

Invictus Global Management LLC

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This “**Brochure**” provides information about the qualifications and business practices of Invictus Global Management LLC (hereinafter “**Invictus**”, “**we**”, “**us**”, “**our**” or the “**Firm**”). If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer (“**CCO**”), Cindy Chen Delano, by email at [**cindy@invictus-gm.com**](mailto:cindy@invictus-gm.com). Information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

Invictus is a Registered Investment Adviser with the SEC. Registration as an investment adviser does not imply that Invictus or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

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

Item 2: Material Changes

This Brochure is Invictus's Annual Update to the Form ADV Part 2A. There have been no material changes since the Firm's last Annual Update in March 2022.

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Item 4: Advisory Business

Invictus (hereinafter “**Invictus**”, “**we**”, “**us**”, “**our**” or the “**Firm**”) is organized as a Delaware limited liability company with a principal place of business in Austin, Texas.

Invictus provides discretionary investment management services to qualified investors through its private funds: Invictus Special Situations Domestic I, LP; Invictus Special Situations Offshore I, LP; and Invictus Special Situations Master I, LP. Invictus also provides discretionary and non-discretionary investment advice to pooled investment vehicles sponsored by third party advisers and their affiliates.

We serve as the investment adviser, with discretionary trading authority, to private, pooled investment vehicles, the securities of which are offered through a private placement memorandum to accredited investors, as defined under the Securities Act of 1933, as amended, and qualified purchasers, as defined under the Investment Company Act of 1940, as amended. We do not tailor our advisory services to the individual needs of any particular investor.

Invictus manages the following private, pooled investment vehicles:

- Invictus Special Situations Offshore I, LP, a Cayman Islands exempted company (the “**Offshore Fund**”);
- Invictus Special Situations Domestic I, LP, a Delaware limited partnership (the “**Onshore Fund**”); and
- Invictus Special Situations Master I, LP, a Cayman Islands exempted limited partnership (the “**Master Fund**”).

Invictus also manages strategies for pooled vehicles sponsored by Corbin Capital Partners, LP (“**Corbin**”) and its affiliates. Invictus manages parts of the following Corbin pooled vehicles, collectively, the “**Corbin Funds**”:

- Corbin ERISA Opportunity Fund, LP, (“**Corbin ERISA Fund**”)
- Corbin Opportunity Fund, LP, (“**Corbin Opportunity Fund**”)

The Corbin Funds, Master Fund, the Onshore Fund, and the Offshore Fund are herein each referred to as a “**Fund**” or “**Client**”, and collectively referred to as the “**Funds**” or the “**Clients**”.

The Funds’ “**Limited Partners**” or “**Shareholders**” are hereafter collectively referred to as the “**Investors**” where appropriate.

Our investment decisions and advice with respect to the Funds are subject to each Fund’s investment objectives and guidelines, as set forth in its respective “**Offering Documents**.”

We do not currently participate in any Wrap Fee Programs.

Currently, we have approximately \$155,762,316 regulatory assets under management.

Item 5: Fees and Compensation

The fees applicable to each of the Funds are set forth in detail in the corresponding Offering Documents. A brief summary of such fees is provided below.

Management Fee

Invictus is paid an investment management fee ("**Management Fee**") per annum of the net asset value of the Funds.

The Fee will range from 1.00% - 1.50%.

Some Clients may pay a fixed fee in lieu of a Management Fee based on net asset value of a Client's account.

The Investment Manager, in its sole discretion, may waive or modify the Management Fee for any Investor.

Other Types of Fees or Expenses

Invictus is authorized to incur and pay in the name and on behalf of the Funds all expenses which they deem necessary or advisable.

The Firm is responsible for and shall pay, or cause to be paid, all of their own ordinary administrative and overhead expenses, including, without limitation, all costs and expenses related to rent, furniture, fixtures, equipment, office supplies, clerical expenses and all salaries, bonuses and benefits paid to, or on behalf of, personnel of the Firm.

The Funds bear all other expenses, which include, without limitation, the following expenses incurred by or allocable to the Funds: (a) organizational and offering expenses; (b) expenses associated with all investments and transactions considered, evaluated and/or consummated by the Funds, including, without limitation, those expenses incurred before the initial closing of the Funds, including, without limitation, expenses associated with sourcing, negotiating, investigating, researching, financing and structuring of investments and potential investments, whether or not consummated, including, without limitation, third-party research, data, analytics, modeling, structuring, pricing, execution and other third-party information systems, software and service fees (including, without limitation, the expenses with respect to data feeds, subscriptions, expert networks, political intelligence providers, and reports); (c) research-related computer hardware and software expenses, including, without limitation, Bloomberg terminals; (d) the Funds' pro rata share of the Firm's order management system, portfolio management system and any other software used for accounting and/or monitoring of the portfolio; (e) expenses associated with holding, financing, monitoring, hedging, maintaining and disposing of all investments of the Funds and all transaction and other costs associated therewith; (f) travel and related expenses associated with investments and potential investments; (g) professional fees associated with investments and potential investments, including, without limitation, consulting, due diligence, accounting, valuation, financial, legal, and other advisory fees and expenses; (h) transaction fees, brokerage commissions, custodial fees, clearing and settlement charges and similar fees and expenses associated with the acquisition, disposition and settling of investments and potential investments; (i) expenses associated with legal and regulatory filings of the Funds (including, without limitation, pursuant to Section 13 and 16 of the Securities and Exchange Act of 1934,

