While the Adviser believes they often provide significant potential for appreciation, those stocks, particularly small-capitalization stocks, involve higher risks in some respects than do investments in securities of larger companies. For example, prices of small-capitalization and even medium-capitalization securities are often more volatile than prices of large-capitalization securities and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) is higher than for larger, "blue-chip" companies. In

addition, due to thin trading in the securities of some small-capitalization companies, an investment in those companies may be illiquid.

Depository Receipts. The Clients may invest in depository receipts, which represent an ownership interest in securities of foreign companies that are deposited with a depository. Depository Receipts are not necessarily denominated in the same currency as the underlying securities. Depository Receipts include American Depositary Receipts (“**ADRs**”), Global Depositary Receipts (“**GDRs**”) and other types of depository receipts. ADRs are Dollar denominated depository receipts typically issued by a U.S. financial institution which evidence an ownership interest in a security or pool of securities issued by a foreign issuer. ADRs are listed and traded in the United States. GDRs and other types of depository receipts are typically issued by foreign banks or trust companies, although they also may be issued by U.S. financial institutions, and evidence ownership interests in a security or pool of securities issued by either a foreign or a U.S. corporation. Generally, depository receipts in registered form are designed for use in the U.S. securities market and depository receipts in bearer form are designed for use in securities markets outside the United States. Because a depository receipt represents an ownership interest in securities of a foreign company, a depository receipt is subject to similar risks faced by such underlying security and the asset class to which it belongs.

Exchange-Traded Funds (“ETFs”). The Clients may invest a portion of their assets in ETFs. ETFs represent shares of ownership in either funds or unit investment trusts that hold portfolios of common stocks, bonds, or other instruments, which are designed to generally correspond to the price and yield performance of an underlying index. A primary risk factor relating to ETFs is that the general level of stock or bond prices may decline, thus affecting the value of an equity or fixed income ETF, respectively. An ETF may also be adversely affected by the performance of the specific sector or group of industries on which it is based. Moreover, although ETFs are designed to provide investment results that generally correspond to the price and yield performance of their underlying indices, ETFs may not be able to exactly replicate the performance of the indices because of various sources of tracking error, including their expenses and a number of other factors.

Distressed Securities. The Clients may invest in distressed securities. The Clients’ investments in distressed securities are investments in business enterprises involved in workouts, liquidations, reorganizations, bankruptcies, and similar situations. Since there is substantial uncertainty concerning the outcome of transactions involving such business enterprises, there is a high degree of risk of loss by the Clients of their entire investment in such companies. In addition, distressed securities can often be expected to consist of financial instruments or obligations for which no market exists, and which are restricted as to their transferability under federal or state securities laws. The sale of such investments may be possible only at substantial discounts. The market prices of distressed securities are also subject to abrupt and erratic market movements and above-average price volatility, and the spread between the bid and ask prices of such securities may be greater than those prevailing in other securities markets. It may take a number of years for the market price of such securities to reflect their intrinsic value.

Convertible Securities. The Clients may invest a portion of their assets in convertible securities. Convertible securities are bonds, debentures, notes, preferred stocks, or other securities that may be converted into or exchanged for a specified amount of common stock of the same or a different issuer within a particular period of time at a specified price or formula. A convertible security entitles the holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Convertible securities generally (a) have higher yields than common stocks, but lower yields than comparable non-convertible securities, (b) are less subject to fluctuation in value than the underlying common stock due to their fixed-income characteristics and (c) provide the potential for capital appreciation if the market price of the

underlying common stock increases. The value of a convertible security is a function of its “investment value” (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its “conversion value” (the security’s worth, at market value, if converted into the underlying common stock). A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity. A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security’s governing instrument. If a convertible security held by the Clients is called for redemption, the Clients will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on the Clients.

Fixed-Income Securities. The Clients may invest in bonds or other fixed-income securities, including, without limitation, commercial paper and “higher yielding” (including non-investment grade) (and, therefore, higher risk) debt securities. The Clients will therefore be subject to credit, liquidity, and interest rate risks. Higher-yielding debt securities are generally unsecured and may be subordinated to certain other outstanding securities and obligations of the issuer, which may be secured on substantially all of the issuer’s assets. The lower rating of debt obligations in the higher-yielding sector reflects a greater probability that adverse changes in the financial condition of the issuer or in general economic conditions or both may impair the ability of the issuer to make payments of principal and interest. Non-investment grade debt securities may not be protected by financial covenants or limitations on additional indebtedness. In addition, evaluating credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult. Also, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments. It is likely that a major economic recession could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, it is 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.

