

Item 1: Cover Page

JB Investments Management, LLC

PART 2A OF FORM ADV: FIRM BROCHURE ("Brochure")

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This brochure provides information about the qualifications and business practices of **JB Investments Management, LLC**. If you have any questions about the contents of this brochure, please contact **Alex Bentley, Chief Compliance Officer at (610) 917-8717 or alex.bentley@jbinvests.com**. JB Investments Management, LLC is an investment adviser registered with the United States Securities and Exchange Commission ("**SEC**") under the Investment Advisers Act of 1940, as amended (the "**Advisers Act**").

The information in this brochure has not been approved or verified by the SEC or by any state securities authority. Registration with the SEC does not imply a certain level of skill or training.

Additional information about JB Investments Management, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

This Brochure has been prepared in connection with JB Investments Management, LLC's ("**JBIM**," the "**Firm**," or the "**Adviser**" or "**Manager**") annual amendment to Form ADV for the fiscal year ending December 31, 2022. Since the last Other-than-Annual amendment to Form ADV dated May 4, 2022, there have been the following material changes made to this Brochure:

- **Item 5: Fees and Compensation** has been updated to reflect current Client fees and compensation.
- **Item 6: Performance Based Fees** has been updated to reflect current Client performance fees.
- **Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss** has been updated to reflect the Firm's new methods of analysis, investment strategies, and risk of loss.
- **Item 10: Other Financial Industry Activities and Affiliations** has been updated to reflect the Firm's relationship with J. Alden Associates, Inc. and Coronado Investments, LLC.
- **Item 14: Client Referrals and Other Compensation** has been updated to reflect the Firm's relationship with J. Alden Associates, Inc. and Coronado Investments, LLC.

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Item 4: Advisory Business

Item 4.A.

JBIM is a Delaware limited liability company, established on June 30, 2005, with its principal place of business in Phoenixville, Pennsylvania. JBIM is wholly owned by Brian Riley.

JBIM serves as investment manager to privately offered pooled investment vehicles in a master-feeder structure wherein the feeder funds (each a “**Feeder Fund**” or “**Feeder**”) place substantially all their assets in the master fund (each a “**Master Fund**” or “**Master**”) and the investment program is conducted at the Master Fund level (the Master Fund and Feeder Fund will be referred to herein collectively as a “**Fund**” or “**Funds**”). Each Master Fund is exempt from registration as an investment company under the Investment Company Act of 1940, as amended (the “**Investment Company Act**”), in reliance upon one or more exclusions or exemptions thereunder.

Each Master Fund is typically structured as a limited partnership and is governed by a general partner (each a “**General Partner**”). Each General Partner is an affiliate of JBIM and is controlled by Brian Riley. Feeder Funds are typically incorporated as Exempt Companies with limited liability under the Cayman Islands Companies Law (as revised) and are governed by a Board of Directors (the “**Directors**”). Each Feeder Fund will invest substantially all its assets in its respective Master Fund and participate as a limited partner of the Master Fund.

Moreover, investors subscribing for interests (hereinafter “**Subscribers**”) in a Master Fund or Feeder Fund are not Clients of the Manager; rather, the Master Fund and Feeder Fund are “**Clients**” of the Manager.

Capitalized terms not defined herein may be found in the relevant Fund’s Offering Documents.

Item 4.B.

JBIM provides investment advisory services or portfolio management services to the Funds based on the particular investment objectives and strategies described in the relevant Fund’s confidential private offering (or placement) memorandum (“**PPM**”), limited partnership agreement (“**LPA**”) and, with respect to the Feeder Funds, the Memorandum of Association and Articles of Association (the “**Mems and Arts**”; together with the PPM and LPA, the “**Offering Documents**”). Subscribers directly invested in Master Funds, together with corresponding Feeder Funds, make up the limited partners of the Funds (“**Limited Partners**”).

Each Fund’s investment objective seeks to take advantage of compelling opportunities arising from the process of *Structural Change*. Funds intend to take a limited number of concentrated, high-conviction positions, primarily investing in public debt and equity securities, although they may also make investments in privately held companies or structure Private Investments in public companies.

Item 4.C.

JBIM’s investment management and advisory services to the Funds are provided pursuant to the terms of the Offering Documents and Subscribers to the Funds cannot obtain services tailored to their individual specific needs.

Item 4.D.

JBIM does not participate in a wrap fee program.

Item 4.E.

As of December 31, 2022, JBIM manages approximately \$824,491,000 in Client (Fund) assets on a discretionary basis. JBIM does not manage any Subscriber's assets on a non-discretionary basis.

Item 5: Fees and Compensation**Item 5.A.**

The fees and expenses associated with an investment in the relevant Funds are described in detail in the Funds' Offering Documents. JBIM may, in its sole discretion, manage other funds with higher or lower fees, different fee structures and different expense payment arrangements than the described in a Fund's Offering Documents.

JBIM will receive a management fee that is generally calculated as a percentage based on capital commitments through the investment period and, thereafter, based on invested capital of the Fund. JBIM reserves the right to waive or reduce the management fee for certain Subscribers including employees, JBIM-affiliated Feeder funds, Subscribers in a Feeder Fund, or affiliates of JBIM.

The current Funds offer two series of a single class of interests: Founder Series Interests ("Founder Interests") and Series A Interests ("Series A Interests"). The Management fee rate is 0.50% per annum for Founder's Interests and 1.25% per annum for Series A Interests. The management fees are typically paid by the Fund's monthly equivalent to one-twelfth the annual rate, in arrears.

The General Partners or an affiliate of JBIM are also entitled to receive performance-based from each Limited Partner's Basic Memorandum Account, also known as incentive fees. The Incentive Allocations are allocated in a progressive tiered structure that ranges between 17.5% and 45%, following an European-style distribution waterfall. A detailed description of the carried interest calculation is further described in the Offering Documents. Generally, carried interest is calculated based on a percentage of capital appreciation calculated at the end of each calendar month, and is subject to a recoupment of allocated losses, fees and expenses, preferred rate of return, and other criteria set forth in the relevant Offering Documents.

For Feeder Funds, its pro rata share of the management and incentive fee as Limited Partners of the Master Fund will be passed on to its Subscriber's Memorandum Account equal to the product of the applicable fee rate and the balance of the Memorandum Account of each Subscriber.

Finally, Subscribers purchasing Founder Interests are subject to a separate Administrative Fee and may be subject to a separate Subscription Fee, as more fully described in the Offering Documents. It is important to note that the payment of Administrative or Subscription Fees will not reduce a Subscriber's capital commitment to the Funds.

Item 5.B.

JBIM is authorized to deduct management fees, if any, from drawdowns of the Limited Partners' unfunded capital commitments or from proceeds of portfolio investments. Carried interest will be distributed from investment proceeds.

Item 5.C.

The expenses listed here are fees and expense borne by Limited Partners of the Master Fund. In the case of Funds subject to master-feeder structures, the Feeder Fund will bear its prorated portion as Limited Partners of the Master Fund. The shareholders of Feeder Funds will be allocated those fees and expenses on a pro rata basis. In addition to the expenses and fees of the Master Fund, shareholders of the Feeder Fund will bear all costs and expenses associated with the formation, organization, and operation of the Feeder Fund.

Other Fees and Expenses

In addition to paying investment management fees and performance-based compensation, the Funds (and, indirectly, the Subscribers therein) will pay such additional expenses as are disclosed in the Funds' applicable Offering Documents. The Funds will reimburse the General Partner and/or JBIM for the Funds' and its affiliated entities' organizational and start-up expenses (as further set forth in the Offering Documents). These organizational expenses include travel, printing, legal, capital, raising, accounting, regulatory compliance, and related rules and legislation including, any law, rule or regulation relating to the implementation thereof in any relevant jurisdiction or any similar law, any administrative or other filings, and other organizational expenses.

Additionally, fund-borne expenses include, all other fees, costs, expenses, liabilities and obligations relating to the Fund and/or its activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company or potential portfolio company), including but not limited to all fees, costs, expenses, liabilities and obligations relating or attributable to: (i) the Management Fee, the Administrative Fee, and the Subscription Fee (each as defined in the relevant Offering Documents); (ii) expenses incurred in buying, structuring, negotiating, holding and selling or otherwise disposing of securities and other investments, including, brokerage commissions, transactional fees and expenses (including fees and expenses related to potential purchases and sales of securities and other investments, even if not consummated), indebtedness of, or guarantees made by, the Fund, the Manager or the General Partner on behalf of the Fund (including any Credit Facility, letter of credit or similar credit support), including repayment of principal and interest with respect thereto, or seeking to put in place any such indebtedness or guarantee, external research expenses, soft dollar expenses, custody and transfer fees, expenses of currency and other hedging transactions, investment-related travel expenses, the costs of preparing and filing reports to regulatory authorities relating to the Fund's investments, the costs of proxy or corporate control contests, broken-deal fees and the costs of any litigation, arbitration or other proceeding relating to the Fund's investments (including legal fees and the amounts of any judgments or settlements), fees and expenses related to obtaining, processing and analyzing research or market data that may be considered "big data" or "alternative data", brokerage, prime brokerage and futures commission merchant fees, commissions and expenses; (iii) ongoing offering fees and expenses (including costs and expenses associated with preparing amendments to the Offering Documents and periodic updates to the Funds' Offering Documents), fees and expenses of banks, custodians, administrators (including all fees and expenses charged by, or relating to, the Fund's third-party Administrator, SS&C Technologies Holdings, Inc., or such other third-party administrator selected

by the General Partner), legal counsel, third-party regulatory, compliance and/or administrative consultants, independent public accountants, external valuers and appraisers of illiquid assets (if any), providers of tax-related services, external risk management service providers, investment bankers; (iv) out-of-pocket costs of meetings with, and the preparation, reproduction and mailing of annual financial statements, Fund tax returns and other reports to the Limited Partners; (v) subject to such exceptions as may be expressly set forth in the Offering Documents, any taxes, fees or other governmental charges levied against the Fund or its income or assets; (vi) proportionate share of insurance expenses, including, without limitation, premiums for cybersecurity insurance and liability insurance covering the General Partner, the Manager and the members, partners, officers, employees and agents of any of them; (vii) expenses incurred in connection with negotiating and complying with provisions of any side letter, and expenses incurred in connection with any transfers of Interests or a Subscriber's admission or withdrawal, unless otherwise charged to or borne by the applicable transferee or Subscriber (viii) indemnification expenses and other extraordinary fees and expenses (such as those associated with litigation and threatened litigation); (ix) Placement Fees, and (x) the costs of winding up and liquidating the Fund.