as amended (the “**Exchange Act**”)) and the Funds’ pro rata portion of the expenses associated with preparation of the Firm’s Form 13F, Form 13H and Form PF, and any other similar filing in any other U.S. or non-U.S. jurisdiction; (j) administrative, custodial, appraisal, valuation, legal, regulatory, compliance, consulting, advisory and similar fees and expenses associated with the Funds’ operations, investments and transactions, including, without limitation, fees and expenses of the Funds’ administrator; (k) expenses incurred in connection with responding to requests or inquiries from any U.S. federal, state, local or non-U.S. governmental entity or authority, regulatory body or self-regulatory organization and all extraordinary expenses; (l) broken-deal, failed transaction, break-up and similar fees, costs and expenses, if any; (m) costs and expenses of leverage or any other borrowings of the Funds, including, without limitation, interest charges and fees; (n) expenses incurred in the collection of monies owed to the Funds, as applicable; (o) auditing and accounting expenses of the Funds, including, without limitation, expenses associated with the preparation of financial statements, tax returns and Schedules K-1 and the fees and expenses of the auditor; (p) any entity level taxes, fees or other governmental charges on the Funds, including, without limitation, any withholding taxes not due to the status or noncompliance of a particular Investor; (q) costs and expenses associated with investor communications and reports and the delivery thereof to investors; (r) the costs of service providers or software to measure or monitor risk metrics, to aggregate positions and/or to provide reporting with respect to risk metrics and/or positions; (s) costs and expenses associated with meetings of the Investors; (t) insurance expenses; including, without limitation, directors’ and officers’ liability insurance, general partner liability insurance, errors and omissions insurance and other policies, if any; (u) costs and expenses (including, without limitation, entity-level taxes, fees or other governmental charges) associated with the formation, organization and operation of any subsidiary, special purpose vehicle, alternative investment vehicle, holding company, or similar entity formed with respect to investments, credit facilities or other transactions entered into for the benefit of the Funds; (v) wind-up, liquidation, termination and dissolution expenses; (w) costs, fees and expenses related to registration, qualification and/or exemption under any applicable U.S. federal, state, local or non-U.S. laws, rules or regulations, including, without limitation, blue sky fees, Form D, Form 8.3, CFTC filings and notices and other securities and/or investment-related filing expenses; (x) costs related to any transfers of interests in the Funds, unless otherwise charged to or borne by the applicable transferor and/or transferee; (y) expenses incurred in connection with the preparation of any amendment to the Funds’ governing documents and/or Offering Documents; (z) expenses incurred in connection with pursuing, defending or participating in any litigation, arbitration, mediation or similar proceeding by the Funds; (aa) any extraordinary expenses (including, without limitation, all litigation-related and indemnification and contribution expenses, including, without limitation, the amount of any judgment or settlement paid in connection therewith); (bb) the Management Fee; and (cc) all other fees, costs, charges and expenses associated with the business, affairs and/or operations of the Funds.

In general, each Investor will bear its proportionate share of the Fund expenses on a pro rata basis with respect to the size of such Investor’s capital account(s) or with respect to the relative net asset value of the shares held by such Investor, as applicable.

Notwithstanding the foregoing, the Fund general partner and/or the Firm, as applicable, may specially allocate the expenses described herein in any other manner, including by allocating certain expenses to certain (but not all) Investors, if the Fund general partner and/or the Firm, as applicable, reasonably determines, in its discretion, that it is more equitable to do so.

To the extent that expenses to be borne by the Funds are paid by the Firm or its affiliates, the Funds will reimburse the Firm or its affiliates for such expenses. We may waive any such reimbursement with respect to any Fund expenses. Any waiver by us for reimbursement of any Fund expenses shall not serve as a waiver of reimbursement for any future Fund expenses to be paid by us or our affiliates.

Neither the Firm nor its employees accept compensation, including sales charges or service fees, from any person for the sale of securities or other investment products.

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

We and our affiliates are entitled to a performance-based compensation. As a result, we and our affiliates do not face certain conflicts of interest that may arise when an investment adviser accepts performance-based fees from some clients, but not from other clients.

Performance-based allocation arrangements may create an incentive for us to recommend investments which may be riskier or more speculative than those which we would recommend under a different arrangement.

Item 7: Types of Clients

Our clients are the Funds, as described in Item 4 above, and the Funds are generally open to, among others, institutions, pension plans, endowments, high net-worth individuals, financially sophisticated individuals, and other sophisticated investors.

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

The descriptions set forth in this Brochure of specific advisory services that we offer to Clients, and investment strategies pursued and investments made by us on behalf of our Clients, should not be understood to limit in any way our investment activities. We may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that we consider appropriate, subject to each Client's investment objectives and guidelines as set forth in the Offering Documents. The investment strategies we pursue are speculative and entail substantial risks. Clients 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.

Investment Objective

The Firm's investment objective is to deliver superior total returns to the Limited Partners, comprised of current income and capital appreciation. The general partner through the Firm will pursue the investment objective by having the Fund make investments primarily in distressed credit, bankruptcy claims and litigation finance facilities, but the Fund may also make investments in special situation opportunities, including post-reorganization equity, in each case in a variety of industries and geographies primarily in the U.S. The Funds may also periodically invest or participate in transactions that result in the acquisition of assets that include, but are not limited to, bank loans, convertible securities, and public and private equity. An investment in the Funds will involve a high degree of risk. Accordingly, there can be no assurance that an Investor will not lose a portion or all of its investment.