Corporate Debt Securities. The Clients may invest directly or indirectly in corporate debt. Corporate debt securities are subject to the risk of the issuer’s inability to meet principal and interest payments on the obligation and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity. When interest rates decline, the value of the Clients’ corporate debt securities can be expected to rise, and when interest rates rise, the value of those securities can be expected to decline. Debt securities with longer maturities tend to be more sensitive to interest rate movements than those with shorter maturities.

Obligations of Governments, Their Agencies, and Instrumentalities. The Clients may invest in government securities. Bankruptcy laws applicable to governments are relatively untested and may not provide the same protections to creditors as those contained in bankruptcy laws applicable to non-government debtors. It is impossible to predict whether the Clients will be able to successfully avoid losses relating to defaults by issuers of governmental securities.

Sovereign Debt. The Clients may purchase sovereign debt issued by governments, their agencies, and instrumentalities either in the currency of their domicile or in a foreign currency. Investors in sovereign debt may be asked to participate in debt restructuring, including the deferral of interest and principal payments, and may also be requested by the issuer to extend additional loans. In addition to general default risk relating to sovereign debt, if the Clients invest in sovereign debt denominated in a currency other than Dollars (or in respect of which payments of principal or interest are paid in a currency other than Dollars), the Clients will be exposed to the risk that one or more jurisdictions may impose currency controls that would limit the Clients’ ability to convert such payments of principal or interest to Dollars. .

Investments in Unlisted Securities. The Clients may invest in unlisted securities. Because of the absence of any active market for these investments, it may take longer to liquidate these positions than would be the case for publicly traded securities or it may not be possible to liquidate these positions. Although these securities may be resold in privately negotiated transactions, the prices realized on these sales could be less than those originally paid by the Clients. Further, companies whose securities are not publicly traded will generally not be subject to public disclosure and other investor protection requirements applicable to publicly traded securities. The lack of publicly available information and the lack of an actively traded market in unlisted securities will also give rise to uncertainty in valuing such securities.

Certain Derivative Investments. Pursuant to the investment program described herein, the Clients may use certain derivative investments. The use of derivative contracts such as futures, options, contracts for differences, and swaps may involve substantial risks. The low margin or premiums normally required for such instruments may provide a large amount of leverage, and a relatively small change in the price of a security or contract can produce a disproportionately larger profit or loss. There is no assurance that a liquid secondary market will exist for futures contracts or options purchased or sold, and the Clients may be required to maintain a position until exercise or expiration, which could result in losses.

If the Clients use certain exchanges which, in certain countries, are essentially “principals’ markets” in which performance of the future contract is the sole responsibility of the individual member with whom the trader has entered into a contract and not of an exchange or clearing house, the Clients will be exposed to the risk of the inability of, or refusal by, the counterparty to settle the transaction or perform its obligations under such contract. In addition, certain non-U.S. exchanges may impose price fluctuation limits when trading and/or speculative position limits on the number of positions that may be held in particular commodities. As a general matter, using futures contracts and options are highly specialized activities that may entail greater risks than ordinary investment or trading.

The Clients may buy or sell both call options and put options. The Clients’ option transactions may be part of a hedging strategy (*i.e.*, offsetting the risk involved in another securities position) or a form of leverage, in which the Clients have the right to benefit from price movements in a large number of securities with a small commitment of capital. These activities involve risks that can be substantial, depending on the circumstances. In general, the principal risks involved in using options can be described as follows, without taking into account other positions or transactions the Clients may enter into. When the Clients buys an option, a decrease (or inadequate increase) in the price of the underlying security in the case of a call, or an increase (or inadequate decrease) in the price of the underlying security in the case of a put, could result in a total loss of the Clients’ investment in the option (including commissions). The Clients could mitigate those losses by selling short, or buying puts on, the securities as to which they hold call options, or by taking a long position (*e.g.*, by buying the securities or buying calls on them) in securities underlying put options.

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

Derivatives markets are subject to legal and regulatory requirements which may change and affect the Clients’ use of derivative instruments.