JBIM will bear its own operating, general, administrative, and overhead costs and expenses, other than the expenses described above. Additionally, all fees and expenses relating to any placement agent engaged in connection with the Fund will be borne solely by the Manager. Any placement agent fees paid by the Fund will be fully reimbursed by the Manager or General Partner.

Please refer to Item 12 of this Brochure for a discussion of JBIM's brokerage practices.

It is important that Subscribers refer to and carefully read the relevant Offering Documents for a complete understanding of expenses and fees they may pay through an investment in the Fund. The information contained in this Item 5 is a summary only and is qualified in its entirety by such documents.

Item 5.D.

The management fee is payable monthly, in arrears.

Item 5.E.

Not Applicable. Neither JBIM nor its supervised persons are compensated for the sale of securities or other investment products.

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

JBIM understands that there exist certain potential conflicts of interest associated with the presence of a performance-based fee. Such a fee may create an incentive for the Adviser to cause the Funds to make investments that are riskier or more speculative than would be the case if there were no performance-based fee. However, JBIM will manage the Funds in accordance with its investment strategy and any restrictions set forth in the Funds' Offering Documents so that Subscribers are aware of the applicable investment strategy, restrictions, and risks.

Additionally, JBIM has adopted a Code of Ethics that addresses potential conflicts of interests and requires, in any situation where the interests of JBIM's Clients are at stake, the Client should be treated fairly and have priority over the economic interests of employees or JBIM. In addition, JBIM understands that the provision of advisory services to multiple Clients could also create a potential conflict of interest to favor Clients to whom higher advisory and performance fees are charged. However, as stated above,

JBIM will advise each Client in accordance with its advisory agreement and governing documents and strives to ensure that all Clients are treated fairly and equally.

Item 7: Types of Clients

JBIM provides discretionary investment management services to privately-offered, pooled investment vehicles, as described above in Item 4.B, which are intended for investment by Subscribers that are “accredited investors” as defined in Rule 501 of Regulation D under the Securities Act of 1933, as amended (the “**Securities Act**”) and “qualified purchasers” as defined under Section 2(a)(51) of the Investment Company Act and the rules and regulations thereunder. Subscribers in a Feeder Fund must also meet the applicable local standards for investment.

The minimum capital commitment for a Subscriber is \$1 million. The Manager or the General Partner may, in their sole discretion, elect to reduce or waive the minimum threshold for subscription amounts with respect to any Subscriber.

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

Item 8.A.

The investment objective is discussed in response to Item 4.B.

An investment in the respective Fund involves significant risks and is suitable only for Subscribers who can bear the economic risk of the loss of their entire investment and who have limited need for liquidity in their investment. An investment in the respective Fund is speculative, illiquid and long-term in nature, and is suitable only for those Subscribers who have the financial sophistication and expertise to evaluate the merits and risks of an investment in the Fund and for which the Fund does not represent a complete investment program. There can be no assurance that the Fund will achieve its investment objectives. Each prospective Subscriber should carefully review the Offering Documents and the agreements referred to therein prior to deciding to invest in the Fund.

Item 8.B. and Item 8.C.

The following summary identifies the material risks related to JBIM’s investment strategy and should be carefully evaluated before making an investment; however, the following does not intend to identify all possible risks of an investment with JBIM or provide a full description of the identified risks.

The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the respective Fund. Prospective Subscribers should carefully read the relevant Offering Documents in their entirety and consult with their own advisors before deciding to invest in the respective Fund.

General Risk Factors

No Assurance of Investment Return

The success of a Fund depends upon the ability of the employees of the General Partner, the Adviser, or their affiliates (the “**Investment Professionals**”) to identify, select, develop and invest in investments that the Investment Professionals believe offer the potential for superior risk-adjusted returns. The Investment Professionals cannot provide any assurance whatsoever that they will be able to choose, make and realize

investments in any particular asset or portfolio of assets. There can be no assurance that the Fund will be able to generate returns for its Subscribers or that the returns will be commensurate with the risks of investing in the type of investments and transactions described herein. There can be no assurance that any Subscriber will receive any distribution from the Fund.

Subscribers should bear in mind that past or targeted performance is not a guarantee, projection, or prediction, and is not a reliable indicator of future performance. There can be no assurance that targeted returns will be achieved, that the returns generated by the Fund will equal or exceed those of other or past investment activities of the Investment Professionals or that the Fund will be able to implement its investment strategy or achieve its investment objectives.

Uncertain Economic, Social and Political Environment

Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners, and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of a Fund and its portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by such Fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon such Fund's portfolio companies.

Public Health Emergencies; COVID-19

Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola and the current outbreak of COVID-19 (as defined below), have and are resulting in market disruption, and future such emergencies have the potential to continue to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Fund.

The ongoing COVID-19 crisis and any other similar or comparable public health emergency could have a significant adverse impact and result in significant losses to the Fund. The extent of the impact on the operational and financial performance of the Fund and/or any Private Investments will depend on many factors, all of which are highly uncertain and cannot be predicted. These impacts may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of the Fund to source, diligence and execute new investments and to manage, finance and exit investments in the future. Moreover, governmental mitigation actions may constrain or alter existing financial, legal, and regulatory frameworks in ways that are adverse to the investment strategy the Fund intends to pursue. All of the foregoing could adversely affect the Fund's ability to fulfill its investment objectives. In addition, the operations of the Fund, any Private Investments and/or the Manager may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, restrictions on travel and movement, remote-working requirements and other factors related to a public health emergency. These measures may also hinder such entities' ability to conduct their affairs and activities as

they normally would, including by impairing usual communication channels and methods, including hampering the execution of trading activities.

Operational Risk

Newly Formed Company with No Operating History

The Fund and the General Partner are newly formed entities without any operating history. The success of the Fund will depend on the investment objectives of the Fund and the implementation of the investment strategies designed to achieve those objectives. Should these strategies not be sound or the assumptions on which the objectives are based turn out to be erroneous, or if the General Partner or Manager are unable to implement the strategies successfully, the Fund's results could be materially adversely affected and Subscribers could suffer the loss of their investment.

Future and Past Performance

The performance of any prior fund or any personal investments affiliated with the Manager or the Principal (Brian Riley) is not necessarily indicative of the Fund's future results. While the Manager intends for the Fund to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurance that targeted results will be achieved. Loss of principal is possible on any given investment.

Investment Approach

The Manager has broad and flexible investment authority, and the Fund may trade in any of a broad array of investments and strategies across the sector or sectors that it determines are undergoing *Structural Change*. The Manager is not subject to formal diversification policies limiting the Fund's portfolio investments (other than a 25% limitation on Private Investments) or to formal leverage policies limiting the leverage to be used by the Fund. In fact, the Manager intends to concentrate the Fund's investments in a specific industry or industries that it believes are undergoing *Structural Change*. The Manager may utilize such leverage, position size, duration, and other portfolio management techniques as it believes appropriate for the Fund. Prospective Subscribers must recognize that by investing in the Fund, they are placing their capital under the full discretionary management of the Manager and authorizing the Manager to trade for the Fund using whatever strategies in such manner as the Manager may determine. There can be no assurance that the Manager will be successful in applying its approach and there is material risk that a Subscriber may suffer significant impairment or total loss of its investment in the Fund.

Dependence on the Manager and the Principal

The success of the Fund depends upon the ability of the Manager and its personnel (including the Principal) to develop and implement investment strategies that achieve the Fund's investment objective. No assurance can be given that the Manager or its personnel, including the Principal, will be able to do so. Subscribers will have no right or power to participate in the day-to-day management or control of the Fund and will not have an opportunity to evaluate the specific investments made by the Fund.

The ability of the Manager to develop and implement investment strategies that achieve the Fund's investment objective depends in substantial part upon the skill and experience of the key personnel of the Manager (including the Principal). The loss of the services of the Manager and its personnel (including the Principal) would have a material adverse effect on the Fund and the Subscribers' investments therein.

Trade Errors

Trade errors can occur in the normal course of business of Private Investment funds. Trade errors can result from a variety of situations, *e.g.*, when the wrong security is purchased or sold, when the correct security is purchased or sold but for the wrong account, and when the wrong quantity is purchased or sold (*e.g.*, 1,000 shares instead of 10,000 shares are traded). Trade errors frequently result in losses but may occasionally result in gains.

The Manager will endeavor to detect Trade Errors prior to settlement and correct any losses resulting from such Trade Error ("**Trade Error Losses**") in an expeditious manner. However, Subscribers should assume that to the extent permitted by applicable law, the Fund will be responsible for any Trade Error Losses, even if such losses result from the negligence (but not gross negligence) of the Manager or any broker or agent.

Leverage and Borrowing Risks

The Fund has the authority and intends to use and incur leverage through a variety of techniques, which may include margin financing, options, futures, repurchase agreements, contracts, swaps (including total return swaps), calls, puts and various other derivative products or instruments, for any proper purpose of the Fund whatsoever, including to (i) make or leverage investments (including Private Investments), (ii) cover operating expenses (including Management Fees), (iii) make deposits in lieu of, or in advance of, Capital Contributions, (iv) enable the Fund or any Special Purpose Vehicle to issue or cause the issuance of letters of credit, (v) provide funds for distributions to the Subscribers as provided in the Offering Documents or (vi) otherwise carry out the business of the Fund.