Risk Management

The Firm employs a rigorous and unique analytical framework that combines private-equity styled, value-oriented, fundamental research (both top-down and bottom-up) with detailed legal due diligence that is embodied in its proprietary investment process. The Firm believes its process is scalable, proven and teachable. This process enables the Funds to conduct significant due diligence on individual companies and on overall industry dynamics from both a fundamental value lens, as well as through in-depth legal analysis. The Firm believes the Funds are well-positioned to invest in companies and assets at a substantial discount to intrinsic value and to be active in creating the catalysts for value maximization. The Funds believes their strategy is different from other distressed managers because the Fund will invest at attractive multiples of real free cash flow with a superior understanding of the legal agreements and interplay around: (i) the critical debt agreements governing the capital structure, (ii) the key legal agreements relevant to the operations of the business, and (iii) the related impact of bankruptcy laws and process.

The Firm is focused on reducing downside risk relying on the extensive due diligence embodied in its proprietary investment process and—as appropriate—hedging via suitable instruments. Importantly, the investment process is defined by the following key traits: (i) focus on investing at a conservative multiple of real cash flow; (ii) favor senior secured levels of the capital structure; and (iii) uncover and realize litigation and strategic leverage. These traits, when respected and heeded, can help the Fund safeguard precious capital.

The Firm and the Funds focus, where appropriate, on opportunities that are complex, uncovered or overlooked by others in the market as well as those that are not correlated with conventional performance indicators. Through this focus, the Firm intends to construct a portfolio of investments within its Clients that is insulated from the day-to-day swings in the global capital markets.

The Firm will seek to utilize strategic activism when it can act as a catalyst to create exits or price convergences that maximize value for its Clients. For every investment, the Firm expects to construct a strategic game plan that sets out potential actions for increasing situational leverage or directly unlocking unrecognized value. Often times, the Firm's strategic game plan may include litigation, forming or joining an ad hoc group, engaging publicly or privately with an issuer, and coordinating—as appropriate—with other market participants to influence outcomes.

Risk of Loss Factors

The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in the clients advised by us. These risk factors include only those risks we believe to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis employed by us.

An investment involves significant risks, and is suitable only for those persons who can bear the economic risk of the loss of their entire investment, who have limited need for liquidity in their investment, and who have met the conditions set forth in the Offering Documents. There can be no assurances that we will achieve our investment objectives. An investment carries with it the inherent risks associated with investments in publicly-traded stocks and bonds, options, and related instruments, including, without limitation, the risks described below.

Each prospective investor should carefully review the Offering Documents and the documents referred to herein before deciding to invest with Invictus.

High Risk Nature of Investments. The investments may involve a high degree of risk and can result in substantial losses or a total loss. These risks include, but are not limited to, investments in distressed credit, bankruptcy trade claims and litigation finance opportunities, and post-reorganization equity.

- Distressed Securities and Defaulted Credits. The Firm will invest, on behalf of its Clients, in securities of issuers in weak financial condition or default, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems, or involved in bankruptcy or reorganization proceedings. Investments of this type may involve substantial financial and business risks that can result in substantial or at times even total losses. Among the risks inherent in investments in troubled entities is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments also may be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability, and a court or tribunal's power to disallow, reduce, subordinate, or disenfranchise particular claims. The market prices of such securities are also subject to abrupt and erratic market movements and above-average price volatility, and the spread between the bid and asked 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 (which time-frame may be further protracted due to the delays associated with the coronavirus shutdown). In liquidation (both in and out of bankruptcy) and other forms of corporate reorganization, there exists the risk that the reorganization either will be unsuccessful (due to, for example, failure to obtain requisite approvals), will be delayed (e.g., until various liabilities, actual or contingent, have been satisfied) 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 Funds of the security in respect to which such distribution was made.
- Debt Instruments, High-Yield and Distressed Credit Instruments. The debt instruments in which the Funds will invest may be subject to price volatility due to various factors including, but not limited to, changes in interest rates, market perception of the creditworthiness of the issuer and general market liquidity. In particular, the Funds will invest in non-investment grade debt securities, which are typically subject to greater market fluctuations and risks of loss of income and principal than lower yielding, investment grade securities and are often influenced by many of the same unpredictable factors which affect equity prices. In addition to the sensitivity of debt securities to overall interest-rate movements, debt securities involve a fundamental credit risk based on the issuer's ability to make principal and interest payments on the debt it issues. The investments in debt instruments may experience substantial losses due to adverse changes in interest rates and the market's perception of any particular issuer's creditworthiness, which may inhibit such issuer's ability to refinance, restructure or otherwise experience recovery. The Funds also will invest in certain hybrid debt arrangements, which are subject to risks in addition to the conventional risks of general interest-rate movements and the issuer's ability to pay the debt in accordance with its terms.

