

Item 1: Cover Page

Dandelion Capital Management LP

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August 8, 2023

This “**Brochure**” provides information about the qualifications and business practices of Dandelion Capital Management LP. If you have any questions about the contents of this Brochure, please contact us at (424) 298-3200 or info@dandelioncap.com. Information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Dandelion Capital Management LP has applied as an “Investment Adviser” with the SEC. References in this Brochure to the Adviser as a “registered investment adviser” are not intended to imply a certain level of skill or training.

Additional information about Dandelion Capital Management LP is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

This brochure is Dandelion Capital Management LP's initial Form ADV Part 2A which has been submitted in connection with the initial application for registration with the SEC. In the future, if the Brochure contains material changes from our last update, we will identify and discuss those changes in this section.

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Item 4: Advisory Business

Dandelion Capital Management LP (hereinafter “**Dandelion**”, “**we**”, “**us**”, “**our**”, “**Investment Manager**”, or the “**Adviser**”) is organized as a Delaware limited partnership with its principal place of business in Los Angeles, California. The Adviser was formed in March 2022. Patrick Fu, Managing Partner and Chief Investment Officer, and Sachin Divecha, Managing Partner, are the principal owners.

Following registration with the SEC, the Investment Manager intends to manage the following pooled investment vehicles:

- Dandelion Capital Offshore Fund, Ltd., a Cayman Islands exempted company (the “**Offshore Fund**”).
- Dandelion Capital Onshore Fund, L.P., a Delaware limited partnership (the “**Onshore Fund**” and together with the Offshore Fund, the “**Feeder Funds**”); and
- Dandelion Capital Master Fund, L.P., a Cayman Islands exempted limited partnership (the “**Master Fund**”);

The Master Fund, the Onshore Fund and the Offshore Fund are herein collectively referred to as the “**Fund**” unless otherwise described. The Feeder Funds will invest substantially all of their assets in the Master Fund. Investment and trading activity will be conducted at the Master Fund level. References herein to the investment objectives, strategies, investments and transactions of the Fund include the Feeder Funds’ investment objectives, strategies, investments and transactions as implemented through the Master Fund. The Fund has not yet commenced investment operations. The Investment Manager may manage the assets of other clients.

Dandelion Capital GP LLC, a Delaware limited liability company that is an affiliate of the Investment Manager and under common control with the Investment Manager (the “**General Partner**”), serves as the general partner of the Onshore Fund and the Master Fund.

The Master Fund expects to invest primarily in public and private equity and equity-related securities. The Master Fund may also invest in other types of securities and instruments and may use a variety of investment techniques to seek to generate profit and/or control risk. Such securities may include, without limitation, derivatives, debt, preferred stock, convertible securities, warrants, stock purchase rights, shares of investment companies, exchange traded funds, digital assets and depository receipts. Allocation of the portfolio among various securities types is a function of the Investment Manager’s assessment of the marketplace and investment opportunities available at any given time.

The Investment Manager will provide investment advisory services to each Fund pursuant to an investment management agreement between the Investment Manager and each Fund (the “**Advisory Agreement**”).

Investment advice is provided directly to the Fund and not individually to the investors in the Fund. Investment restrictions for the Fund, if any, are generally established in the partnership agreements or offering documents (“**Governing Documents**”) of the Fund.

Investors in the Fund must either be (a) both (i) “accredited investors,” as defined in Regulation D under the Securities Act of 1933, as amended (the “**Securities Act**”), and (ii) “qualified purchasers,” as that term is defined in Section 2(a)(51)(A) of the Investment Company Act of 1940, as amended (the “**1940 Act**”), for purposes of Section 3(c)(7) thereunder, or (b) “knowledgeable employees” as that term is defined in Rule 3c-5 of the 1940 Act.

The Investment Manager does not participate in wrap fee programs.

Currently, the Investment Manager does not have regulatory assets under management, but we expect to have, within 120 days of the effective date of our initial registration, client assets under management sufficient to allow us to remain eligible for registration with the SEC.

Item 5: Fees and Compensation

Management Fee

In consideration for the investment management services to be provided by the Investment Manager, the Fund will pay the Investment Manager a quarterly management fee in advance (the “**Management Fee**”). The Management Fee will generally be 1.50% on an annualized basis of the net asset value of the interests held by each investor, subject to reduction if certain thresholds of aggregate assets under management are achieved as further described in the Governing Documents.

Each installment of the Management Fee otherwise payable to the Investment Manager shall be reduced (but not below zero) by an amount (the “Offset Amount”) equal to one hundred percent (100%) of certain fees received by the Investment Manager or any of its affiliates during the preceding calendar quarter subject to certain mechanics as further described in the Governing Documents.

Performance Allocation

The General Partner is entitled to receive a performance allocation which is equal to fifteen percent (15%) for the Founders Series A Shares and (ii) twenty percent (20%) for the Series B Shares as further described in the Governing Documents.

General

The management fee and performance allocation will be directly deducted from each investor’s share of the Fund’s assets. If an investor withdraws investments prior to the last day of the twelfth (12th) calendar month following the date on which such investment was made, the proceeds in respect of any such withdrawal will be subject to a withdrawal fee (with respect to Founders Series A Interests, three percent (3%) and with respect to Series B Interests, four percent (4%), of the amount permitted to be withdrawn). Any withdrawal fee will be credited pro rata to the limited partners in the Master Fund (except those subject to the withdrawal fee).

The management fee and the performance allocation with respect to certain investors, including, without limitation, affiliates of the Investment Manager, may be waived, rebated, reduced or otherwise modified by the Investment Manager or the General Partner, as applicable, in its sole discretion, provided that no such waiver, rebate, reduction or modification will adversely impact any other investor or cause them to bear a higher portion of the management fee or performance fee than they would bear absent such waiver, rebate, reduction or modification.