There is no limit on the ability of the Fund to borrow funds and utilize leverage other than those imposed by applicable law, including in connection with the Fund's investment program, therefore the amount of leverage used by the Fund may be significant.

The leverage of the Fund will depend on the investment strategies employed by the Fund and specific market opportunities, among other things. The Fund may also borrow for cash management purposes, such as to pay Fund expenses and/or satisfy withdrawal requests. To facilitate such borrowings, the Fund may, among other things, enter into a Credit Facility with a service provider to the Fund or a third-party credit institution.

The use of leverage will increase the volatility of the Fund's investments and can, in certain circumstances, magnify the losses to which the Fund's investment portfolio may be subject. Accordingly, relatively small price movements in these financial instruments may result in immediate and substantial losses to the Fund.

The General Partner may use the Fund's line of credit to facilitate deals on terms and timing believed necessary in order to consummate such transactions. Generally, the Fund (and therefore Limited Partners) bear all of the financing costs related to use of Subscribers' Capital Contributions and/or the Fund's line of credit and are not compensated for the use of such capital. In addition, where the Fund's line of credit is being used to bridge a co-investment with third party co-investors, the price paid by such co-investors will be subject to negotiated terms believed necessary in order to consummate such co-investment, which are expected to be based on the purchase price and not fair value at the time of the co-investors purchase.

The use of margin and short-term borrowing creates several risks for the Fund. If the value of the Fund's securities falls below the margin levels required by a bank or dealer that provides financing to the Fund,

additional margin deposits would be required, and the Fund may be required to liquidate assets quickly and/or at disadvantageous prices to meet such deposits. Moreover, the bank or dealer can apply essentially discretionary margin, haircut, financing and collateral valuation policies, which, if changed, may result in margin calls. If the Fund is unable to satisfy any margin call by a Prime Broker, then such Prime Broker could liquidate the Fund's position in some or all of the financial instruments that are in the Fund's account with the Prime Broker in question, which could cause the Fund to incur significant losses, and/or could close down the Fund's trading lines, which could have a material adverse effect on the Fund's ability to trade. The failure to satisfy a margin call, or the occurrence of other material defaults under margin and other financing agreements, may trigger cross-defaults under the Fund's agreements with other brokers, lenders, clearing firms or other counterparties (including other prime brokers), multiplying the adverse impact to the Fund. In addition, because the use of leverage allows the Fund to control positions worth significantly more than its investment in those positions, the amount that the Fund may lose in the event of adverse price movements is high in relation to the amount of its investment and margin calls could exceed the value of the assets of the Fund. There can be no assurances that the Fund will be able to secure or maintain adequate financing, without which the Fund may not continue to be viable.

Fund Borrowing

The Fund may borrow money to pay expenses, including organizational expenses and Management Fees, and to fund investments and Private Investments. Any indebtedness incurred by the Fund may be secured by the Fund's assets and the assets of its investments (including Private Investments) as well as the right to draw down from Fund assets and the Commitments of the Subscribers. Such borrowings are generally structured so that the Fund or separately managed accounts that are participating in such leverage are jointly responsible on a cross-collateralized basis for the repayment of the indebtedness, and such funds would likely pledge not only the right to draw down from the Commitments of the Founder Interests Subscribers but also the other assets of such funds in order to secure the indebtedness incurred. In the event of a failure to pay or other event of default under any such indebtedness, the lenders could require the Founder Interests Subscribers to fund their entire unfunded Commitments to repay the Fund's indebtedness even though the Fund may be insolvent. In addition, in the event that the lenders require such Founder Interest Subscribers to repay indebtedness, the failure of certain of those Subscribers to honor their Commitments would result in the remaining Founder Interest Subscribers' payments exceeding their *pro rata* share of the indebtedness. The use of borrowings by the Fund also will result in interest expense and other costs to the Fund. Conflicts of interest arise in that the use of such borrowings generally delay the need for Subscribers to make certain Capital Contributions to the Fund, which can enhance the Fund's performance figures and thereby benefit the General Partner and its affiliates. Tax-Exempt Subscribers should note that the use of leverage by the Fund may give rise to UBTI.

Investment Concentration

The Manager may invest the Fund's assets in its sole and absolute discretion, in accordance with the Offering Documents. The Manager intends to have the Fund focus on investments in a single industry or industries that are undergoing *Structural Change*; there is no requirement that the Fund diversify its investments. The Manager further intends to concentrate the Fund's investments in a limited number of positions, as well as a limited number of issuers, sectors and geographic regions within that industry or industries. As a result, the Fund's performance will be more susceptible than a diversified portfolio to fluctuations in value or loss resulting from adverse economic or business conditions that affect the selected industry, and/or those positions, issuers, sectors or geographic regions. Due to the expected concentration of the Fund's portfolio, the performance of a single investment is likely to have a significant

impact on the Fund's overall portfolio. For example, the Fund could be subject to significant losses if it holds a relatively large position in a single company or a particular type of investment that declines in value, and the losses could increase even further if Fund investments cannot be liquidated in a timely manner or without adverse market reaction as a result of the size of the Fund's investment in the position or otherwise. Moreover, investments concentrated in a particular position, issuer, sector, industry group, or geographic region will be subject to the risks of that position, issuer, sector or geographic region, which may include, but are not limited to, rapid obsolescence of technology, sensitivity to regulatory changes, minimal barriers to entry, and sensitivity to overall market swings.

Correlation Risk

Under certain market conditions, the Fund's investments may exhibit a substantial degree of positive correlation, further reducing the diversification (and, accordingly, altering the risk profile) of the Fund's portfolio. This may occur in particular due to the fact that a substantial portion of the Fund's investments may be concentrated in a limited number of positions, as well as a limited number of sectors, issuers, industry groups or subgroups, or geographic regions that relate to a particular investment theme or idea.

Valuation of the Fund's Investments

The General Partner will delegate to the Administrator the authority to value the Fund's securities and assets and determine the NAV (with the exception of the Fund's Private Investments) of the Fund, subject to the oversight of the General Partner. Additionally, the Fund's Private Investments will be valued by an independent third-party valuation firm. Since the value of Subscriber' Capital Accounts will therefore depend primarily on the value of the Fund's assets, the Management Fees charged will be based on the Administrator's and the independent third-party valuation firm's valuations. There is no assurance these valuations will be accurate.

Cybersecurity Risks

The Fund depends on the Manager to develop and implement appropriate systems for the Fund's activities. The Fund relies extensively on computer programs and systems (and may rely on new systems and technology in the future) for various purposes including trading, clearing, and settling transactions, evaluating certain financial instruments, monitoring its portfolio and net capital, and generating risk management and other reports that are critical to oversight of the Fund's activities. Certain of the Fund's and the Manager's operations interfaces are dependent upon systems operated by third parties, including the Prime Brokers, the Administrator, market counterparties and their sub-custodians and other service providers. Fund Private Investments as well as service providers also depend on information technology systems and, notwithstanding the diligence that may be performed on such Private Investments and service providers, the Fund may not be in a position to verify the risks or reliability of such information technology systems.

The Fund, the Manager and their respective service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs, and data from both intentional cyber-attacks and hacking by other computer users as well as unintentional damage or interruption that, in either case, can result in damage and disruption to hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. For example, information and technology systems are vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods,

hurricanes, and earthquakes. Such damage or interruptions to information technology systems may cause losses to (i) the Fund, by affecting the Fund's ability to calculate its NAV or impeding or sabotaging trading, or (ii) individual Subscribers by interfering with the processing of Subscriber transactions.

A cybersecurity breach could expose both the Fund and the Manager (which, in most circumstances, will be entitled to indemnity from the Fund) to substantial costs (including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse Subscriber reaction, the dissemination of confidential and proprietary information and reputational damage), civil liability as well as regulatory inquiry and/or action. In addition, any such breach could cause substantial withdrawals from the Fund. Subscribers could also be exposed to losses resulting from unauthorized use of their personal information. While the Manager has implemented various measures to manage risks associated with cybersecurity breaches, including establishing business continuity plans and systems designed to prevent cyber-attacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Similar types of cybersecurity risks also are present for issuers of securities in which the Fund invests, which could affect their business and financial performance, resulting in material adverse consequences for such issuers, and causing the Fund's investment in such securities to lose value.

The loss or improper access, use or disclosure of the Manager's or the Fund's proprietary information may cause the Manager or the Fund to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on the Fund and the Subscribers' investments therein.

Long-Term Investment and Lack of Liquidity of Fund Assets

Even though the Manager expects the Fund to have a three-year investment horizon (from the time of the Initial Draw Date), the Fund is not intended to be a short-term investment. The Manager does not intend to distribute Fund assets to Subscribers until up to six (6) years from the Initial Closing Date, which can be extended for Private Investments. Thus, the investment strategy of the Fund, if it proves successful, may not produce a realized return to Subscribers for several years.

Limited Rights of Subscribers An investment in the Fund should be regarded as a passive investment. This is because Subscribers have no right to participate in the day-to-day operations of the Fund, other than a general meeting to vote on a proposed variation of the rights attaching to their Interests. Consequently, they have no control over the management of the Fund or over the appointment and removal of the Fund's service providers.

Outsourced Trading

The Fund has the ability to outsource some or all of its trading functions to third-party traders not affiliated with the Manager ("**Outsourced Traders**"). This means that certain or all trading functions may be provided by a third party under an arm's-length contract on terms that the Manager has determined to be commercially reasonable. Outsourced Traders will receive trade orders from the Manager and execute those orders based on parameters provided to them by the Manager. In doing so, Outsourced Traders will exercise certain discretion within those parameters. While the Manager will review the trading activity conducted by Outsourced Traders on behalf of the Fund to ensure that the Manager satisfies its best execution obligations, it is possible that, in the exercise of the aforementioned discretion, Outsourced Traders will have executed trades under sub-optimal terms. Prospective Subscribers should consider the possible negative economic effects on the Fund of allocating some execution discretion to one or more Outsourced Traders, irrespective of the other controls maintained by the Manager.