Specifically, the Funds may invest in high-yield and distressed credit instruments. High-yield and distressed securities exhibit high mark-to-market volatility require extensive due diligence and medium- to long-term holding periods, are generally illiquid and demand constant monitoring and carefully engineered exit strategies. These instruments are subject to substantial risk of default, bankruptcy, moratorium, etc., as they are by definition issued by or referenced to issuers in precarious and often declining financial condition. Valuing high-yield and distressed credit instruments is an inherently uncertain process due to the lack of available market prices and the uncertain financial condition of the issuers (and the lack of reliable information concerning such issuers' financial condition). The mis-pricings on which the Fund will attempt to capitalize in its investing reflect both the risk and the uncertainty of high-yield and distressed investments.

- Bank Loans. The Funds may invest in loans and participations therein originated by banks and other financial institutions. These investments may include highly leveraged loans to borrowers whose credit is rated below investment grade. Such loans are typically private corporate loans that are negotiated by one or more commercial banks or financial institutions and syndicated among a group of commercial banks and financial institutions. In order to induce the lenders to extend credit and to offer a favorable interest rate, the borrower often provides the lenders with extensive information about its business that is not generally available to the public. To the extent that the Fund obtains such information and it is material and nonpublic, the Fund will be unable to trade in the securities of the borrower until the information is disclosed to the public or otherwise ceases to be material, nonpublic information.

The Funds may invest directly or through participations in loans with revolving credit features or other commitments or guarantees to lend funds in the future. A failure by the Funds to advance requested funds to a borrower could result in claims against the Funds and in possible assertions of offsets against amounts previously lent.

The Funds may acquire interests in bank loans and other debt obligations either directly (by way of sale or assignment) or indirectly (by way of participation). The purchaser of an assignment typically succeeds to all the rights and obligations of the assigning institution and becomes a lender under the credit agreement with respect to the debt obligation; however, its rights can be more restricted than those of the assigning institution. A participation interest in a portion of a debt obligation typically results in a contractual relationship with only the institution acting as a lender under the credit agreement, not with the borrower. As a holder of a participation interest, the Funds generally will have no right to exercise the rights of the lender under the credit agreement, including the right to enforce compliance by the borrower with the terms of the loan agreement, approve amendments or waivers of terms, nor will the Funds have any rights of set-off against the borrower, and the Funds may not directly benefit from the collateral supporting the debt obligation in which it has purchased the participation. As a result, the Funds will be exposed to the credit risk of both the borrower and the institution selling the participation.

- Trade and Other General Unsecured Claims. The Funds may acquire interests in claims of trade creditors and other general unsecured claim holders of a debtor ("Trade Claims"). Trade Claims generally include, but are not limited to, claims of suppliers for goods delivered and for which payment has not been made, claims for unpaid

services rendered, claims for contract rejection and claims related to litigation. Trade claims are typically unsecured and may, in unusual circumstances, be subordinated to other unsecured obligations of the debtor. The repayment of Trade Claims is subject to significant uncertainties, including potential set-off by the debtor, characterization of “preferences” in bankruptcy as well as the other uncertainties described herein with respect to other distressed debt obligations.

- Equities. The Funds may invest its capital in long and short positions in equities, deferred interest obligations and other investments which do not produce current income for the Funds. Equity prices are directly affected by issuer-specific events, as well as general market conditions. In addition, in many countries investing in equity is subject to heightened regulatory and self-regulatory scrutiny as compared to investing in debt or other financial instruments.
- Event-Driven Special Situations. The Firm’s strategy will, from time to time, involve investments in “event-driven” special situations such as a lack of market transparency or liquidity, recapitalizations, spinoffs, corporate and financial restructurings, litigation or other catalyst-orientated situations. Investments in such securities are often difficult to analyze. The general partner or/and the Firm could be incorrect in their assessment of the nature or magnitude of the factors that have caused this dislocation, the quality of the investment’s fundamental assets or the scope of the investment’s liabilities, the downside risk associated with an investment, and/or the Fund’s ability to exit the position in a timely and profitable fashion, thus resulting in a significant loss. Although the Fund intends to utilize appropriate risk management strategies, such strategies cannot fully insulate the fund from the risks inherent in their planned activities. Moreover, in certain situations, the Funds may be unable to, or may choose not to, implement risk management strategies because of the costs involved or other relevant circumstances.
- Securities Issued Outside the United States. The Funds will trade and invest in securities of companies domiciled or operating outside of the United States. Investing in these securities involves considerations and possible risks not typically involved in investing in securities of companies domiciled and operating in the United States, including instability of some governments, the possibility of expropriation, limitations on the use or removal of funds or other assets, changes in governmental administration or economic or monetary policy (in the United States or abroad) or changed circumstances in dealings between nations. The application of tax laws applicable outside the United States (e.g., the imposition of withholding taxes on interest payments, income taxes and excise taxes) or confiscatory taxation may also affect the investments (which will be made almost exclusively outside the United States). The Funds may incur higher expenses with respect to investments made outside the United States compared to investing in United States securities because of the costs incurred in connection with conversions between various currencies and the fact that brokerage commissions outside the United States may be higher than commissions in the United States. Non-United States markets also may be less liquid, more volatile and less subject to governmental supervision than in the United States.