Swap Agreements. The Clients may enter into swap agreements. Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease the Clients’ exposure to long-term or short-term interest rates, currency values, corporate borrowing rates, or other factors such as security prices, baskets of equity securities, commercial property indices, residential property indices or inflation

rates. Swap agreements can take many different forms and are known by a variety of names. The Clients are not limited to any particular form of swap agreement if consistent with the Clients' investment objective and approach.

Swap agreements tend to shift the Clients' investment exposure from one type of investment to another. Depending on how they are used, swap agreements may increase or decrease the overall volatility of the Clients' portfolios. The most significant factor in the performance of swap agreements is the change in the specific interest rate, currency, individual equity values or other factors that determine the amounts of payments due to and from the Clients. If a swap agreement calls for payments by the Clients, the Clients must be prepared to make such payments when due. In addition, if a counterparty's creditworthiness declines, the value of swap agreements with such counterparty can be expected to decline, potentially resulting in losses by the Clients.

Forward Trading. The Clients may trade in forward contracts and options thereon. Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade, and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market traded by the Clients due to unusually high trading volume, political intervention, or other factors. The imposition of controls by governmental authorities might also limit such forward trading to less than that which the Adviser would otherwise recommend, to the possible detriment of the Clients. Market illiquidity or disruption could result in major losses to the Clients.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in a Client. Prospective investors should read the entire Form ADV, the Governing Documents, and all other accompanying materials provided by the Adviser before deciding whether to invest. In addition, as the Adviser's investment philosophy develops and changes over time, an investment in a Client may be subject to additional and different risk factors. The Adviser will promptly amend this Brochure if and when any information regarding its investment risks becomes materially inaccurate.

Item 9. Disciplinary Information

There are no legal or disciplinary events that are material to the Adviser's advisory business or the integrity of the Adviser's management.

Item 10. Other Financial Industry Activities and Affiliations

The Sub-Advisors, SAM Sandglass Advisors Limited and Sandglass Capital Advisors (UK) Limited, provide investment research, evaluation of potential investments, management of certain investments and/or other administrative or management services, pursuant to contracts between each Sub-Adviser and the Adviser. The Sub-Advisors do not have any other business relationships with other investment advisers.

Except to the extent necessary to perform its obligations to Clients, the Adviser and its management are not limited or restricted from engaging in or devoting time and attention to the management of any other businesses.

While the Adviser and each member of its management will devote such time as they, in their sole discretion, deem necessary to manage investments on behalf of the Clients, they may also work on other projects or businesses. Although unlikely, conflicts of interests may arise with respect to allocating management time among the Clients and other business interests. The Adviser shall resolve any conflicts that may arise in favor of the Clients.

The Adviser and its affiliates and related persons are not registered as broker-dealers and do not have any applications pending to register with the SEC as a broker-dealer or registered representatives of a broker-dealer. The Adviser and its related persons are not registered as, and do not have any application pending to register as, futures commission merchants, commodity pool operators, commodity trading advisors or associated persons of the foregoing entities.

Neither the Adviser nor any of its affiliates or related persons have any relationships or arrangements with other industry participants that pose material conflicts of interest to the business of the Adviser.

Please see Item 11 and Item 12 for further details and related information.

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

The Adviser strives to adhere to the highest industry standard of conduct based on principles of professionalism, integrity, honesty, and trust. In seeking to meet these standards, the Adviser has adopted a written Code of Ethics (the “Code”) that is applicable to all of its Supervised Persons. The Code of Ethics, which is designed to comply with Rule 204A-1 under the Advisers Act of 1940, as amended (the “Advisers Act”), establishes guidelines for professional conduct and personal trading procedures, including certain reporting obligations and pre-clearance of any proposed purchase of any initial public or limited securities offering. Supervised Persons and their families may purchase investments for their own accounts subject to the terms of the Code. Under the Code, Supervised Persons are required to file certain periodic investment account reports as required by Rule 204A-1 under the Advisers Act. The Code helps the Adviser detect and address potential conflicts of interest.