Expenses

The Investment Manager bears all of its own normal and recurring operating expenses incurred in connection with the investment management services that it will provide to the Fund, except as otherwise provided below in “Operating and Organizational Expenses.” The Management Fee may be more or less than the Investment Manager’s cost of providing investment management services to the Fund.

The Management Fee with respect to certain Shareholders, including, without limitation, affiliates of the Investment Manager and/or the General Partner, may be waived, rebated, reduced or otherwise modified by the Investment Manager in its sole discretion, provided that no such waiver, rebate, reduction or modification will adversely impact any other Shareholder or cause them to bear a higher portion of the Management Fee than they would bear absent such waiver, rebate, reduction or modification. This may be effected through the creation of additional series or sub-series of Shares or other means, which will not require Shareholder approval.

The Fund will pay, whether directly or through reimbursement of the Investment Manager or one of its affiliates, all costs and expenses related to its business and operations including: (i) all costs and expenses related to researching, acquiring, monitoring and disposing of investments whether or not such investments are

consummated, including, without limitation, brokerage, prime brokerage and futures commission merchant fees, commissions and expenses; expenses relating to block trades; expenses relating to short sales; expenses relating to the trading of derivative instruments; clearing and settlement charges; costs and expenses attributable to any borrowing by the Fund (including pursuant to any credit facility, long term borrowing arrangements, or other indebtedness) and guarantees made by the Fund, the General Partner, the Investment Manager or any of their affiliates on behalf of the Fund (including any credit facility, letter of credit or similar credit support entered into), including interest thereon or any associated costs and fees; custodial fees and expenses; registrar and transfer agent fees; bank service fees; interest expenses and fees related to financings or refinancings, costs and expenses of third party traders; any issue or transfer taxes chargeable in connection with any securities transactions; investment sourcing, finding, placement, management, incentive, consulting and other fees paid to third parties unaffiliated with the Investment Manager involved in performing services as a director or consultant with respect to, or otherwise assisting in, sourcing, investigating, evaluating, monitoring or disposing of investment opportunities of the Master Fund; fees and expenses related to obtaining research (including all costs and expenses of research reports, subscriptions to research services, research calls, and meetings and research or industry conferences) and market data (including, without limitation, any information technology hardware (e.g., telephone and fiber optic lines), software or other technology incorporated into the cost of obtaining such research and market data, including fees and expenses related to obtaining, processing, organizing, analyzing and storing research or market data that may be considered “big data” or “alternative data”, and any fees and expenses related to third party service providers engaged to process, analyze and/or model such research or market data and any additional expenses incurred for custom development or implementation of such data); expert networks, including fees and expenses associated with expert consultants and third party consultants/advisors; fees and expenses for outsourced note-taking and transcripts relating to conference calls held by companies; due diligence expenses including, without limitation, consulting and appraisal fees; out-of-pocket costs relating to research or other value add services provided to any portfolio company, including any fees costs and expenses attributable to recruiting or retaining any advisors or research providers engaged to provide advice, guidance or services related to the investment or research process and/or to one or more portfolio companies, and any fees, costs and expenses incurred in connection with any meetings or industry-related events associated with or in support of portfolio companies; investment-related travel expenses, including all accommodation, transportation, and other similar costs; fees and expenses of proxy research and voting and class action-related services, including fees paid to third-party proxy advisory firms; and fees and expenses of third-party professionals, including, without limitation, consultants, investment bankers, lenders, third-party diligence software and service providers, attorneys and accountants and tax advisors, in each case including retainers paid to such professionals; (ii) the Fund’s direct or indirect *pro rata* share of any compensation payable in connection with the management of any Designated Investment by an unaffiliated third party or management team; (iii) fees and expenses relating to information technology hardware, software or other technology (including, without limitation, costs of software licensing, implementation, data storage, search and compute power, data management, database packages, electronic data storage and processing systems and recovery services and custom development and implementation) used to research investments, evaluate and manage risk, facilitate valuations, facilitate accounting and operations functions and/or facilitate compliance with the rules of any self-regulatory organization or applicable law (including, without limitation, reporting obligations), facilitate and manage the order execution of securities or otherwise manage the Fund or any trading subsidiary or special purpose vehicle, such as Bloomberg terminals, portfolio management systems, data feeds for research, trading related software and licenses; statistical data, market data feeds; trade-related compliance, risk management systems and order management systems (that includes middle-office functionality) and fees and expenses of third-party portfolio accounting and risk management products, models and services; (iv) fees and expenses of third-party accounting and valuation service providers (including valuation appraisals, pricing services, and valuation related technology), Money Laundering Reporting Officer (and any deputy) and an Anti-Money Laundering Compliance Officer; (v) taxes and third-party audit and tax consulting and preparation expenses (including preparation costs of financial statements, and reports to Shareholders); (vi) costs relating to FATCA, CRS and similar tax regulatory compliance regimes; (vii) insurance expenses, including, without limitation, premiums for cybersecurity, consultant fees and D&O and/or E&O and any other insurance and liability insurance covering the General Partner, the Investment Manager and the members, partners, officers, employees, affiliates and agents of any of them; (viii) costs of preparing and distributing reports and notices (including, without limitation, all costs incurred to audit such reports, provide access to a database or other internet forum, portal or data room and any other operational, legal, secretarial or postage expenses associated