The investments could be adversely affected by other factors not present in the United States, including lack of uniform accounting, auditing and financial reporting standards and potential difficulties in enforcing contractual obligations. The Funds may be subject to a number of risks, including inadequate investor protection,

contradictory legislation, incomplete, unclear and changing laws, unknowing 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, and lack of enforcement of existing regulations. This difficulty in protecting and enforcing rights may have a material adverse effect on the Funds and its operations. Furthermore, it may be difficult to obtain and enforce a judgment in a court outside of the U.S. regulatory controls and corporate governance of companies may confer little protection on investors. For example, anti-fraud and anti-insider trading legislation, and the concept of fiduciary duty, may be less developed or limited.

- Derivatives. The Funds may utilize derivatives (including exchange-traded and over-the-counter futures, options and swaps) for hedging purposes. Derivatives can involve certain special risks, including market, counterparty, operational and liquidity risk, may be volatile and can expose the Funds to a high risk of loss and well as loss in excess of any margin deposited for purposes of the hedge. The Funds may also be exposed to the risk of a counterparty defaulting under a derivative contract and therefore exposed to risk of losses in the event of the bankruptcy of a derivatives counterparty. In addition, there may be an imperfect correlation between the hedging instruments and the Investment or market sectors being hedged. To the extent that over-the-counter derivatives are used, it may not be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. Such risks are still greater with respect to non-U.S. securities or transactions with non-U.S. counterparties. While such derivatives may be employed to hedge against currency rate fluctuations, it is not possible to hedge fully or perfectly against such risks because the value of the securities or investments denominated in a non-U.S. currency is likely to fluctuate as a result of a number of factors not limited to currency fluctuations. Costs associated with employing hedges may reduce the returns that the Funds otherwise would have achieved had it not entered into these transactions and may expose the Funds and its investments to significant risk of loss

Apart from the specific risks relating to portfolio companies involved in different strategies identified above, these portfolio companies may operate at a loss and may need substantial additional capital in order to develop their products, support expansion or to achieve or maintain a competitive position. There can be no assurance that a financing source will be available for portfolio companies when needed, or whether it will be available on favorable terms, or at all. In addition, other general business risks, such as the effects of a nationwide or regional recession, may reduce the profitability of such portfolio companies, which would result in a decrease in the value of the Investment. As a result, the financial risks associated with these investments are significant.

General Risks Associated with Credit Strategies. The Funds will invest in credit instruments issued by distressed and bankrupt issuers, including debt obligations that are in covenant or payment default. Evaluating reorganizations and bankruptcies can be a complex, time consuming and expensive process that requires specialized expertise. Although these investments have the potential to achieve significant returns, they involve a high degree of risk, and may fail to show any return for a considerable period of time or result in substantial or complete loss. There is no assurance the Firm will accurately evaluate the prospects for a profitable return on the investments and that the Firm will predict with confidence what, if any, exit points exist for many of the Funds' positions. As it is impossible to predict how much of an identified mis-valuation the market will rectify over any given period of time; thus it will

be correspondingly difficult to determine how long to hold (and finance) certain positions. While exit from distressed trading strategies may come through recovery and/or appreciation and subsequent sale in financial markets, other means of exit take alternate and sometimes suboptimal forms, including, but not limited to: (a) a refinancing, sometimes providing for redemption of positions held by the Funds; (b) reset terms and conditions, including but not limited to a longer tenure and/or a diminished coupon; (c) conversion of debt instruments to further subordinated debt, hybrid, or equity securities; (d) sale of the entire company to a strategic or financial buyer; (e) government nationalization; (f) liquidation of assets or creation of liquidation trusts for assets; and (g) cash settlement of claims from others involved in restructuring.

Certain exit strategies may go beyond the expected tenure of the trading strategy and adversely impact liquidity, volatility and pricing. Many events within a bankruptcy case are adversarial and often beyond the control of creditors. There can be no assurances that the Funds will be able to adequately exercise and/or enforce its full rights under the stated terms of its investments, or that any actions taken by the Funds will be either beneficial or not harmful to final recovery value. In some situations, the market of available dealers for distressed positions may constrict and could impact the willingness to purchase or repurchase at an expected or modeled fair market value. Consequently, the Funds may sometimes exit positions at times or under conditions different than initially anticipated and accept substantial losses.

Relative Value Trading Risks. Certain positions taken by the Funds may employ relative value strategies. The success of these strategies is dependent on the Firm's ability to exploit relative mis-pricings among interrelated instruments. Although relative value positions are considered to have a lower risk profile than directional trades as the former attempt to exploit price differentials not overall price movements, relative value strategies are by no means without risk. Mis-pricings, even if correctly identified, may not converge within the time frame within which the Fund maintains its positions. Even true "riskless" arbitrage — which is rare — can result in significant losses if the arbitrage is not able to be sustained (due, for example, to margin calls) until expiration, and few, if any, Funds' positions will constitute true arbitrage as opposed to relative value trades. The Funds' relative value strategies are subject to the risks of disruptions in historical price relationships, the restricted availability of credit and the obsolescence or inaccuracy of its or third-party valuation models. Market disruptions may also force the Funds prematurely to close out one or more positions. These disruptions have in the past resulted in substantial losses for funds employing relative value strategies.

A major component of relative value trading involves spreads between two or more positions. To the extent the price relationships between such positions remain constant, no gain or loss may occur. Such positions do, however, entail a substantial risk that the price differential could change unfavorably and, if leveraged, result in increased losses. In addition, changes in the shape of the yield curve can cause significant changes in the profitability of hedging or spreading operations.