In the ordinary course of conducting the Adviser’s advisory activities, the interests of a Client will from time to time conflict with the Adviser’s interests and those of other Clients. The Adviser will deal with all conflicts of interest using its best judgment, but in its sole discretion. In doing so, the Adviser will consider various factors, including the interests of each Client with respect to the immediate issue and/or with respect to the longer-term course of dealing among such Clients. As a fiduciary, the Adviser owes Clients a duty of loyalty. This includes the duty to address, or at minimum disclose, conflicts of interest that may exist between different Clients; between the Adviser and Clients; or between the Adviser’s Supervised Persons and Clients. Where potential conflicts arise from its fiduciary activities, the Adviser will take steps to mitigate, or disclose them. Conflicts arising from fiduciary activities that the Adviser cannot avoid are mitigated through written policies that the Adviser believes protect the interests of its Clients as a whole. In these cases – which include issues such as personal trading and Client entertainment, discussed below – regulators have generally prescribed detailed rules or principles for investment firms to follow. By complying with these rules, using robust compliance practices, the Adviser believes that it handles these conflicts appropriately.

Supervised Persons may come into possession, from time to time, of material non-public or other confidential information (“MNPI”) about public companies which might affect an investor’s decision to buy, sell, or hold a security. Pursuant to applicable law, the Adviser and its Supervised Persons are prohibited from improperly disclosing or using MNPI for their personal benefit or for the benefit of any other person, regardless of whether such person is a Fund Investor or a Client of the Adviser. If a Supervised Person comes into possession of MNPI, the Adviser would be prohibited from communicating such information to any Fund Investor or other Client. The Adviser will have no responsibility or liability for failing to disclose MNPI to any Fund Investor or other Client as a result of following the Adviser’s compliance policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Supervised Persons serving as directors of public companies and may restrict investing that can take place on behalf of a Client, including making an investment that a Client might otherwise make.

To the extent that the Adviser or its related persons invest in the same securities that the Adviser or a related person recommends to a Client, such practices present a conflict where, the Adviser or its related person is in a position to trade in a manner that could adversely affect a Client. In addition to affecting the Adviser’s or its related persons’ objectivity, these practices by the Adviser or its related persons may also harm a Client by adversely affecting the price at which a Client’s trades are executed. The Adviser has adopted the following procedures in an effort to minimize such conflicts: the Adviser requires its related persons to preclear certain transactions in their personal accounts with the CCO, who may deny permission to execute the transaction if such transaction will have any adverse economic impact on a Client. The Vice President or the Director of the Adviser preclear the CCO’s transactions in her personal accounts. In addition, the Code prohibits the Adviser or its related persons from executing personal securities transactions of any kind in any securities on a restricted securities list maintained by the Adviser. All of the Adviser’s related persons

are also required to report each transaction in which they engage and to provide a quarterly attestation regarding such transactions. Trading in Supervised Persons' accounts will be reviewed by the CCO or her delegate .

To the extent the Adviser buys or sells securities for a Client, at or about the same time that the Adviser or a related person buys or sells the same securities for its own account, the Adviser and the related person, if applicable, will do so in accordance with the procedures described above in order to minimize the conflicts stemming from situations where the contemporaneous trading would result in an economic benefit for the Adviser or its related person to the detriment of a Client.

The Code details restrictions and reporting requirements regarding the giving or receiving of gifts and/or entertainment by Supervised Persons to and/or from, among others, current or prospective investors, government officials, and union officials.

Due to the potential for conflicts of interest, the Adviser has established procedures relating to political contributions which are designed to comply with applicable federal and state laws. All Supervised Persons are required to seek preapproval before making any political contributions.

Supervised Persons who violate the Code may be subject to disciplinary actions including termination of employment. Supervised Persons are required to annually acknowledge compliance with the Code.

A copy of the Code is available by submitting a request to the Adviser's CCO at sandra.satz@sandglasscapital.com.

In the future, there might arise instances where the Adviser's interests conflict with the interests of Clients and/or Fund Investors. The Adviser, its principals and its affiliates may engage in transactions with, provide services to, invest in, advise, sponsor and/or act as investment manager to portfolio companies, investment vehicles and other persons or entities that may have similar structures and investment objectives to those of Clients and that may compete with Clients for investment opportunities and that may co-invest with Clients in certain transactions.

In addition to entering into certain arrangements with certain strategic investors, a Client has and may in the future enter into agreements ("Side Letters") with certain prospective or existing investors whereby such investors may be subject to terms and conditions that are more favorable than those set forth in a Client's Governing Documents. For example, such terms and conditions may provide for: (i) special rights to make future investments in a Client, other investment vehicles or managed accounts; (ii) a reduction or rebate in fees or charges to be paid; (iii) rights for the investors to access deal flow that does not fit the strategy or objectives of certain Clients; (iv) access to co-invest in certain investments; (v) special information or reporting rights; (vi) the ability to opt out of certain types of investments; (vii) consent rights with respect to certain amendments to documents that govern their rights and obligations and those of the applicable Client; (viii) additional confidentiality protections; (ix) the right to disclose certain information to underlying investors or to the public; and (x) any other terms, whether economic, procedural or otherwise.