with distribution of the same); (ix) expenses incurred in connection with negotiating and complying with provisions of any Side Letters, or reporting obligation of any Shareholder and expenses incurred in connection with any transfers of Interests or a Shareholder's admission or redemption, including the costs of any electronic subscription agreement and data room solutions, unless otherwise charged to or borne by the applicable transferee or Shareholder; (x) expenses incurred in connection with the offering and sale of the Interests and other similar expenses related to the Fund (including, without limitation, expenses attributable to compliance with the EU Alternative Investment Fund Managers Directive and other private placement, lobbying and distribution rules in the United States and foreign jurisdictions, and compliance with anti-money laundering law and know-your-customer requirements and excluding fees payable to any placement agent); (xi) expenses incurred in connection with the negotiation of prime brokerage contracts (including International Swaps and Derivatives Association master agreements) and counterparty agreements with the Fund; (xii) extraordinary expenses, including, without limitation, costs of any litigation or investigation involving activities of the Fund, indemnification expenses and fees, expenses and other governmental charges incurred in connection with any tax audit, investigation, settlement or review by any taxing authority, including, without limitation, any related administrative settlement and judicial review; (xiii) fees and expenses incurred in connection with the reorganization, dissolution, winding-up or termination of the Fund, or any trading subsidiary, alternative investment vehicles or special purpose vehicle; (xiv) the amortized portion of Organizational Expenses (as defined below); (xv) fees and expenses related to compliance with the rules of any self-regulatory organization or applicable law in connection with the activities of the Fund, including, without limitation, any governmental, regulatory, licensing, filing or registration fees or taxes (including, without limitation, fees and expenses incurred in connection with the preparation, and filing of Form PF, Form CPO-PQR, Hart Scott Rodino and other antitrust-related filings, CFIUS filings, Section 13 filings, Section 16 filings and other similar regulatory filings); blue sky and corporate filing fees and expenses and fees and expenses for filings in any applicable jurisdiction as required pursuant to applicable law in connection with specific investments or offering Interests in the Fund or the Master Fund; (xvi) costs of amendments and updates to offering documents; any entity-level taxes (other than taxes specifically attributable to any Shareholder), any withholding, transfer or other taxes imposed on the Fund or any of its Shareholders; (xvii) fees and expenses of third party administration, including for middle and back-office services; (xviii) costs and expenses relating to having independent directors of the Fund; and (xix) Management Fees.

It is anticipated that most investment-related expenses and certain other expenses, including without limitation, the Management Fee, will be incurred by the Master Fund, and the Onshore Fund and the Offshore Fund will be responsible for its *pro rata* portion of such expenses. Expenses that the General Partner determines relate to any specific Designated Investments will be charged to the applicable separate memorandum account on the Fund's books, which may be maintained for each Designated Investment (each, a "Designated Investment Account" or "DI") of the Participating DI Shareholders or any other Shareholder that participates in such Designated Investments, as applicable (or the Shareholders that would have been participating in such Designated Investments had such investments been consummated). The determination as to whether an expense relates specifically to a particular Designated Investment will be made by the General Partner, in its sole discretion. However, it is not always practicable or reasonable to allocate investment and investment-related expenses to a particular Designated Investment, such as (i) general research expenses not related to a specific Designated Investment that benefit Designated Investments and/or other investments generally, (ii) research expenses that are subscription-based, aggregated together or otherwise paid for as a single bill or lump sum payment and (iii) other similar expenses. As a result, such expenses may be charged to all of the Shareholders of the Fund.

In the case of an unsuccessful (i.e., "broken deal") investment (particularly Participating Designated Investments), all expenses, including diligence, legal and related transactional expenses will be indirectly allocated to each Participating DI Shareholder (and each limited partner in the Fund that would have participated in such designated investments) (and if applicable, any co-investors who had committed to funding a co-investment vehicle and agreed to pay such expenses), pro rata based on the amount below each Participating DI Shareholder's (and each limited partner in the Fund that participates in designated investments) DI Limitation that is available to be invested in Participating Designated Investments at the time of the broken deal. If no co-investors have committed or been allocated an investment amount at the time the deal is broken, then the full amount of such expenses will be borne by the Participating DI Shareholders as set forth in the previous sentence.

Organizational costs of the Fund and the costs incurred in connection with the initial issuance of Interests, including legal and accounting fees, document production and printing costs, regulatory filing fees, and other related expenses, will be paid for by the Fund (collectively, the “Organizational Expenses”). Such Organizational Expenses are expected to be amortized by the Fund for financial reporting purposes over a period of up to sixty (60) months. The General Partner believes that amortizing such Organizational Expenses is more equitable than expensing the entire amount during the first year of operations, as is required by U.S. generally accepted accounting principles (“GAAP”), and also conforms to industry practices. Amortization of the Fund’s organizational expenses may result in a qualification of the auditor’s opinion of the Fund’s financial statements. In such instances, the General Partner may decide to (i) avoid the qualification by recognizing the unamortized expenses or (ii) make GAAP conforming changes for financial reporting purposes, but amortize expenses for purposes of calculating the Fund’s net asset value. There will be a divergence in Fund’s fiscal year-end net asset value and in the net asset value reported in the Fund’s financial statements in any year where, pursuant to clause (ii), GAAP conforming changes are made only to the Fund’s financial statements for financial reporting purposes. If the Fund is terminated within sixty (60) months of its commencement, any unamortized Organizational Expenses will be recognized. If a Shareholder redeems all or part of its capital account prior to the end of the sixty (60) month period during which the Fund is amortizing Organizational Expenses, the General Partner may, but is not required to, accelerate a proportionate share of the Fund’s unamortized Organizational Expenses based upon the amount being redeemed and reduce redemption proceeds by the amount of such accelerated Organizational Expenses.

A portion of expenses for research and brokerage related products and services incurred by the Investment Manager may be paid with “soft dollars” generated through the Master Fund’s trading activities. It is anticipated that the use, if any, of commissions or “soft dollars” to pay for research and brokerage products and services will fall within the safe harbor created by Section 28(e) of the Securities and Exchange Act of 1934, as amended (the “Exchange Act”). Under Section 28(e) of the Exchange Act, research and brokerage products and services obtained with soft dollars generated by the Master Fund may be used by the Investment Manager to service accounts other than the Master Fund and the Fund. Where a product or service obtained with soft dollars provides both research or and non-research assistance to the Investment Manager, the Investment Manager will make a reasonable allocation of the cost which may be paid for with soft dollars.

The Investment Manager reserves the right to reimburse the Fund for a portion of certain costs and expenses and/or organizational costs incurred by the Fund, but shall have no obligation to do so.