Prospective Subscribers should also consider the risks inherent in a structure where the Manager does not exert direct control over certain of the individuals carrying out certain operational tasks such as trading. Outsourced Traders have, and will continue to have, Clients other than the Manager and the Fund. These other demands could place limitations on, or reduce the responsiveness of, Outsourced Traders and may result in harm to the Fund.

Side Letters

The General Partner, on behalf of the Fund, intends to grant certain prospective or existing Subscribers additional rights relating to their investment in the Fund and, in connection therewith, the Fund or the General Partner, without any further act, approval or vote of any Subscriber, enter into strategic alliances and/or Side Letter agreements or other similar arrangements with individual Subscriber that establish rights or alter or supplement the terms applicable to such Subscriber. For example, a Side Letter with a prospective or existing Subscriber may provide (i) greater transparency into the Fund's portfolio, (ii) greater information than may be provided to other Subscribers, (iii) different Management Fee, Administrative Fee, Subscription Fee or Incentive Allocation terms, (iv) preferential rights with respect to Co-Investments and/or (v) such other rights as may be negotiated by the Fund and that Subscriber.

Any rights established, or any terms altered or supplemented, in a Side Letter with a Subscriber will govern solely with respect to such Subscriber, but not any of such Subscriber's assignees or transferees unless so specified in such Side Letter.

Strategic Agreement

In addition, the Manager entered into a strategic investment relationship agreement ("**Strategic Agreement**") with an institutional investor ("**Strategic Investor**"). Pursuant to the Strategic Agreement, the Strategic Investor receives capacity rights (but not the obligation) to invest up to a specific amount in the Fund, pays a reduced Management Fee and Incentive Allocation, is given priority with respect to allocation of Co-Investment Opportunities, and receives other unique rights that are not available to other Subscribers.

The Strategic Agreement may have certain negative impacts on other Subscribers by, among other things, reducing the Commitment amount that is ultimately accepted by the General Partner from what it would have been absent the Strategic Agreement and reducing the amount of Co-Investment Opportunities allocated to a Subscriber from what it would have been absent the Strategic Agreement. The Strategic Agreement may also create certain conflicts of interest for the Manager.

In-Kind Distributions

The General Partner shall use commercially reasonable efforts to make distributions to the Subscribers in cash, although it may make distributions *in-kind* in its sole discretion. *In-kind* distributions may be comprised of, among other things, interests in Private Investments (only to such Subscribers who participated in each such Private Investment) and interests in Special Purpose Vehicles holding Master Fund Securities.

Misconduct of Employees and of Third-Party Service Providers

Misconduct by employees or by third-party service providers could cause significant losses to the Fund. Employee misconduct may include binding the Fund to transactions that exceed authorized limits or present unacceptable risks and unauthorized trading activities or concealing unsuccessful trading activities (which, in either case, may result in unknown and unmanaged risks or losses). Losses could also result from actions by third-party service providers, including, without limitation, failing to recognize trades and misappropriating assets. In addition, employees and third-party service providers may improperly use or disclose confidential information, which could result in litigation or serious financial harm, including limiting the Fund's business prospects or future marketing activities. Although the Manager has adopted measures reasonably designed to prevent and detect employee misconduct and to select reliable third-party service providers, such measures may not be effective in all cases.

Strategy Risk

Risk of Investing in Distressed Securities

The Fund expects to invest in securities of enterprises that are experiencing or have experienced significant financial or business difficulties (including as the result of the initiation or prospect of significant litigation or bankruptcy proceedings). Such potential securities may include, debt securities which, at the time of investment, are the subject of bankruptcy proceedings or otherwise in default as to the repayment of principal and/or payment of interest or are rated in the lowest rating categories by the established rating services (Ca or lower by Moody's Investor's Service or CC or lower by S&P Global Ratings) or, if unrated, are considered by the Manager to be of comparable quality.

Distressed securities may generate significant returns to the Fund, but also involve a substantial degree of risk. The Fund may lose a substantial portion or all of its investment in a distressed company or may be required to accept cash or securities with a value less than the Fund's original investment. Among the risks inherent in investments in entities experiencing significant financial or business difficulties is the fact that it is frequently difficult to obtain information as to the true condition of such entities. Such investments also may be adversely affected by state and federal laws and the laws of non-U.S. jurisdictions relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims. The market prices of such instruments 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 instruments may be greater than for non-distressed securities. In trading distressed securities, litigation is sometimes required. Such litigation can be time-consuming and expensive and can frequently lead to unpredicted delays or losses. Moreover, it may sometimes be difficult to enforce and collect on these obligations.

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 (for example, 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 Fund of the security in respect to which such distribution was made.

It is anticipated that certain debt instruments purchased by the Fund will be non-performing and possibly in default. There can be no assurance as to the amount and timing of payments, if any, with respect to debt or other investments.

Equity Securities

The Fund invests in, among other instruments, equity, and equity-related securities. Equity securities fluctuate in value in response to many factors, including the activities and financial condition of individual companies, the business market in which individual companies compete, industry market conditions, interest rates and general economic environments. As a result, the Fund may suffer losses if it invests in equity instruments of issuers whose performance diverges from the Manager's expectations or if equity markets generally move in a single direction and the Fund has not hedged against such a general move. In addition, events such as domestic and international political instability, terrorism and natural disasters may be unforeseeable and contribute to market volatility in ways that may adversely affect investments made by the Fund.

Issuer Risks

The issuers of securities acquired by the Fund, which generally will be involved in the one or more industries undergoing *Structural Change*, will involve a high degree of business and financial risk. These companies may be operating at a loss or have significant variations in operating results, may be engaged in a rapidly changing business, may require substantial additional capital to support their operations or to maintain their competitive position, or may otherwise have a weak financial condition.

Issuers of securities acquired by the Fund may be highly leveraged. Leverage may have important adverse consequences to the Fund. These issuers may be subject to restrictive financial and operating covenants. The leverage may impair the issuers' ability to finance their future operations and capital needs. As a result, the issuers' flexibility to respond to changing business and economic conditions and to business opportunities may be limited. A leveraged company's income and net assets will tend to increase or decrease at a greater rate than if borrowed money were not used.

In addition, such companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing, and other capabilities, and a larger number of qualified managerial and technical personnel.

Issuers Involved in Bankruptcy Cases

Through its investments, the Fund may become either a creditor of or equity holder in one or more companies involved in bankruptcy proceedings. There are a number of significant risks when investing in companies involved in bankruptcy proceedings. Many of the events within a bankruptcy case are adversarial and often beyond the control of the creditors. While creditors generally are afforded an opportunity to object to significant actions, there can be no assurance that a bankruptcy court would not approve actions which may be contrary to the interests of the Fund. Furthermore, there are instances where creditors and equity holders lose their ranking and priority as such if they are considered to have taken over management and functional operating control of a debtor.

The Fund may invest in bankruptcy claims which are amounts owed to creditors of companies in financial difficulty. Bankruptcy claims are illiquid and generally do not pay interest and there can be no guarantee that the debtor will ever be able to satisfy the obligation on the bankruptcy claim. The markets in bankruptcy claims are not generally regulated by federal securities laws or the SEC. Because bankruptcy claims are frequently unsecured, holders of such claims may have a lower priority in terms of payment than certain other creditors in a bankruptcy proceeding. In addition, under certain circumstances, payments and distributions may be reclaimed if any such payment is later determined to have been a fraudulent conveyance or a preferential payment.

Generally, the duration of a bankruptcy case can only be roughly estimated. The reorganization of a company usually involves the development and negotiation of a plan of reorganization, plan approval by creditors and confirmation by the bankruptcy court. This process can involve substantial legal, professional, and administrative costs to the company and the Fund; it is subject to unpredictable and lengthy delays; and during the process the company's competitive position may erode, key management may depart and the company may not be able to invest adequately. In some cases, the company may not be able to reorganize and may be required to liquidate assets. Investments in the debt of companies in financial reorganization will, in most cases, not pay current interest, may not accrue interest during reorganization and may be adversely affected by an erosion of the issuer's fundamental values. Such investments can result in a total loss of principal.

U.S. bankruptcy law permits the classification of "substantially similar" claims in determining the classification of claims in a reorganization for purpose of voting on a plan of reorganization. Because the standard for classification is vague, there exists a significant risk that the Fund's influence with respect to a class of securities can be lost by the inflation of the number and the amount of claims in, or other gerrymandering of, the class. In addition, certain administrative costs and claims that have priority by law over the claims of certain creditors (for example, claims for taxes) may be quite high.

The Fund may invest in companies based outside of the United States. Investment in the debt of financially distressed companies domiciled outside the United States involves additional risks. Bankruptcy law and process may differ substantially from that in the United States, resulting in greater uncertainty as to the rights of creditors, the enforceability of such rights, reorganization timing and the classification, seniority, and treatment of claims. In certain developing countries, although bankruptcy laws have been enacted, the process for reorganization remains highly uncertain.

The General Partner or the Manager, as the case may be, on behalf of the Fund, may elect to serve on creditors' committees, equity holders' committees or other groups to ensure preservation or enhancement of the Fund's position as a creditor or equity holder. A member of any such committee or group may owe certain obligations generally to all parties similarly situated that the committee represents. If the General Partner or the Manager concludes that its obligations owed to the other parties as a committee or group member conflict with its duties owed to the Fund, it will resign from that committee or group, and the Fund may not realize the benefits, if any, of participation on the committee or group. In addition, and also as discussed above, if the Fund is represented on a committee or group, it may be restricted or prohibited under applicable law from disposing of or increasing its investments in such company while it continues to be represented on such committee or group.