Directional Trading. Certain positions taken by the Funds may be designed to profit from forecasting absolute price movements in a particular instrument or asset class. Predicting future prices is inherently uncertain and the losses incurred, if the market moves against a position, will often not be hedged. The speculative aspect of attempting to predict absolute price movements is generally perceived to exceed that involved in attempting to predict relative price fluctuations.

Hybrid and Other Strategies. Many strategies executed by the Firm may combine elements of more than one of the foregoing general strategy types. Often, in the course of implementing a particular strategy an opportunistic trade representing a different trading approach will be made. For example, in seeking to identify a relatively mispriced pair of assets, the Firm may conclude that an asset is sufficiently over- or underpriced to merit taking an outright directional position.

The Firm's approach may combine a range of different investing techniques, implementing different strategies in different markets as well as combining different strategies, in the same or related markets.

The Firm will continually develop new, and adapt and refine existing, strategies. Within the limitation of the Client's concentration on credit strategies, there is no material limitation on the strategies that the Firm may apply and no assurance as to which types of strategies may be applied at any one time.

Default Risk. It is generally anticipated that conventional debt will be paid as due, barring unexpected developments. Nonetheless, there exists the risk of default. Default in the payment of interest or principal on a debt results in a reduction in income to the Funds, a reduction in the value of the debt and a potential decrease in the Funds' net asset value. The risk of default increases in the event of an economic downturn or a substantial increase in interest rates. An increased risk of default could result in a decline in the value of debts and in the Funds' net asset value.

The Firm will attempt to reduce default risk through diversification and research (both on a country-by-country and issuer-by-issuer basis). The Firm recognizes that economic disruptions in a country in which the Funds are invested may lead to a material, if not complete, loss on the Investment in that economy. The Funds may suffer from major defaults in the countries in which it is invested. The Firm will diversify country risk by investing in a number of different countries and will attempt to position the Funds' portfolio so as to reduce the risk of "domino effect" defaults across related economies. However, the Firm has no means of predicting where political or economic unrest will develop.

Lack of Effective Security Interests. Certain higher risk debt investors make a policy of acquiring only secured debt so that they have good assurances of receiving back their principal even in the event of a default. In the case of the Funds, on the other hand, the Firm recognizes that certain instruments may not be paid in full and, in fact, may be a complete loss. In addition, when the Funds hold participations in a loan or exposure to a credit through a structured product, the Funds may not have the right to vote for or waive enforcement of any default by an obligor, and/or the selling institution may not consider the interests of the Funds in connection with its actions.

Material Exchange-Rate Risk in the Fund's Trading. The Firm expects that the Funds will invest in some instruments which are not denominated in U.S. dollars. While the Funds may hedge a certain amount of the exchange-rate risk of such instruments, it will often not be economically feasible or simply not possible to fully hedge such exchange-rate risks. The Funds may be subject to material exchange-rate risk.

Risks in Effecting Operating Improvements. The Firm may from time to time attempt to exert management control over the reorganization process of portfolio companies. Active

management is unusually resource-intensive and the Firm's limited resources may put it at a competitive disadvantage.

In some cases, the success of the Investment strategy will depend, in part, on the ability of the Funds to restructure and effect improvements in the operations of a portfolio company. Emerging companies typically need entrepreneurial talents, while more mature companies require a higher level of infrastructure and managerial coordination. The ability of the management of the portfolio companies to accept and complete difficult transitions that occur as such portfolio companies mature is difficult to predict. The activity of identifying and implementing restructuring programs and operating improvements at portfolio companies entails a high degree of uncertainty. There can be no assurance that the Funds will be able to successfully identify and implement such restructuring programs and improvements.

Potential Lack of Control. The Funds may hold a minority ownership position in one or more portfolio companies and, as a minority shareholder, the Funds may not be able to elect a majority of the board of directors that will direct the business and affairs of such portfolio company, including (i) when, whether or how to obtain additional financing for such portfolio company; (ii) dividend policy; (iii) compensation arrangements; (iv) election of officers and (v) exit or liquidation strategies. In particular, the Fund's ability to liquidate its investments in portfolio companies will likely be limited because, in most cases, the issuers thereof will be privately held, and the Funds may only own a relatively small percentage of a portfolio company's outstanding securities.

Recycling and Reinvestments. Investment proceeds may be recycled into new initial investments during the Investment Period. Proceeds from the sale or other disposition of investments in one or more additional targets and investment opportunities that are distributed during the Investment Period may be deemed by the general partner to be added to remaining capital commitments and made available for drawdowns throughout the term of the Funds. Accordingly, a Limited Partner may be required to fund for investments in an aggregate amount more than its capital commitment during the term of the Funds, and to the extent such recalled or retained amounts are reinvested in investments, an Investor will remain subject to investment and other risks associated with such investments. If recalled or retained amounts are lost, such loss would offset at least a portion of any gains that may have been realized from prior investments of the Funds, and it is possible that any such loss could exceed any such prior gains, thereby resulting in a possible loss of at least a portion of the Limited Partners' investments in the Funds.

Long-Term and Illiquid Nature of the Investments. The Firm and the general partner expect that it may take several years for the Funds to be fully invested. Each Investment may take several years to reach a state of maturity that permits realization on the investment. It is likely that significant returns may not occur for a number of years after a Fund's initial investment, except for any current income component of any investment.