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

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

The General Partner, an affiliate of the Investment Manager, is entitled to a performance-based compensation. It should be noted that the possibility of the Investment Manager's or the General Partner's receipt of performance-based compensation can create a potential conflict of interest in that it could be viewed as an incentive to make riskier or more speculative investments than in the absence of such performance-based fee. However, this incentive is mitigated by the fact that losses will reduce a Fund's performance, and thus the Investment Manager's or the General Partner's compensation. Investors are provided with clear disclosure in the Governing Documents as to how the performance-based compensation is charged. The Investment Manager is of the view that the compensation structure is in line with industry standards.

Item 7: Types of Clients

As described in Item 4 above, the Investment Manager initially expects to provide investment advisory services to the Fund, which are exempt from registration under the Securities Act and the 1940 Act. In general, interests in the Fund are offered only to individuals and institutional investors that are both “accredited investors,” as defined in Regulation D under the Securities Act and “qualified purchasers,” (as defined in the 1940 Act) or “knowledgeable employees” (as defined in the 1940 Act), in each case, whose participation in the Partnership would not require the Partnership to register or qualify the Interests for offer or sale under state securities laws. The General Partner, in its sole discretion, may decline to accept the subscription of any prospective investor, or any additional subscriptions of any existing limited partners. The General Partner reserves the right to request from each investor information with respect to the occurrence of certain disciplinary events as set forth in Rule 506(d) under the Securities Act.

The minimum capital commitment for an investor in the Fund is \$5 million and any additional investment must be at least \$2 million, unless such minimum is waived by the General Partner.

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

Investment Strategy

The investment objective of the Fund is to generate superior long-term capital appreciation, primarily by investing in innovation-rich sectors, initially principally including technology, media and telecommunications (“TMT”), healthcare, consumer discretionary and industrial sectors. The Fund will typically invest in publicly traded securities, but also expects to invest in the securities issued by private companies. The Fund intends to achieve its objective by using a combination of thematic and detailed fundamental analysis and research, targeting companies across the globe. The foundation for the Fund’s investment strategy is thematic and fundamental, bottom-up research of businesses and industries. For purposes of clarity, it is anticipated that only the Master Fund will make investments for the benefit of the Feeder Funds which will invest substantially all of their assets in the Master Fund.

The Fund will invest in various regions around the world, with a particular focus on the geographies and industries in which innovation driven change is having or is expected to have an impact. Exposure to individual regions and sectors is monitored but is not decided on a top-down basis; rather, sector and geographic exposure is the result of bottom-up stock picking.

The Investment Manager will typically seek to invest long in securities where it maintains a long investment time horizon. It is willing to wait for the right time and valuation to invest in a security and will typically maintain investments that have moved against the Fund, but where it believes that long-term fundamentals remain sound. The Fund will initiate short positions to seek to generate a positive absolute return and does not seek to manage short-term market volatility. Short positions will primarily be short sales of individual securities or small baskets of securities tethered to a unifying theme. Frequently, the themes are the same ones identified as potential long opportunities.

The Investment Manager will maintain a broad and flexible mandate for the Fund in which to apply its investment strategy, but generally expects to hold a relatively concentrated portfolio of long positions and short positions. Each long position is expected to be between 3-10% of the Fund’s net assets and each short position is expected to be between 1-3% of the Fund’s net assets. The Fund expects to typically hold 15-20 long investments in public equity securities and 30-40 short investments. The percentage of each long and short position and the actual number of positions the Fund holds may be outside of the ranges referenced above at any time.

The Fund expects to make investments in the securities of private companies, often purchased in private placements, that are expected to be segregated as “Participating Designated Investments,” at the sole discretion of the General Partner, in consultation with the Investment Manager. Each Shareholder, at the time that it makes its initial subscription to a Series in the Fund, will elect either to participate in or to not participate in Participating Designated Investments. Designated Investments and such participation will be subject to a 30% cap (as described in the Governing Documents).

There can be no assurance that the Fund’s investment objective will be achieved, and certain investment practices (e.g., the use of leverage, short sales and concentration of investments) may, in some circumstances, increase any adverse impact to which the Fund’s investment portfolio may be subject.

Borrowing and Leverage

The Investment Manager generally intends to keep the Fund’s gross exposure between 100% and 150% of the net asset value of the Fund’s portfolio. However, gross exposure may be less than or greater than such percentages at any time. The Fund’s use of leverage will principally be influenced by the portfolio concentration of the Fund; the higher the concentration of individual securities, the lower the leverage to be deployed. The Fund may leverage its portfolio through traditional means, such as by borrowing money through margin accounts, lines of credit with banks, or other lending arrangements on a secured or unsecured basis. The Fund

may also employ certain other financial techniques and trading strategies that do not involve borrowing money through such traditional means, but that have the economic effect of leveraging the Fund's portfolio, such as options, swaps and other derivative instruments. *See "Risks; Use of Leverage."*

Any credit or lending agreements or arrangements entered in shall not be effective with respect to any Shareholder that is a "benefit plan investor" (as defined below), if such agreement or arrangement would cause or result in a non-exempt prohibited transaction under Section 406 of ERISA (as defined below) or Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code").

Risks

Investing in securities involves a substantial degree of risk. The Fund may lose all or a substantial portion of their investments and investors in the Fund must be prepared to bear the risk of a complete loss of their investments.

Investment and Trading Risks.

An investment in the Fund involves a high degree of risk, including the risk that the entire amount invested may be lost. No guarantee or representation is made that the Fund's investment program will be successful. The Investment Manager will be investing substantially all of the Fund's assets in securities and instruments, which may be particularly sensitive to economic, market, industry, regulatory and other variable conditions. The markets in which the Fund expects to invest have recently experienced and continue to experience significant volatility and losses. No assurance can be given as to when or whether adverse events might occur that could cause immediate and significant losses to the Fund.