The Fund may desire to purchase creditors' claims subsequent to the commencement of a bankruptcy case. Under judicial decisions, it is possible that such purchase may be disallowed by the bankruptcy court if the court determines that the purchaser has taken unfair advantage of an unsophisticated seller, which may result in the rescission of the transaction (presumably at the original purchase price) or forfeiture by the purchaser.

Under common law principles that in some cases form the basis for lender liability claims, if a lender (a) intentionally takes an action that results in the undercapitalization of a borrower or issuer to the detriment of other creditors of such borrower or issuer, (b) engages in other inequitable conduct to the detriment of such other creditors, (c) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (d) uses its influence as a stockholder to dominate or control a borrower or issuer to the detriment of other creditors of such borrower or issuer, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors (a remedy

called “equitable subordination”). The Fund does not intend to engage in conduct that would form the basis for a successful cause of action based upon the equitable subordination doctrine, however, because of the nature of the debt obligations, the Fund may be subject to claims from creditors of an obligor that debt obligations of such obligor which are held by the issuer should be equitably subordinated.

Debt Securities Generally

The Fund may invest in debt or other fixed income securities. These securities are generally debt instruments issuers use as a means of borrowing money. The issuer generally pays the investor a fixed, variable, or floating rate of interest and, at the maturity of the instrument, must repay the amount borrowed. Some debt securities do not pay current interest but are sold at a discount to their face value. Debt securities have varying levels of sensitivity to changes in interest rates and varying degrees of credit quality. Assuming other factors remain constant (*i.e.*, the credit worthiness of the issuer), credit instruments generally increase in value when interest rates fall and decrease in value when interest rates rise.

Non-Investment Grade Bonds

The Fund may invest in bonds (commonly known as “junk bonds”) that are of below investment grade quality (rated below Baa3 by Moody’s Investors Service, Inc. or below BBB- by Standard & Poor’s Ratings Group and Fitch Ratings or, if unrated, reasonably determined by the General Partner (or the Manager, as the case may be) to be of comparable quality). The Fund’s investments in non-investment grade bonds are predominantly speculative because of the credit risk of their issuers. While normally offering higher yields, non-investment grade bonds typically entail greater potential price volatility and may be less liquid than investment grade securities. Issuers of non-investment grade bonds are more likely to default on their payments of interest and principal owed to the Fund, and such defaults will reduce the Fund’s NAV and income distributions. The prices of these lower rated obligations are more sensitive to negative developments than higher rated securities. Adverse business conditions, such as a decline in the issuer’s revenues or an economic downturn, generally lead to a higher non-payment rate. In addition, a non-investment grade bond may lose significant value before a default occurs as the market adjusts to expected higher non-payment rates. Adverse publicity and changing investor perceptions may affect the ability to obtain prices for or to sell these securities.

Analyses of the creditworthiness of issuers of non-investment grade bonds may be more complex than for issuers of investment grade instruments. Credit quality of non-investment grade issuers can change suddenly and unexpectedly, and even recently issued credit ratings may not fully reflect the actual risks posed by a particular non-investment grade instrument. The Fund may invest in debt of companies with complex and leveraged balance sheets. The Fund’s success in achieving its investment objective may depend more heavily on the General Partner’s or the Manager’s, as the case may be, analyses of debtors’ creditworthiness than would be the case if the Fund invested exclusively in investment grade securities.

Derivative Instruments Generally

The Fund may use various derivative instruments, including options, futures, forward contracts, swaps, calls, puts and various other derivative products, all of which may be volatile and speculative. Depending upon the characteristics of the particular derivative and the portfolio, the use of derivatives may involve risks different from, or possibly greater than, the risks associated with investing directly in securities or more traditional investments. Certain derivative positions may be subject to wide and sudden fluctuations in market value. Derivatives, especially over the counter derivatives engaged as a privately negotiated contract against a principal counterparty, may be subject to adverse valuations reflecting the

counterparty's marks (or valuations), which might not correspond to the valuations of other market or exchange-traded instruments. Derivatives used for hedging purposes may not correlate perfectly with the underlying investment sought to be hedged. Derivative instruments may not be liquid in all circumstances, so that in volatile markets the Fund may not be able to close out a position without incurring a loss. Trading in derivative instruments can result in large amounts of leverage, which may magnify the gains and losses experienced by the Fund. While derivatives used for hedging purposes can reduce or eliminate losses, such use can also reduce or eliminate gains. When the Fund uses derivatives as an investment vehicle to gain market exposure, rather than for hedging purposes, any loss on the derivative investment will not be offset by gains on another hedged investment. Derivatives may also entail investment exposures that are greater than their cost would suggest, meaning that a small investment in derivatives could have a large potential impact on the Fund's performance. The Fund is therefore directly exposed to the risks of the derivatives in which it invests. Derivatives may not be available to the Fund upon acceptable terms. As a result, the Fund may be unable to use derivatives for hedging or other purposes. Also, the market for many derivatives is, or suddenly can become, illiquid, which may result in significant, rapid, and unpredictable changes in the prices for derivatives.

Further, the regulatory and tax environment for derivative instruments in which the Fund may participate is evolving, and changes in the regulations or taxation of such investments may materially and adversely affect the value of such investments and the ability of the Fund to pursue its investment strategies.

Call Options and Put Options

The Fund may engage in the sale and purchase of call and put options. The seller (writer) of a call option which is covered (*e.g.*, the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security offset by the premium received if the call option expires out of the money and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller (writer) of a put option which is covered (*e.g.*, the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sum of the sales price at which the seller establishes the short position in the underlying security and the premium received in respect of the put option sold by the seller, and gives up the opportunity for gain on the underlying security below the exercise price of the put option. If the seller of the call option or put option owns a call option or put option, as applicable, covering an equivalent amount of securities with an exercise price, in the case of a call option, equal to or less than or, in the case of a put option, equal to or greater than the exercise price of the call or put written, the position is "fully hedged" if the option owned expires at the same time or later than the option written. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security to zero. The buyer of a call option or put option assumes the risk of losing its entire investment in the option. If the buyer of the call option sells short the underlying security, the loss on the call option will be offset in whole or in part by any gain on the short sale of the underlying security (if the market price of the underlying security declines). If the buyer of the put option holds the underlying security, the loss on the put option will be offset in whole or in part by any gain on the underlying security.

Swap Agreements

The Fund may enter into swap agreements. Swap agreements are individually negotiated and can be structured to include exposure to a variety of different types of investments, instruments, or market factors. While the Fund generally expects to focus its investment in swap agreements on equity swaps in

order to increase or decrease the Fund's exposure to a particular stock, group of stocks or an index of stocks, depending on their structure, swap agreements may increase or decrease the Fund's exposure to other factors such as long-term or short-term interest rates (in the United States or abroad), non-U.S. currency values, corporate borrowing rates and inflation rates. Swap agreements can take many different forms and are known by a variety of names. The Fund is not limited to any particular form of swap agreement.

Depending on how they are used, swap agreements may increase or decrease the overall volatility of the Fund's portfolio. The most significant factor in the performance of swap agreements is the change in the individual equity values, specific interest rate, currency or other factors that determine the amounts of payments due to and from the Fund. If a swap agreement calls for payments by the Fund, the Fund 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 Fund.

Futures

The Fund may trade in futures and options on futures. Futures markets are highly volatile and are influenced by factors such as changing supply and demand relationships, governmental programs and policies, national and international political and economic events, and changes in interest rates. In addition, because of the low margin deposits normally required in futures trading, a high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to the Fund. Moreover, exchange-traded futures positions are marked to the market each Business Day and variation margin payments must be paid to or by the Fund each Business Day.

Futures trading may also be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." Under such daily limits, during a single trading day, no trades may be executed at prices beyond the daily limits. Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in that contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent the Fund from promptly liquidating unfavorable positions, subjecting the Fund to substantial losses, or preventing the Fund from entering into desired trades. In extraordinary circumstances, a futures exchange could suspend trading in a particular futures contract, or order liquidation or settlement of all open positions in such contract. In addition, the CFTC and various exchanges impose speculative position limits on the number of positions that the Fund may directly or indirectly hold or control in particular commodities.

Convertible Securities

The Fund may invest (including Private Investments) in convertible securities such as bonds, debentures, notes, preferred securities, or other securities that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. A convertible security entitles its holder to receive interest that is generally paid or accrued on debt, or a dividend or distribution that is paid or accrued on preferred securities, until the convertible security matures or is redeemed, converted, or exchanged. Convertible securities have unique investment characteristics in that they generally (i) have higher yields than common stocks, but lower yields than comparable non-convertible securities, (ii) are less subject to fluctuation in value than the

underlying common stock due to their fixed income characteristics and (iii) 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). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the convertible security’s investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. 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 Fund is called for redemption, the Fund 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 Fund’s ability to achieve its investment objectives.

Hedging Transactions

The Fund may, but is not obligated to, utilize financial instruments, both for investment purposes and for risk management purposes in order to: (i) protect against possible changes in the market value of the Fund’s investment portfolios resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect the Fund’s unrealized gains in the value of the Fund’s investment portfolios; (iii) facilitate the sale of any such investments; (iv) enhance or preserve returns, spreads or gains on any investment in the Fund’s portfolios; (v) hedge against fluctuations in the price of commodities; (vi) protect against any increase in the price of any securities the Fund anticipates purchasing at a later date; or (vii) for any other reason that the Manager deems appropriate.

The success of the Fund’s hedging strategies will depend, in part, upon the Manager’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. Since the characteristics of many securities change as markets change or time passes, the success of the Fund’s hedging strategy will also be subject to the Manager’s ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. In addition, certain hedging instruments and markets may not be liquid in all circumstances. As a result, in volatile markets, the Fund may not be able to close out a transaction in certain of these instruments without incurring losses substantially greater than the initial deposit. While the Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Fund than if it had not engaged in such hedging transactions. For a variety of reasons, the Manager may be unable to, or might not seek to, establish a perfect correlation between the hedging instruments utilized and the portfolio holdings being hedged. Such an imperfect correlation may prevent the Fund from achieving the intended hedge or expose the Fund to risk of loss. The Manager might not hedge 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 Fund's portfolio holdings. There can be no assurance that the Fund's hedging strategies, even if successful, will result in the Fund's performance being uncorrelated to the markets.