Sales also may be limited by securities market conditions, which may be unfavorable for sales of securities of particular issuers or issuers in particular industries. The above limitations on liquidity of the investments in portfolio companies could prevent a successful sale thereof, result in delay of any sale or reduce the amount of proceeds that might otherwise be realized. Even in the cases where the securities of a portfolio company are or may become publicly traded, it is anticipated that virtually all of the investments in the securities of a portfolio company will consist of securities that are subject to restrictions on resale pursuant to federal securities laws.

Need or Opportunity for Additional Investments in Issuer. Following an initial investment in the securities of a portfolio company, a Fund may be called upon to provide additional funds to such portfolio company. There is no assurance that a Fund will have sufficient funds to make such an investment or, if available, that a Fund will not be prohibited from making such investment. Any decision by a Fund not to fund a commitment or any inability on its part to make an investment may have a substantial negative impact on a portfolio company in need of such an investment and on the value of the Fund's original investment or may result in the loss of an opportunity for the Fund to increase its participation in a successful operation and may dilute the Fund's equity interest in or reduce the expected return on its investment.

Co-Investment Opportunities. The Funds may have capacity to offer co-investment opportunities where a particular Fund investments may only be appropriate for the Fund at a certain scale due to investment restrictions, portfolio construction or other strategic reasons. As a result, the Firm may have a role in sourcing additional capital for such co-investment opportunities from certain Investors, strategic parties or other persons, but it is unlikely that such opportunities would be offered to all the Investors. Investing in a Fund does not entitle any Investor to allocations of co-investment opportunities. In allocating such co-investment opportunities, the Firm may consider some or all of a wide range of factors. The general partner is required to seek the approval of the Advisory Committee where a potential co-investment opportunity with respect to a Fund investment has been identified but where the Fund has not yet exceeded its investment concentration limits (per investment and geographical limits established in the Master Fund Partnership Agreement). In such event, members of the Advisory Committee may represent Investors with conflicting interests, including Investors that seek co-investment opportunities themselves. In addition, a Fund may co-invest with third parties through partnerships, joint ventures or other entities or arrangements, which, in certain circumstances, may subject a Fund to liability for actions of its third-party co-venturer or partner through which a co-investment may be made. There is no assurance that any of these potential or actual conflicts will be resolved in favor of the Fund. If required by the Fund Agreements or applicable law, the general partner will submit such conflicts to the Advisory Committee for resolution, but Limited Partners represented on the Advisory Committee itself may also have conflicts relative to other Limited Partners.

Each co-investment opportunity is likely to be different and the allocation of any such opportunity will be dependent upon the facts and circumstances specific to that opportunity (e.g., timing, industry, size, geography, asset class, projected holding period, exit strategy and counterparty). Except as the general partner may otherwise agree in a side letter offering preferential co-invest rights to a Limited Partner, the general partner will have sole and absolute discretion to determine if and to what extent an investment opportunity gives rise to any co-investment opportunity and will not have any obligation to re-offer any co-investment opportunity that was not taken up by Limited Partners, regardless of any subsequent change to the circumstances, terms, value, size or timing of the relevant co-investment.

Participants in any co-investment opportunity, including any co-investment vehicle formed by the general partner or its affiliate, will be expected to bear expenses (and any taxes thereon) with respect to such co-investments, including broken deal expenses related thereto, except as the general partner may otherwise agree. To the extent a co-investor does not bear its pro rata share of expenses relating to a co-investment, any such expenses may be borne by the Funds.

Item 9: Disciplinary Information

To the best of our knowledge, there are no legal or disciplinary events that are material to an Investor's or prospective investor's evaluation of our advisory business or the integrity of our management.

Item 10: Other Financial Industry Activities and Affiliations

Neither we nor our management persons are registered as broker-dealers, and neither of us has any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer, respectively.

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

Code of Ethics

Invictus has adopted a “**Code of Ethics**” that establishes the high standard of conduct that we expect of our employees and procedures regarding our employees’ personal trading of securities. Our employees are required to certify their adherence to the terms set forth in the Code of Ethics upon commencement of employment and annually thereafter. Employees also are required to provide quarterly certifications of compliance with certain Code of Ethics provisions.

The foundation of our Code of Ethics is based upon the following underlying fiduciary principles:

- Employees must at all times place the interests of the Funds and Investors first;
- Employees must ensure that all personal securities transactions are conducted consistent with the Code of Ethics’ Employee Personal Investment Policy (described below); and
- Employees should not take inappropriate advantage of their position at the Firm.

Employees are permitted to maintain personal brokerage accounts for the purpose of trading “**Reportable Securities**” (as defined in the Code of Ethics, and which includes a wide variety of investments such as stocks, bonds, fixed income, options, warrants, futures, and derivatives). Employees are prohibited from participating in Initial Public Offerings (“**IPOs**”) and limited offerings or other private investments without pre-approval from the CCO. Employees are also prohibited from personally, or on behalf of a Client, purchasing or selling securities that appear on the Firm’s Restricted List.

Employees must also obtain pre-approval from the CCO before engaging in any outside business activities.

We will provide a copy of our Code of Ethics to our Investors, or any prospective investor, upon request, to be viewed on the premises.