Risks Associated with TMT Investing.

Investing in securities and other instruments of companies that focus on technology, media and telecommunication sectors involves substantial risks. These risks include: certain companies in the Fund's portfolio may have limited operating histories; rapidly changing technologies and products which may quickly become obsolete; cyclical patterns in information technology spending which may result in inventory write-offs, cancellation of orders and operating losses; scarcity of management, engineering and marketing personnel with appropriate training; the possibility of lawsuits related to technological patents; changing investors' sentiments and preferences with regard to "TMT" sector investments with their resultant effect on the price of underlying securities; and volatility in the applicable markets affecting the prices of technology company securities, which may cause the performance of the Fund to experience substantial volatility. Furthermore, these sectors, particularly technology and its many sub-sectors, have historically been subject to significant volatility.

Many companies in the TMT sector have proprietary technology and rely on a combination of patent, copyright, trademark and trade secret protection and non-disclosure agreements to establish and protect their proprietary rights, which may be essential to the growth and profitability of the company. There can be no assurance that a particular company will be able to protect these rights or will have the financial resources to do so, or that competitors will not develop or patent technologies that are substantially equivalent or superior to the technology of a company in which the Fund invests. Conversely, other companies may make infringement claims against a company in which the Fund invests, which could have a material adverse effect on such company. The markets in which many TMT companies operate are extremely competitive. New technologies and improved products and services are continually being developed, rendering older technologies, products and services obsolete. Moreover, competition can result in significant downward pressure on pricing. There can be no assurance that companies in which the Fund invests will successfully penetrate their markets or establish or maintain competitive advantages.

Healthcare Sector Investment Risks.

The Fund will make investments in the global healthcare industry and its subsectors, which may include, without limitation, investments in issuers such as pharmaceutical companies, biotechnology companies, generic drug manufacturers, insurance companies, hospital and ancillary health facilities, healthcare information technology companies and medical device companies. These issuers often face regulatory barriers to licensing, product approvals, and ongoing compliance which are in some cases very high and very costly. Due in many cases to the actual and/or perceived possibility of high potential profits in many segments of the global healthcare

markets, competition and litigation risks are heightened. Investing in the healthcare sector may also present additional risks that are not typical in other sectors, including, but not limited to:

- **Government Regulation and Intervention.** Governments around the world closely monitor and regulate most facets of the healthcare industry and adjust policies and procedures regularly, causing healthcare companies to have to constantly adapt procedures, submit data, and subject themselves to various inspections and audits.
- **Food and Drug Administration (“FDA”) and Global Oversight Entities.** Certain pipeline products of pharmaceutical, biotechnology and medical device companies are subject to long and costly development testing that is regulated by government entities (such as the FDA, in the United States). Ultimately the products must be approved before they can be sold, after sometimes intense scrutiny by government regulators. In some cases, a product denied approval may be a healthcare company’s only product candidate. If a product is not approved, extreme volatility in shares of the underlying company can occur and sales and/or profits may be delayed indefinitely. In addition, even once approved, a product’s safety and efficacy, as well as its manufacturing process, continue to be monitored and assessed by regulatory agencies. Failure to comply with regulations can result in large fines, in a product being removed from the market, or in the product being banned from sale indefinitely until the company can satisfy the regulatory agency.
- **Medicare and Medicaid, Affordable Care Act Reimbursement.** Most healthcare companies rely in some way on government reimbursement through major programs such as Medicare (elderly support), Medicaid (financial duress) and expanded access to each through the Affordable Care Act. These programs are perpetually evolving and funding cuts or shifting of resources within these programs cause inherent risks for the companies which depend on them for all or part of the payment for their products or services.
- **Taxation of Offshore Profits.** While domicile of intellectual property or manufacturing capabilities outside of the United States in some cases affords healthcare companies corporate tax breaks and shelters under current tax laws, political, fiscal or legislative pressures may cause existing rules to change meaningfully, potentially affecting the profitability of some of these issuers.
- **High Risk and High-Cost Research and Development Strategies.** Most healthcare/life sciences product companies embark on very costly development plans that involve scientific experiments on animals and humans to test the safety and efficacy of their products, prior to the product’s broad availability. There are multiple opportunities for cost overruns and timeline setbacks that are inherent in this process.
- **Pipeline Failures.** In the event of a pipeline failure or delay due to a safety, manufacturing or efficacy issue with a product, significant costs can be incurred, and sales can be delayed for a prolonged period while a healthcare company attempts to correct the issue or issues and negotiates with regulatory authorities to seek a path forward.
- **Single Product Risk.** Many early-stage life sciences and devices companies depend on the success of one product. In the event that the product is not approved, or is removed from the market, or has its approved label changed to include safety issues or a smaller addressable end-market, these companies can swing from profitable to not profitable, or be forced to raise additional funds in the equity or debt markets at depressed prices or unfavorable terms.
- **Product Obsolescence and Patent Risk.** Science, healthcare and the ability to deliver related services lead to a rapidly evolving marketplace. Due to the perceived high profits in these areas, competition is very high and patent life is subject to defined timeframe and invalidation risk. In many cases, multiple options are marketed by multiple companies to address medical needs and ‘newer, better’ options are constantly being approved for sale and distribution. If a healthcare company’s product offering is unable to remain relevant, or the company is unable to garner steady pricing due to a discounting for share model, profits can decline versus prior levels. If a patent is challenged and invalidated in the courts, sales and profits may be eroded by generic competition at lower prices.
- **Single Security Volatility.** Due to inefficiencies of information flow and the velocity of change in regulatory laws and innovation, healthcare company securities are in many cases more volatile than those of issuers in some other market sectors.
- **Product Liability.** Healthcare companies are exposed to a high level of product liability risk during the testing and sales of many products. Claims against these companies can result in delay or stoppage of clinical trials, reduction of demand and revenues from products, high litigation costs, substantial fines

or monetary outlays to third parties, and costly specialized consulting engagements designed to seek to rectify these sorts of problems.