Other Client transactions to consider are cross transactions. A cross transaction involves the buying or selling of securities from one Client account to another. Cross transactions may give rise to conflicts of interest between Clients. For example, one Client could be advantaged to the detriment of another Client in the event that the securities being exchanged are not priced in a manner that reflects their fair value. In addition, the Adviser could use its investment authority to transfer unappealing securities from one Client to another Client. The Adviser may engage in cross trading under limited circumstances. However, the Adviser will only do so when it believes it is in the best interest of both Clients. In such circumstances, neither the Adviser nor its affiliates will receive transaction-based compensation from the trade.

In addition to the above, Section 206(3) of the Advisers Act makes it unlawful for the Adviser to act as a principal on the other side of a transaction with a client (a “Principal Transaction”) without first disclosing in writing to the client the fact that the Adviser will be acting as principal on the other side of the transaction and obtaining the consent of the client to the transaction. The Adviser will seek the required consent before engaging in any Principal Transaction.

Item 12. Brokerage Practices

Broker Selection: The Adviser considers a number of factors in selecting a broker-dealer to execute transactions. Such factors include but are not limited to net price, reputation, financial strength and stability, expertise, operational and regulatory controls, availability and quality of service, and the competitiveness of compensation rates in comparison with other brokers. Brokers are selected based on the ability of the broker to provide best execution, as well as the following additional factors:

- The characteristics of the security to be traded;
- A brokerage firm's general experience and capacity to execute block transactions while minimizing total trading costs; and
- The willingness and ability of a firm to provide proprietary research or third-party research services deemed valuable to the investment process.

In choosing brokers for the execution of trades, the Adviser also considers other circumstances such as size of the trade, timing of the execution, requirement of research, level of technology, and/or firm infrastructure.

Soft Dollars: The Adviser does not engage in "soft dollar" activity (the receipt of research and other services in exchange for transaction commissions that are deemed to be higher than are generally available). In the event that the Adviser chooses to utilize soft dollars in the future, and the Adviser determines that soft dollar arrangements are in the best interest of its Clients, the Adviser will implement the requisite policies and procedures prior to undertaking such activity which includes ensuring that the activity falls within the safe harbor created by Section 28(e) of the U.S. Securities Exchange Act of 1934, as amended.

Aggregation of Transactions: The Adviser will at times make purchases or sales of the same security for multiple Clients at or near the same time and using the same executing broker. When the Adviser has determined that it is in the best interest of Clients participating in the order, and where appropriate, the Adviser will aggregate Client orders for the purchase or sale of the same security submitted at or near the same time with the same executing broker. Such aggregation may enable the Adviser to obtain for the Clients a more favorable price or a better commission rate based upon the volume of a particular transaction. When an aggregated order is completely or partially filled, the Adviser allocates the securities purchased or proceeds of sale based on its general trade allocation policy. Notwithstanding the foregoing, an aggregated order may be allocated on a different basis. Reasons for allocation on a different basis may include but are not limited to: a Client's investment guidelines and restrictions, including investors' status as restricted or unrestricted with respect to participation in new issues; available cash; expected capital inflows and outflows; liquidity requirements; legal regulatory reasons; the size of a particular invested position in a Client relative to the size of such position in other Clients and the total portfolio invested position; minimum issuance size or to avoid odd lots. In such a case, a Client may pay a higher commission rate and/or receive less favorable prices than other accounts that are able to participate in an aggregated order. If an order on behalf of more than one Client cannot be fully executed under prevailing market conditions, the Adviser will allocate trades among the Clients on a basis that it considers fair and equitable over time.

Brokerage for Client Referrals: From time to time the Adviser may participate in capital introduction programs arranged by broker-dealers, including firms that serve as prime brokers to the Clients. The Adviser may place Client portfolio transactions with firms who have provided capital introduction opportunities, provided that the Adviser determines it is consistent with best execution. In no event will the Adviser select a broker-dealer as a means of remuneration for recommending the Adviser or any product managed by the Adviser (or an affiliate) or affording the Adviser the opportunity to participate

in capital introduction programs.