Non-U.S. Securities

Investing in securities of non-U.S. companies and governments which are generally denominated in currencies other than the U.S. dollar, and utilization of currency forward contracts and options on foreign currencies involve certain considerations comprising both risks and opportunities not typically associated with investing in securities of U.S. issuers. These considerations include changes in exchange rates between currencies and costs associated with currency conversion (as more fully described below), less liquid markets than are generally the case in the United States, higher transaction costs, hedging considerations, potential difficulty enforcing contractual obligations and repatriating funds, expropriation, adverse diplomatic developments, changes in exchange control regulations, certain government policies that may restrict the Fund's investment opportunities and greater price volatility. In addition, the Fund's investment in non-U.S. countries may be subject to withholding or other taxes, which may be significant and may reduce the Fund's returns.

Political, economic, or social instability, the imposition of trading controls, import duties or other protectionist measures, various laws enacted for the protection of creditors and greater risks of nationalization could materially adversely affect the Fund's investments in certain countries. Furthermore, individual economies may differ favorably or unfavorably from the U.S. economy in such respects as growth of gross national product, rate of inflation, capital reinvestment, resource self-sufficiency, and balance of payments position.

Because non-U.S. entities are not subject to uniform accounting, auditing, and financial reporting standards, practices, and requirements comparable with those applicable to U.S. companies, there may be different types of, and lower quality, information available about a non-U.S. company than a U.S. company. As a result, the Fund may be unable to structure its investments to achieve the intended results or to mitigate all risks associated with such markets. There also may be less regulation, of the securities markets in non-U.S. countries than there is generally in the United States, and such markets may not provide the same protections available in the United States.

There generally may be less government supervision and regulation of non-U.S. exchanges, brokers and issuers, clearinghouses and clearing firms than in the United States. The Fund is subject to the risk of the failure of the exchanges on which its positions trade or of its clearinghouses or clearing firms, and there may be a higher risk of financial irregularities and/or lack of appropriate risk monitoring and controls.

Certain non-U.S. exchanges are "principals' markets" in which performance is solely the responsibility of the individual member with whom the Fund has entered into a commodity contract and not that of an exchange or its clearinghouse, if any. The Fund will be subject to the risk of the inability of, or refusal by, the counterparty to perform with respect to such contracts.

Currency Risk

The Fund may invest in the securities of non-U.S. issuers and other instruments denominated in non-U.S. currencies, the prices of which are determined with reference to currencies other than the U.S. dollar. The Fund, however, values its securities and other assets in U.S. dollars. Investments that are

denominated in a non-U.S. currency are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that could affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. The Fund may seek to hedge its non-U.S. currency exposure by, among other things, shorting stocks denominated in the particular currency, or investing in currencies, forward currency exchange contracts, or any combination thereof, but there is no assurance that such strategies will be implemented, and if implemented, will be effective. The Fund may also enter into unhedged transactions as part of the investment program of the Fund. Consequently, such investments may increase the risk to Subscribers of losing all or a substantial portion of their investment.

To the extent unhedged, the value of the Fund's positions in non-U.S. investments will fluctuate with U.S. dollar exchange rates as well as the price changes of the investments in the various local markets and currencies. In such cases, an increase in the value of the U.S. dollar compared to the other currencies in which the Fund makes its investments will reduce the effect of any increases and magnify the effect of any decreases in the prices of the Fund's securities in their local markets and may result in a loss to the Fund. Conversely, a decrease in the value of the U.S. dollar will have the opposite effect on the Fund's non-U.S. dollar investments. Furthermore, the Fund may incur costs in connection with conversions between various currencies. The Fund generally conducts its currency exchange transactions either on a spot (*i.e.*, cash) basis at the spot rate prevailing in the currency exchange market, or through entering into forward, futures or commodity options contracts to purchase or sell non-U.S. currencies.

Risks Related to Private Investments

Nature of Private Investment

Fund Private Investments will be highly illiquid, and there can be no assurance that the Fund will be able to realize such investments in a timely manner. Dispositions of such Private Investments may result in distributions *in kind* to the Subscribers. The securities the Fund typically will acquire in a Private Investment are securities that cannot be sold except pursuant to a registration statement filed under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or in a private placement or other transaction exempt from registration under the Securities Act and that complies with applicable non-U.S. securities laws. These securities generally will be the most junior in what typically will be a complex capital structure, and thus subject to the greatest risk of loss. Fund Private Investments will typically be in unprofitable businesses undergoing significant distress, which may suffer from poor management, high levels of debt, a high ratio of fixed charges to available income and/or other challenges. There can be no assurance that Fund Private Investments will be able to generate returns for Subscribers or that returns will be commensurate with the risks of the Private Investments made by the Fund.

Moreover, the Fund may finance such purchases with borrowed funds and thus will have to pay interest on such funds during such waiting period.

Reliance on Company Management

Although the Manager generally intends to seek representation on the board of directors of any Private Investment the Fund makes, neither the Manager, nor the General Partner, nor the Principal, will have an active role in the day-to-day management of any Private Investment. To the extent that the senior management of a Private Investment performs poorly, or if a key manager terminates employment, the financial performance of the company in which the Private Investment is made could be adversely affected.

Competitive Marketplace for Private Investments

The marketplace for private equity-type investing has become increasingly competitive. Participation by financial intermediaries and family offices has increased, substantial amounts of funds have been dedicated to making investments in the private sector and the competition for Private Investment opportunities is at very high levels. Some of the Fund's potential competitors for Private Investments may have greater financial and personnel resources than the Fund or the Manager. There can be no assurances that the Manager will locate an adequate number of, or any, attractive investment opportunities for Private Investments.

Minority Investments

It is possible that some or all of the Fund's Private Investments will represent minority stakes in privately held companies. In addition, during the process of exiting Private Investments, the Fund is likely to hold minority equity stakes if Private Investments are taken public. As is the case with minority holdings in general, such minority stakes will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes.

No Assurance of Additional Capital for Follow On Investments.

It is expected that each Private Investment will be made in companies that have substantial capital needs. After the Fund has made a Private Investment, the company in which such Private Investment was made may require that additional financing be provided for the continued development and marketing of products. The Fund may be called upon to provide follow-on funding for its Private Investments or have the opportunity to increase its investment in such Private Investment (a "Follow On Investment"). There can be no assurance that the Fund will wish to make Follow On Investments, or that it will have sufficient assets to do so. Moreover, the Fund is limited in the amount of its assets it is permitted to invest in Private Investments, including Follow On Investments. No assurance can be made that such additional financing will be available.

Co-Investments

The General Partner may offer co-investment opportunities with respect to Private Investments pursuant to the terms of the Offering Documents. If the General Partner determines to offer a Co-Investment Opportunity with respect to a Private Investment, it may allocate any such opportunities among interested parties in its sole discretion. In exercising its sole discretion in connection with such Co-Investment Opportunities, the General Partner may also consider factors that benefit the General Partner or the Manager, such as the likelihood that a Subscriber may invest in a future fund sponsored by the General Partner or its affiliates. There can be no assurances that any Co-Investment Opportunity will be made available in connection with the Fund, and nothing in this Memorandum constitutes a guarantee, prediction or projection of the availability of future Co-Investment Opportunities. The General Partner may or may not charge management fees, one time funding fees and/or an incentive allocation in respect of co-investments, subject to the terms of any applicable agreements with Subscribers. The allocation of any Co-Investment Opportunity may directly or indirectly benefit the Manager or General Partner as a result of, among other things, the receipt of any such fees or carried interest of commitments to the Fund. Co-investors in a Private Investment will not necessarily be required to share in broken-deal expenses that are paid by the Fund, either with respect to a co-investment opportunity that is not consummated or with respect to other potential investments that may be offered to the Fund. Where a co-invest vehicle controlled by the General Partner is formed and passive co-investors are contractually committed to invest in such co-invest vehicle, such entity will bear expenses related to its formation and operation,

many of which are similar in nature to those borne by the Fund. In the event that a transaction in which a co-investment was planned ultimately is not consummated, and co-investors are not contractually committed to participate in such proposed co-investment, all broken-deal expenses (including formation costs of any unused co-invest vehicle) relating to such proposed transaction will be borne by the Fund, and not by any potential co-investors that were to have participated in such transaction or that were to have made funding commitments with respect to such proposed transaction. However, to the extent that such co-investors are already contractually committed to invest in a co-investment, such co-investors will be expected to bear their share of such broken-deal expenses.

Institutional Risk

Suspensions of Trading

Securities and futures exchanges typically can suspend or limit trading in any instrument traded on the exchange. A suspension or limitation of trading could render it impossible for the Fund to liquidate a position or positions in a timely manner. A delay in exiting a position or positions could expose the Fund to losses with respect to such position(s), which could increase as the delay continues.

Accuracy of Public Information

The Manager selects investments for the Fund, in part, on the basis of information and data filed by issuers with various government regulators or made directly available to the Manager by the issuers or through sources other than the issuers. The Manager will also rely on information obtained from others regarding financial, economic, business and market conditions, factors, and trends. The Manager is not in a position to independently verify the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not available. As a result, the Manager is dependent upon the integrity of both the management of these issuers and other sources of information and on the financial reporting process in general. The Fund could incur material losses as a result of corporate mismanagement, fraud, and accounting irregularities.

Failure of Exchanges and Clearing Houses

The Fund is subject to the risk of the failure of any of the exchanges on which its positions trade or of the clearinghouses for such exchanges.