- **Specialized Workforce.** Healthcare companies employ highly educated and trained specialists in many fields ranging from medicine to advanced research and development to manufacturing, and in many cases these specialties are unique to the industry. Due to the barriers to obtaining these skills, relevant experience, and academic degree levels, the pool of applicants is finite and most development successes depend on a company's ability to attract, hire and retain these highly specialized personnel. In the event that a healthcare company's management is unsuccessful in hiring personnel who are qualified to perform in these areas, and retain them on acceptable terms, development delays and quality issues could harm the company and its ability to execute on its business model.

Risks Associated with Companies in the Consumer Discretionary Sector.

The success of a business in the consumer discretionary sector depends upon the performance and popularity of its products and services. Generally, there are a large number of companies competing for market share in any consumer discretionary sub-sector. A company may compete with other companies based on: quality and success of its products or services; quality of environment and experience; prices; and availability of its products or services, among other things. As a consequence of such competition, any particular company in the consumer discretionary sector may be materially and negatively affected. Further, to compete in the market, a company may seek to engage in planned growth of commercial operations, which may put further strain on management and on operational and financial resources and systems of a company. Risks exist that a company might over-invest or under-invest in infrastructure, and result in losses or weaknesses in infrastructure, which could have a material adverse effect on the business, results of operations, financial condition and cash flow for a company. Any failure by a company to manage growth effectively could have a negative effect on its ability to achieve its development and commercialization goals and strategies, and result in a negative impact on the Fund's performance.

A company in the consumer discretionary sector also faces competition relating to promotion and maintenance of brand and reputation. Such companies' businesses are often highly sensitive to public tastes, and they may be unable to anticipate or respond to changes in consumer preferences, which may result in decreased demand for such companies' products or services. Unfavorable media coverage with respect to a consumer-facing company, and failure of such company to respond effectively thereto, could further negatively impact a company's brand and reputation and as a consequence, its business. Failure to adequately protect intellectual property and curb the sale of counterfeit merchandise or media could also injure a company's brand.

Further, a company in the consumer discretionary sector may be susceptible to instances of brand infringement (such as counterfeiting and other unauthorized uses of intellectual property rights), and it is not always possible to detect all instances of brand infringement. Additionally, where instances of brand infringement are detected, there may be legal or factual circumstances which give rise to uncertainty as to the validity, scope and enforceability of intellectual property rights in the brand assets. Furthermore, the laws of certain countries in which brands are licensed and operations conducted, may not offer the same level of protection to intellectual property rights holders as those in the United States, and the time required to enforce intellectual property rights under these legal regimes may be lengthy and delay recovery, if any. Failure or inability by a company to secure, protect, maintain and/or enforce the intellectual property rights which vest in brand assets, might cause a loss of the exclusive right to exploit such brand assets. Infringement of trademark, copyright and other intellectual property rights could have an adverse effect on a company's business.

Risks Associated with Industrial Investments.

The Fund will make investments in the industrial sector and the demand in the industrial sector is related to the level of economic activity. Periods of recession and inflation, for example, may lead to a slow-down in the demand for industrial products and services. The business of identifying, structuring, completing and realizing attractive investments in the industrial sector within the Fund's investment strategy is competitive and involves a high degree of uncertainty. If there are significant reductions in demand for industrial products and services, companies in the industrial sector may experience increased costs associated with resizing operations, including higher unit operating costs and costs for the storage; work-force adjustments; and other related activities, which could have a material adverse effect on results of operations, financial condition, and liquidity. If there are

significant increases in demand for industrial products and services, companies in the industrial sector may experience a shortage of critical supplies and labor, as well as operational or service difficulties which could also have a material adverse effect on results of operations, financial condition, and liquidity.

Industrial companies are subject to governmental regulation by a significant number of federal, state, and local authorities covering a variety of health, safety, labor, environmental, economic and other matters. Many laws and regulations require industrial companies to obtain and maintain various licenses, permits, and other authorizations. Failure to comply with applicable laws and regulations could have a material adverse effect on an industrial company.

Industrial companies rely on information technology in all aspects of their businesses. If industrial companies do not have sufficient capital to acquire new technology or if they are unable to develop or implement new technology, they may suffer a competitive disadvantage within the industry and with companies providing other products or services, which could have a material adverse effect on results of operations, financial condition and liquidity.

Due to the nature of the industrial sector, operations are subject to extensive federal, state, and local environmental laws and regulations concerning, among other things, emissions to the air; discharges to waters; handling, storage, transportation, disposal of waste and other materials; and hazardous material or petroleum releases. In addition, climate change, including the impact of global warming, could have a material adverse effect on industrial companies. Restrictions, caps, taxes, or other controls on emissions of greenhouse gasses, including diesel exhaust, could significantly increase operating costs. Significant cost increases, government regulation, or changes of consumer preferences for goods or services relating to alternative sources of energy or emissions reductions could materially affect the industrial markets.

Disruptive Companies.

The Fund's investment mandate is technology and consumer-centric. It may be difficult to predict technological, operational, financial and security price performance of securities in a constantly evolving disruptive environment. Companies that pursue innovation and disruption are subject to numerous risks, including (i) competition from other companies that may have significantly greater financial and other resources, (ii) shifting user or consumer demands and frequent introductions of new products and services and (iii) the need to continually improve the performance, features and reliability of their products or services, particularly in response to possible competitive offerings.

Equity Securities of Growth Companies.

A portion of the Fund's assets may be invested in equity securities of companies that the Investment Manager believes have potential for capital appreciation significantly greater than that of the market averages, so-called "growth" companies. The market capitalization of the growth companies in which the Fund will invest may range from small to large capitalizations. Growth stocks are generally more sensitive to market movements than other types of stocks, primarily because their stock prices are based heavily on future expectations. Securities of growth companies may be traded in the OTC markets. While OTC markets have grown rapidly in recent years, many OTC securities trade less frequently and in smaller volume than exchange-listed securities. The values of these securities may fluctuate more sharply than exchange-listed securities, and the Fund may experience some difficulty in acquiring or disposing of positions in these securities at prevailing market prices.