Item 12: Brokerage Practices

Invictus is authorized to determine the broker-dealer to be used for executing securities transaction for the Funds. In selecting broker-dealers to execute transactions, we do not need

to solicit competitive bids and do not have an obligation to seek the lowest available commission cost. It is not our practice to negotiate “execution only” commission rates; therefore, the Funds may be deemed to be paying for research, brokerage or other services provided by the broker which are included in the commission rate.

We shall also have the authority to select and appoint custodians of the assets of certain Clients. The Firm’s authority is limited by its own internal policies and procedures and each Client’s investment guidelines.

Best Execution

In selecting an appropriate broker-dealer to effect a client trade, we seek to obtain “**Best Execution**,” meaning generally the execution of a securities transaction for a client in such a manner that a client’s total costs or proceeds in the transaction are most favorable under the circumstances. Accordingly, in seeking Best Execution, we will take into consideration the price of a security offered by the broker-dealer, as well as a broker-dealers’ full range and quality of their services including, among other things, their facilities, reliability and financial responsibility, execution capability, commission rates, responsiveness to us, brokerage and research services provided to us (for example, research ideas, analysis, and investment strategies), special execution and block positioning capabilities, clearance, and settlement and custodial services.

Soft Dollars

The Firm may use “**Soft Dollars**”. In such cases, Soft Dollar credits, generated by the Fund’s trading activities, would be used to purchase brokerage and research services or products that would otherwise have been Fund expense. We intend to keep any such arrangements within the parameters of the safe harbor of Section 28(e) of the Exchange Act.

Neither Invictus nor any related person receives client referrals from any broker-dealer or third party. However, subject to best execution, we may consider, among other things, capital introduction and marketing assistance with respect to Investors in the Funds in selecting or recommending broker-dealers for the Funds.

The provision by a broker of research and other services and property to us creates an incentive for us to select such broker since we would not have to pay for such research and other services and property as opposed to solely seeking the most favorable execution for a client. Any research, services or property provided by a broker may benefit any client and such benefits may not be proportionate to commission dollars related to the provision of such research, services or property.

Item 13: Review of Accounts

Our Portfolio Manager and investment professionals continuously monitor and analyze the transactions, positions, and investment levels of the Fund to ensure that they conform with the investment objectives and guidelines that are stated in the Fund’s Offering Documents. In these reviews, the Firm pays particular attention to any changes in the investment’s fundamentals, overall risk management and changes in the markets that may affect price levels.

Account Reporting

We perform various periodic reviews of each client's portfolio. Such reviews are conducted by our officers.

We will distribute an audited financial report with respect to the previous fiscal year to all Investors within 120 days of fiscal year end. We may also distribute quarterly unaudited net asset value statements, quarter-end performance reports, and a quarterly investor letter to all Investors.

Item 14: Client Referrals and Other Compensation

We do not receive economic benefits from non-clients for providing investment advice and other advisory services.

Placement agents, including solicitors, who refer investors to Invictus's Funds, are paid separately by Invictus. Such placement agents may include, but are not limited to, Oakpoint Solutions, LLC, certain affiliates of the brokers of certain Clients, as well as other placement agents. To the extent permitted by applicable law (including ERISA), the Clients are expected to indemnify such placement agents under certain circumstances.

The potential for placement agents to receive (directly or indirectly) compensation in connection with the investors' subscriptions for interests in Invictus Funds and Third Party Funds creates a conflict of interest in recommending that the potential investors purchase such interests.

Compensation to placement agents, if any, will be in accordance with Rule 206(4)-3 under the Advisers Act.

Item 15: Custody

We are deemed to have custody of Client funds and securities because we have the authority to obtain Client funds or securities, for example, by deducting advisory fees from a Client's account or otherwise withdrawing funds from a Client's account. Account statements related to the Clients are sent by the Funds' Administrator.

We comply with Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended (the "**Advisers Act**") (i.e., the "custody rule") by meeting the conditions of the pooled vehicle annual audit approach. Upon completion of the relevant Fund's annual audit by an independent auditor that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board (PCAOB), we will distribute the Fund's audited financials to Investors within 120 days of such Fund's fiscal year end.

Item 16: Investment Discretion

We have full discretionary investment authority with respect to the Funds, including authority to make decisions with respect to which securities to be bought and sold, as well as the amount and price of those securities.

Item 17: Voting Client Securities

In compliance with Rule 206(4)-6 of the Advisers Act (i.e., the “proxy voting rule”), we have adopted proxy voting policies and procedures. The general policy is to vote all proxy proposals, amendments, consents or resolutions (collectively, “**Proxies**”) in a prudent and diligent manner that will serve the applicable Client’s best interests and is in line with the Client’s investment objectives.

We may take into account all relevant factors, as determined by us in our discretion, including, without limitation:

- the impact on the value of the securities or instruments owned by the relevant client and the returns on those securities;
- the anticipated associated costs and benefits;
- the continued or increased availability of portfolio information; and
- industry and business practices.

Generally, clients may not direct our vote in a particular solicitation.

Clients may obtain a copy of our Proxy voting policies and our Proxy voting record upon request.

Item 18: Financial Information

We are not required to include a balance sheet for our most recent fiscal year, are not aware of any financial condition reasonably likely to impair our ability to meet contractual commitments to Clients, and have not been the subject of a bankruptcy petition at any time during the past ten years.