Item 13. Review of Accounts

Account Reviews: The Adviser's investment team reviews the portfolio strategy regularly. Changes to the portfolio strategy may be deemed appropriate based on such factors as the economic environment, changes in individual securities or sectors, the overall outlook of financial markets, and other factors that may affect the Adviser's ability to achieve its Client's investment goals and objectives. The Adviser also reviews each Client's portfolio for the purposes of determining potential portfolio rebalancing decisions and other investment changes that may be appropriate depending on the specific facts and circumstances. These activities are considered normal portfolio management activities and not changes in portfolio investment strategy.

The administrators for the Clients prepare daily reconciliations and complete month-end close packages. As part of the Adviser's review of the accounts, it reviews and approves each administrator's independent net asset value calculation.

Client Reporting: Investors receive reports as described in the applicable Governing Documents. Fund Investors generally receive (through the administrator) monthly or quarterly account statements. The Adviser supplements these statements with a more detailed analysis of the portfolio's performance and characteristics. The Adviser may provide certain investors or potential investors with additional or more frequent information if requested. To the extent an investor receives additional information (that other investors have not received), such information may provide such investor with greater insight into the applicable Fund's activities. This may enhance such investor's ability to make investment decisions with respect to the Fund and possibly affect such investor's decision to request a redemption from the Fund.

For the SMA, the Adviser provides daily transaction details and other information to the SMA's administrator. The Adviser may provide additional information in accordance with the SMA's Governing Documents. To the extent that an SMA receives information that investors in a Fund do not, such information provides the SMA investors with greater insight into the Adviser's activities, which may enhance the SMA's investor's ability to make investment decisions with respect to withdrawals from the SMA.

Item 14. Client Referrals and Other Compensation

The Adviser makes cash payments to third-party solicitors for investor referrals for certain Fund Investors pursuant to written agreements in accordance with the applicable requirements of the Advisers Act.

Item 15. Custody

While Client assets are generally held in custody by unaffiliated qualified custodians, pursuant to Rule 206(4)-2 of the Advisers Act (the “Custody Rule”), the Adviser is deemed to have custody of Client assets because the Adviser has the authority to access funds and securities, for example, by deducting advisory fees from Client accounts.

The Adviser satisfies its obligations under the Custody Rule by subjecting the Funds to an annual audit by an independent auditor that is registered with, and subject to regular inspection by, the Public Company Oversight Board. The Adviser distributes audited financial statements to all Fund investors within 120 days of the applicable year-end.

Account statements related to the Clients are sent by qualified custodians to the Adviser.

The Adviser does not have custody of the assets of the SMA.

Item 16. Investment Discretion

The Adviser and its affiliates provide investment advisory services to its Clients on a discretionary basis. Investment advice is provided directly to the Clients and not the individual investors in the Clients. The Adviser has the authority to determine (i) the securities to be purchased and sold for each of the Clients, subject to each Client's investment restrictions; and (ii) the amount of securities to be purchased or sold for the Clients. Due to the difference in the Clients' respective investment objectives and strategies, risk tolerances, tax status and other criteria, there may be differences among the Clients in invested positions and securities held.

For a further discussion of these and related items, see Item 4 and Item 6.

Item 17. Voting Client Securities

The Adviser has adopted policies and procedures to address how the Adviser will vote when provided proxies to do so by entities in which the Adviser has invested on behalf of a Client (the “Proxy Policy”). The Proxy Policy seeks to ensure that the Adviser votes proxies or similar corporate actions in the best interests of the Clients, taking into account such factors as it deems relevant in its sole discretion.

The Proxy Policy is designed to (i) identify any material conflicts of interest connected with a particular proxy vote and (ii) ensure that any vote where such conflicts are identified is not improperly influenced by the conflict. The Adviser understands the importance of proxy voting. The Adviser will vote all proxies in the best interests of its Clients and in accordance with the procedures outlined in its Proxy Policy (as applicable), unless otherwise mandated by investment management agreements or applicable law.

Investors who would like a copy of the Adviser’s Proxy Policy or information regarding how the Adviser voted proxies should contact the CCO at sandra.satz@sandglasscapital.com. Such information will be provided free of charge.

Item 18. Financial Information

The Adviser does not require or solicit prepayments of more than \$1200 in fees per Client, six months or more in advance. The Adviser is not aware of having any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its Clients. The Adviser has never been subject to any bankruptcy petition.