High Growth Industry Related Risks.

Certain of the high growth companies (e.g., technology and communications) in which the Fund may invest, may allocate, or may have allocated, greater than usual amounts to research and product development. The securities of such companies may experience above-average price movements associated with the perceived prospects of success of the research and development programs. In addition, companies in which the Fund invests could be adversely affected by lack of commercial acceptance of a new product or products or by technological change and obsolescence. Some of these companies may have limited operating histories. As a result, these companies may face undeveloped or limited markets, have limited products, have no proven profit-making history, may operate at a loss or with substantial variations in operating results from period to period, have limited access to capital and/or be in the developmental stages of their businesses.

Further, many high growth companies with proprietary technology rely on a combination of patent, copyright, trademark and trade secret protection and non-disclosure agreements to establish and protect their proprietary rights, which may be essential to the growth and profitability of the company. There can be no assurance that a particular company will be able to protect these rights or will have the financial resources to do so, or that competitors will not develop or patent technologies that are substantially equivalent or superior to the technology of a company in which the Fund invests. Conversely, other companies may make infringement claims against a company in which the Fund invests, which could have a material adverse effect on such company.

The markets in which many high growth companies operate are extremely competitive. New technologies and improved products and services are continually being developed, rendering older technologies, products and services obsolete. Moreover, competition can result in significant downward pressure on pricing. There can be no assurance that companies in which the Fund invests will successfully penetrate their markets or establish or maintain competitive advantages.

Equity Securities Generally.

The Fund invests in equity securities and equity-related securities of public and private companies in the U.S. and other countries. The value of these financial instruments generally will vary with the performance of the issuer and movements in the equity markets. As a result, the Fund may suffer losses if it invests in equity instruments of issuers whose performance diverges from the Investment Manager's expectations or if equity markets generally move in a single direction and the Fund has not hedged against such a general move. The Fund also may be exposed to risks that issuers will not fulfill contractual obligations such as, in the case of convertible securities or private placements, delivering marketable common stock upon conversions of convertible securities and registering or otherwise qualifying restricted securities for public resale.

Small-Cap and Mid-Cap Risks.

The Fund expects to invest in equities of small- and mid-capitalization companies. While, in the Investment Manager's opinion, the securities of small- and mid-cap issuers may offer the potential for greater capital appreciation than investment in securities of larger-cap issuers, securities of small- and mid-capitalization issuers may also present greater risks. For example, some small- and mid-cap issuers have limited product lines, markets, or financial resources and may be dependent for management on one or a few key persons. In addition, such issuers may be subject to high volatility in revenues, expenses and earnings. Their securities may be thinly traded, may be followed by fewer investment analysts and may be subject to wider price swings and thus may create a greater chance of loss than when investing in securities of larger-cap issuers. In addition, due to thin trading in many smaller capitalization stocks, an investment in such stocks may be characterized by reduced liquidity. Further, the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) is potentially higher than for larger, "blue-chip" companies. The market prices of securities of small- and mid-cap issuers generally are more sensitive to changes in earnings expectations, corporate developments, and market rumors than are the market prices of larger-cap issuers. Transaction costs in securities of small- and mid-cap issuers may be higher than in those of large-cap issuers. There may be less information about small and mid-cap companies than larger cap companies.

Use of Leverage.

The Fund will borrow money and engage in transactions that have the effect of creating inherent leverage. The Investment Manager generally intends to keep the Fund's gross exposure between 100% and 150% of the net asset value of the Fund's portfolio. However, gross exposure may be less than or greater than such percentages at any time. The Fund may leverage its portfolio through traditional means, such as by borrowing money through margin accounts, lines of credit with banks, or other lending arrangements on a secured or unsecured basis. The Fund may also employ certain other financial techniques and trading strategies that do not involve borrowing money through such traditional means, but that have the economic effect of leveraging the Fund's portfolio, such as options, swaps, and other derivative instruments. Although leverage increases returns to the Shareholders if the Fund earns a greater return on the incremental investments purchased with borrowed funds than it pays for such funds, the use of leverage decreases returns to the Shareholders if the Fund fails to earn as much on such incremental investments as it pays for such funds. In the event that the Fund leverages its portfolio, fluctuations in the market value of the Fund's portfolio will have a significant effect in relation to the Fund's

capital and the risk of loss and the possibility of gain will be increased. In addition, when the Fund utilizes leverage, the level of interest rates generally, and the rates at which the Fund can borrow in particular, will be an expense of the Fund and therefore affect the operating results of the Fund. Leverage increases the risk of substantial losses (including the risk of a total loss of capital) and leverage can significantly magnify the volatility of the Fund's portfolio. There are no assurances that the Fund will be able to obtain a desired amount of leverage, if at all.

The Fund may use short-term margin borrowing in purchasing securities positions. Such borrowing, if made, may result in certain additional risks to the Fund. For example, should the securities pledged to brokers to secure the Fund's margin accounts decline in value, the Fund could be subject to a "margin call," pursuant to which the Fund would be required to either deposit additional Fund with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden, precipitous drop in value of the Fund's assets, the Fund might not be able to liquidate assets quickly enough to pay off its margin debt.

Short Sales.

The Investment Manager expects to engage in short sales when it believes securities are overvalued. It may also do so for hedging purposes. Short sales are sales of securities the Fund borrows but does not actually own, usually made with the anticipation that the prices of the securities will decrease and the Fund will be able to make a profit by purchasing the securities at a later date at the lower prices. The Fund will incur a potentially unlimited loss on a short sale if the price of the security increases prior to the time it purchases the security to replace the borrowed security. A short sale presents greater risk than purchasing a security outright since there is no ceiling on the possible cost of replacing the borrowed security, whereas the risk of loss on a "long" position is limited to the purchase price of the security. Closing out a short position may cause the security to rise further in value creating a greater loss. There is no assurance, particularly related to non-U.S. securities, that the Fund will be able to borrow the desired amount of securities in a short sale, if at all.