Counterparty and Settlement Risk

The Fund invests in swaps, derivatives or other over-the-counter transactions including forward contracts, and in connection with these investments, the Fund may take a credit risk with regard to counterparties with whom it trades. In the event of a default by the counterparty, the Fund will be exposed to the risk that it is under-collateralized, and the Fund may be unable to recover all or any portion of its investment with such counterparty. In the event of a default by the Fund, the counterparty may determine to close out all of the Fund's positions, which could have a material adverse effect on the Fund's portfolio. The Fund will also bear the risk of settlement default. A counterparty may not settle a transaction in accordance with agreed terms and conditions because of a dispute over the terms of the contract or because of a credit or liquidity problem. Counterparty risk is increased for contracts with longer maturities when events may intervene to prevent settlement. The Fund will not be excused from performance on any transactions due to the default of third parties in respect of other trades which, within the Fund's trading strategies, were to have substantially offset such contracts. The Fund will also face counterparty risk in connection with its securities lending transactions.

The Fund's access to certain financial intermediaries, such as prime brokers or trading counterparties, may be reduced or eliminated as a result of ongoing consolidation in the financial services industry. This may reduce the Fund's ability to diversify its exposures to these intermediaries which may increase operational risks or transaction costs.

Failure of Custodians

Financial institutions such as broker-dealers and banks will have custody of the Fund's assets, including its margin deposits. Often these assets will not be registered in the name of the Fund. Financial difficulty, fraud, or misrepresentation at one of these institutions could impair the operational capabilities or capital position of the Fund.

Epidemics, Pandemics and Other Health Risks

The Fund and its investments are subject to risks from the effects of epidemics, pandemics, and other human health crises. The extent of revenue decreases, operational delays, increased costs and reductions in operating income and cash flow in connection with a regional epidemic, global pandemic and other large-scale human health crises will be a function of, among other things, the severity of the event, the nature and scope of governmental responses to such event and the Fund's total exposure to the affected area – any or all of which may have a materially adverse effect on the Fund's financial condition and business operations. Further, the extent to which the Fund's investments are specifically affected by or exposed to (or perceived to be affected by or exposed to) the occurrence of a contagious disease or illness may adversely impact the customers, supply chain and workforce of such investments. In addition, epidemics, pandemics and other human health crises could have negative impacts on the Fund's investments outside of the areas directly affected. Any decrease in business activity at any company in which the Fund invests could have a material negative impact on overall returns to potential Subscribers of the Fund. In addition, market reactions may limit the Fund's ability to operate, secure and utilize credit and buy and sell investments. In addition to these developments having potential adverse consequences on the Fund's investments, the operations of the General Partner, the Manager and the Fund in certain jurisdictions could be adversely impacted.

Legal and Regulatory Risks

Business and Regulatory Risks of Private Funds, Including Hedge Funds

Legal, tax and regulatory changes during the term of the Fund may adversely affect it. The regulatory environment for hedge funds is evolving. Changes in the regulation of hedge funds may adversely affect the value of the Fund's investments. They may also adversely affect its ability to obtain the leverage it might otherwise have obtained or to pursue its trading strategies. In addition, securities and futures markets are subject to comprehensive statutes, regulations, and margin requirements. Regulators and self-regulating organisations and exchanges are authorised to take extraordinary actions in cases of market emergencies. The regulation of derivative transactions and funds that engage in those transactions is an evolving area of law and is subject to modification by government and judicial actions. The effect of any future regulatory change on the Fund could be substantial and adverse.

FATCA

Pursuant to the Foreign Account Tax Compliance Act provisions of the Hiring Incentives to Restore Employment Act of 2010, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Internal Revenue Code of 1986, as amended

(the “**Code**”), or any U.S. or non-U.S. fiscal or regulatory legislation, rules, guidance notes or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such sections of the Code or analogous provisions of non-U.S. law, including the Common Reporting Standard issued by the Organisation for Economic Cooperation and Development (known as “**FATCA**”), payments of U.S. source interest or dividends (as well as other similar payments), or gross proceeds from the sale or other disposition of property that could produce U.S. source interest or dividends and certain other payments attributable to such gross proceeds or U.S. source income (collectively, “**Withholdable Payments**”) to the Fund may be subject to a withholding tax of thirty percent (30%) unless, among other requirements, the Fund enters into a withholding agreement with the Internal Revenue Service (the “Service”), the Fund obtains certain information from each Subscriber and the Fund discloses certain of this information to the Service. The foregoing notwithstanding, proposed Treasury Regulations released December 13, 2018, eliminate withholding on gross proceeds entirely. Although taxpayers may generally rely on the provisions therein until such time that final Treasury Regulations are issued, there is a risk that such Treasury Regulations could be revoked or never finalized. Such a change in the status of such proposed Treasury Regulations may have material impact on an investment in the Fund.

The United States and the Cayman Islands have executed an intergovernmental agreement for the implementation of FATCA (the “**IGA**”). The IGA modifies the above-described requirements of the Fund in that the Fund will be required to report to the relevant Cayman Islands authorities, on an annual basis, the identity and certain other information collected by the Fund about direct and indirect Subscribers in the Fund. Provided that the Fund complies with the IGA and any related Cayman Islands laws, the Fund does not expect to be subject to any FATCA withholding tax on its receipt of Withholdable Payments. Nevertheless, in the event of any such withholding or any related costs, debts, expenses, obligations or liabilities (whether internal or external to the Fund) incurred on account of the failure by a Subscriber of the Fund to cooperate with the Fund’s efforts to comply with FATCA, the Fund may take any action in relation to such shareholder’s shares or redemption proceeds to ensure that any such taxes, costs or liabilities are economically borne by such shareholder(s). Although the Fund will attempt to satisfy any obligations imposed on it to avoid the implementation of such taxes, costs or liabilities under FATCA, no assurance can be provided that the Fund will be able to satisfy its obligations under FATCA or any related Cayman Islands laws, that it will not be subject to such taxes, costs or liabilities are, or, if any such taxes, costs or liabilities are do result as a result of a Subscriber’s failure to comply with the Fund’s FATCA-related requests, that the Fund will be able to fully allocate the burden of such taxes, costs or liabilities are to such Subscribers(s).

Moreover, the Fund or its Affiliates, and/or service providers or agents of the Fund may from time to time be required, or may, in their sole discretion, determine that it is advisable to, disclose certain information about the Fund and, subject to applicable law, the Subscribers, including, but not limited to, investments held by the Fund and the names and level of beneficial ownership of Subscribers, to (a) regulatory or taxing authorities of certain jurisdictions, which have or assert jurisdiction over the disclosing party or in which the Fund directly or indirectly invests, or (b) any counterparty of or service provider to the General Partner or the Fund.

Absence of Regulatory Oversight

The Fund and the Interests are not expected to be registered under the securities laws of any country. In particular, the Fund will not be registered as an investment company under the Company Act, and, therefore, will not be required to adhere to the restrictions and requirements under the Company Act. Accordingly, the provisions of the Company Act (which, among other things, require investment

companies to have a majority of disinterested directors, require securities to be held in custody by a bank or broker in accordance with rules requiring the segregation of securities, prohibit investment companies from engaging in certain transactions with Affiliates and regulate the relationship between advisers and investment companies) are not applicable.

Limited Partners' Tax Liability May Exceed Cash Distributions

Cash distributions to the Limited Partners in the Master Fund will be made solely at the discretion of the General Partner, which currently does not intend to make such distributions. If the Master Fund has realized profits for a taxable year, these profits may be taxable to the Limited Partners even though cash may not have been distributed to them. Also, the Master Fund may sustain losses offsetting such profits after the end of a fiscal year, so that a Subscriber may never receive all of the profit on which he is taxed.

Master Fund Partnership Status

The Master Fund has not requested a ruling from the Internal Revenue Service or an opinion of legal counsel as to any tax matters, including whether the Fund will be treated as a partnership (and not as an association taxable as a corporation) for U.S. federal income tax purposes. If the Master Fund were to be treated as a corporation rather than as a partnership for U.S. federal income tax purposes, the Master Fund itself would be taxed on its taxable income at corporate tax rates, there would be no flow-through of items of Fund income, gain, loss or deductions to the Subscribers, and Fund distributions generally would be taxable as dividends. Under present laws and regulations and judicial interpretations thereof, the General Partner believes the Master Fund would be classified and treated as a partnership for U.S. federal income tax purposes, and not as an association taxable as a corporation.

Current Tax Law May Substantially Change

In early November 2021, the House of Representatives passed certain tax policies related to President Joe Biden's proposed Build Back Better Act, H.R. 5376 (the "**Build Back Better Act Tax Proposals**"). The changes set forth therein, if enacted, would substantially change the current tax laws applicable to an investment in the Fund. Prospective Subscribers should consult with their tax advisors with respect to how the Build Back Better Act Tax Proposals, if enacted, would affect an investment in the Fund.

U.S. Tax-Exempt Persons

An investment in the Master Fund may not be appropriate for U.S. IRAs, pension plans and other U.S. tax-exempt Subscribers because it may produce debt-financed income that would be taxable to such entities. Such entities should consider investing in the Feeder Fund after carefully reviewing its Offering Documents. That notwithstanding, it is possible that the General Partner will accept a Private Investment in the Fund from such U.S. tax-exempt persons. In such cases, such U.S. tax-exempt persons may be subject to certain U.S. federal income tax consequences as a result of their investment in the Fund.

Item 9: Disciplinary Information

Not Applicable. JBIM and its supervised persons have no reportable disciplinary events to disclose.

Item 10: Other Financial Industry Activities and Affiliations

Item 10.A.

Not Applicable. Neither JBIM, nor any of its management persons, is applying to register as a broker-dealer, nor intends to in the future.

Item 10.B.

Not Applicable. Neither JBIM, nor any of its management persons, is applying to register with the Commodity Futures Trading Commission or applying for membership with the National Futures Association.

Item 10.C.

The General Partner is an affiliate of JBIM, and in this capacity the relationship could create an incentive for JBIM to make investment allocations that are riskier or more speculative than would be the case if the JBIM did not receive incentive compensation from the Fund for serving as the General Partner to the Fund. JBIM will act in the best interest of its Fund and in accordance with the Fund's investment objectives and has a robust compliance program in place to generally deal with conflicts of interest that come up from time to time on an objective basis.

Item 10.D.

Not Applicable. JBIM and its supervised persons do not recommend or receive compensation for selection of other investment advisers for its Clients.

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

Item 11.A.

JBIM has adopted a Code of Ethics, as required under Rule 204A-1 under the Advisers Act, to which all supervised persons of JBIM (as the Chief Compliance Officer deems appropriate) are subject. Supervised persons of JBIM may only purchase and sell securities in accordance with the Code of Ethics. This personal trading policy is monitored by the Chief Compliance Officer.

Supervised persons are permitted to maintain personal brokerage accounts, subject to the Code of Ethics and personal trading policy.

The Code of Ethics covers the following activities:

- A statement of the standard of business conduct.
- Limits on gifts and entertainment.
- Limits on political contributions.
- Prohibition of supervised persons from purchasing or selling, directly or indirectly, any existing or contemplated securities for the Fund's investment portfolio, or any security for which the supervised person may have received material nonpublic information.
- Pre-Approval requirement for Access Persons to pre-clear certain purchases or sales of securities through the Chief Compliance Officer for personal accounts.
- Reporting requirements regarding personal securities holdings.

- Requirement of prior approval of the Chief Compliance Officer for any exceptions to the policies in the Firm's Code of Ethics.

A copy of JBIM's Code of Ethics is available to Subscribers and prospective Subscribers upon request.

Item 11.B through Item 11.D.

JBIM does not engage in principal transactions. JBIM, as a fiduciary, endeavors to always make decisions in the best interests of its Clients if conflicts of interest arise. Employees of JBIM are prohibited from using their knowledge of Fund transactions to cause any non-Fund account to profit from the market effect of such transactions or give such information to a third party who may so profit. JBIM may restrict personal trading by employees or related persons in any circumstances where the Adviser considers it to be in the best interests of JBIM and/or its Clients. JBIM may also reverse, cancel, or freeze any transaction or position in an account of an employee or related person that in its discretion it believes is inconsistent with the Code of Ethics.

Item 12: Brokerage Practices

Item 12.A.1.

JBIM retains full discretion to determine the broker or dealer to be used for each securities transaction for Fund accounts and seeks to obtain best execution for its Clients by placing orders for the purchase and sale of securities with brokers and dealers based on JBIM's evaluation of the ability of the broker or dealer to execute orders in a prompt and effective manner as well as consider such factors as, including but not limited to, the financial stability and reputation of brokerage firms, creditworthiness, efficiency of execution and error resolution, the actual executed price and the commission, custodial and other services provided for the enhancement of portfolio management capabilities; the size and type of the transaction; the difficulty of execution and the ability to handle difficult trades, and the research, brokerage or other services provided by such brokers.

There may be instances when, in the judgment of JBIM, more than one broker or dealer is able to offer comparable brokerage services to the Funds. In selecting among such brokers or dealers, consideration may be given to those brokers or dealers that provide research services to the Fund, JBIM, and any of JBIM's affiliates.

JBIM will execute Client transactions and may generate "Soft Dollar Credits" through Soft Dollar Brokers that could pay for both research and mixed-use products/services. Soft dollar arrangements represent potential conflicts of interest since Clients' commissions are used to obtain products/services that JBIM would otherwise have to obtain with its own funds. JBIM is specifically authorized to direct brokerage to firms which furnish or pay for research and/or brokerage services within the "safe harbor" provided by Section 28(e) of the Exchange Act. Mitigating this conflict is that all the research and other services noted below benefit all of the Funds and Managed Accounts managed by JBIM. Notably, JBIM does not intend to utilize Soft Dollar Credits for research or mixed-use products and services beyond the execution of Client transactions.

i. Research

The research products/services received by JBIM from the Soft Dollar Brokers, either directly or through third-party arrangements between the Soft Dollar Brokers and the third-party service provider include, among others, information services on the economy, industries, groups of securities and individual

companies, databases, quotation systems, performance measurement reports, bond/stock pricing information, periodicals and exchange fees paid for live market data. Notably, JBIM does not intend to use such research products/services.

ii. Mixed Use

JBIM may receive some services that may be used for both research and other, non-research purposes. In any such instances, JBIM will assume that the non-research portion of the mixed-use products/services are for its own benefit rather than the benefit of Clients and therefore makes a good faith effort to determine the relative proportion of such mixed-use products/services related to both research and non-research purposes. While some products/services could be considered mixed-use products/services, the products/services shall be paid for in part using soft dollars. Notably, JBIM does not intend to use such mixed-use products/services.

Item 12.A.2.

JBIM does not participate in selecting or recommending broker-dealers in exchange for Client referrals.

Item 12.A.3.

Not Applicable. JBIM does not recommend, request, or require that a Client direct JBIM to execute transactions through a specified broker-dealer.

Item 12.B.

JBIM has the authority to allocate investments to advisory Clients on a cost basis or on another basis it deems fair and equitable. Similarly, JBIM may allocate investments among different advisory Clients on a basis it considers fair and equitable over time.

JBIM has a fiduciary obligation to use its best efforts to ensure that no Client is treated unfairly in relation to any other Client in the allocation of securities or investment opportunities. Accordingly, JBIM will seek to allocate orders and investment opportunities among its Funds in a manner that it believes is equitable and in the best interests of all Clients.

JBIM's accounts are invested in accordance with a single strategy and generally invest *Pari passu*, or on a pro-rata basis with trades generally being executed on an aggregate basis among the Funds. Exceptions to this allocation methodology include, but are not limited to, differing legal or tax prohibitions and rebalancing due to disparities in capital activity (redemptions/subscriptions) in one or more of the Funds. Accordingly, as a result, the Funds may experience some performance dispersion.

Item 13: Review of Accounts

Item 13.A. and 13.B.

JBIM has established a team of investment professionals responsible for reviewing the overall strategic, direction and broad allocations of investments by the Fund on an ongoing basis to confirm that each portfolio is in line with, as applicable: investment criteria specified in the Offering Documents; objectives, limitations or restrictions specified in agreement with the Fund; risk parameters and other JBIM specified limits; and other guidelines or restrictions.

Item 13.C.

Subscribers in the Funds will typically receive, among other things, (i) a copy of audited financial statements of the Funds annually; (ii) monthly notices of Fund performance estimates; and (iii) account balance statements from the Fund's Administrator.

JBIM may provide Subscribers with information on a more frequent and detailed basis as provided in the Offering Documents of the relevant Fund and any side letters.

Item 14: Client Referrals and Other Compensation

Item 14.A.

JBIM does not receive a direct economic benefit from any third party for providing investment advice or other advisory services to the Fund or related to the selection or recommendation of broker-dealers.

Item 14.B.

JBIM may engage one or more third-party placement agents in respect of the offering of interests in a Fund to certain prospective Subscribers. Each placement agent will be paid a placement fee, which may be based on the amount of the capital commitments to a Fund by referred Subscribers.

Currently, JBIM has a compensation arrangement with Park Hill Group LLC, J. Alden Associates, Inc. and Coronado Investments, LLC, (collectively "**Placement Agents**") for the Placement Agents to refer prospective Subscribers to the Funds.

Any fees charged by the Placement Agent in connection with its engagement with JBIM will be payable by JBIM and/or the applicable General Partners and not the Funds.

Item 15: Custody

As investment adviser to the Fund, JBIM may be deemed to have custody of certain Client assets under Rule 206(4)-2 under the Advisers Act (the "**Custody Rule**"). As required by the safekeeping requirement in the Custody Rule, all assets of the Fund are held by qualified custodians. On an annual basis, JBIM will deliver to the Fund's Subscribers audited financial statements within 120 days of any fiscal year-end in which the Fund held Investments.

Item 16: Investment Discretion

JBIM has discretionary authority to manage securities accounts on behalf of Clients and therefore, determines which securities and the amounts of securities it buys and sells for Clients. This authority has been granted to JBIM by means of an executed investment management agreement that sets forth the scope of investment discretion with respect to the Funds. JBIM generally is not required to provide notice to, consult with, or seek the consent of the relevant Fund prior to engaging in transactions that fall within the Fund's approved investment guidelines.

Item 17: Voting Client Securities

JBIM has voting authority since it has discretionary authority over the securities held by its Clients. Accordingly, JBIM understands its fiduciary responsibility to monitor corporate events, to vote proxies and

cast votes in the best economic interests of its Clients, and to not put Client interests second to its own economic interests.

JBIM has adopted the proxy voting policies and procedures set forth in its Compliance Manual to identify and address material conflicts of interest related to voting proxies. Under its proxy voting policy, JBIM will generally vote proxies in accordance with the recommendation of the issuing company's management on routine and administrative matters unless JBIM has a particular reason to vote to the contrary.

Non-routine matters will be voted on a case-by-case basis in a manner that serves the Clients' best interest. Under certain circumstances, we may abstain from voting specific proxies if JBIM believes that doing so is in the best interests of its Clients. Furthermore, under its proxy voting policy, the Manager may not vote proxies issued by companies if its Clients no longer have any economic exposure to the issuer.

Clients and Subscribers are not permitted to direct JBIM's vote in a particular proxy solicitation.

Clients and Subscribers may obtain information regarding how JBIM voted its securities by requesting records of the Chief Compliance Officer, who is responsible for retaining all records related to proxy voting. Additionally, Clients and Subscribers may obtain a copy of JBIM's proxy voting policies and procedures upon request to the Chief Compliance Officer.

Item 18: Financial Information

Not Applicable. JBIM does not require or solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance. JBIM is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its Clients. Lastly, JBIM has not been subject to a bankruptcy petition at any time during the past ten (10) years.