Short sale transactions are sometimes subject to increased regulatory scrutiny in response to market events, including the imposition of restrictions on short selling certain securities and reporting requirements. The Fund's ability to execute a short selling strategy may be materially adversely impacted by temporary and/or new permanent rules, interpretations, prohibitions, and restrictions adopted in response to these adverse market events. Temporary restrictions and/or prohibitions on short selling activity may be imposed by regulatory authorities with little or no advance notice and may impact prior trading activities of the Fund. Additionally, the SEC, its foreign counterparts, other governmental authorities and/or self-regulatory organizations may at any time promulgate permanent rules or interpretations consistent with such temporary restrictions or that impose additional or different permanent or temporary limitations or prohibitions. The SEC might impose different limitations and/or prohibitions on short selling from those imposed by various non-U.S. regulatory authorities. These different regulations, rules or interpretations might have different effective periods.

Foreign Securities.

The Fund expects to invest a portion of its portfolio in securities of non-U.S. issuers. The Fund's investments in securities and instruments in foreign markets involve substantial risks not typically associated with investments in U.S. securities. Foreign securities investments may be affected by changes in currency rates or exchange control regulations, changes in governmental administration or economic or monetary policy (in the U.S. and abroad) or changed circumstances in dealings between nations. Changes in foreign currency exchange rates relative to the U.S. dollar will affect the U.S. dollar value of the Fund's assets denominated in that currency and thereby impact the Fund's total return on such assets. The Fund may utilize options and forward contracts to hedge against currency fluctuations, but there can be no assurance that such hedging transactions will be effective.

Investments in foreign securities will also occasion risks relating to political and economic developments abroad, including the possibility of expropriations or confiscatory taxation, limitations on the use or transfer of Fund assets and any effects of foreign social, economic or political instability. Foreign companies are not subject to the regulatory requirements of U.S. companies and, as such, there may be less publicly available information about such companies. Moreover, foreign companies are not subject to uniform accounting, auditing and financial reporting standards and requirements comparable to those applicable to U.S. companies. Finally, in

the event of a default of any foreign debt obligations, it may be more difficult for the Fund to obtain or enforce a judgment against the issuers of such securities.

Securities of foreign issuers may be less liquid than comparable securities of U.S. issuers and, as such, their price changes may be more volatile. Furthermore, foreign exchanges and broker-dealers are generally subject to less government and exchange scrutiny and regulation than their American counterparts. Brokerage commissions, dealer concessions and other transaction costs may be higher in foreign markets than in the U.S. In addition, differences in clearance and settlement procedures in foreign markets may occasion delays in settlements of the Fund's trades affected in such markets.

In addition, changes or modifications in existing judicial decisions or in the current positions of the U.S. Internal Revenue Service (the "IRS"), either taken administratively or as contained in published revenue rulings and revenue procedures (which changes or modifications may apply with retroactive effect), and the passage of new legislation, could lead to unfavorable treatment of certain non-U.S. investments which could adversely impact the Fund's portfolio.

Certain of the foreign markets may be in emerging markets, which may be particularly sensitive to economic, market, industry or regulatory changes, interest rate movements and other variable conditions. Issuers in emerging markets are generally not subject to the same accounting, auditing and financial reporting standards as are companies in the United States or other developed economies, which may mean that information about issuers in emerging market countries is more difficult to obtain, and the markets overall may be less transparent. Low trading volumes in emerging markets may result in a lack of liquidity, which is sometimes aggravated by rapid and large outflows of "hot money" and capital flight. Other risks include the risk of sudden and unpredictable rates of inflation or deflation and other currency risks, as well as political risks, such as exchange control regulations or restriction on foreign investment and repatriation of capital. Taxation of dividends, interest and capital gains received by non-residents varies among foreign countries and, in some cases, is comparatively high.

Currencies.

The Fund may invest portions of its assets in instruments denominated in non-U.S. currencies or instruments, the prices of which are determined with reference to currencies other than the U.S. dollar, including, without limitation, options on non-U.S. currencies. The Fund, however, values its securities and other assets in U.S. dollars. The Investment Manager may or may not seek to hedge all or any portion of the foreign currency exposure of the Fund. To the extent unhedged, the value of the assets of the Fund will fluctuate with U.S. dollar exchange rates as well as the price changes of the positions of the Fund in the various local markets and currencies. Thus, an increase in the value of the U.S. dollar compared to the other currencies in which the Fund makes its investments will reduce the effect of increases and magnify the effect of decreases in the prices of the securities and other financial instruments owned by the Fund in the local markets of such other currencies. Conversely, a decrease in the value of the U.S. dollar will have the opposite effect on the non-U.S. dollar securities and other financial instruments owned by the Fund.

Hedging Transactions.

The Fund expects to utilize certain financial instruments both for investment purposes and for risk management purposes in order to seek to: (i) protect against possible changes in the market value of the Fund's investment portfolio resulting from fluctuations in the securities markets, changes in interest rates, currency exchange rates or other financial measures, (ii) protect the Fund's unrealized gains in the value of the Fund's investment portfolio, (iii) facilitate the sale of any such investments, (iv) enhance or preserve returns, spreads or gains on any investment in the Fund's portfolio, (v) hedge the interest rate or currency exchange rate on any of the Fund's liabilities or assets, (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 Investment Manager deems appropriate.

When the Investment Manager decides to hedge one or more positions, its success will be based on the Investment Manager's ability to correctly assess the degree of correlation between the performance of the hedging instrument and the performance of the investment being hedged. Since the characteristics of many securities change as markets change or time passes, the success of a hedge will also be subject to the Investment

Manager's ability to periodically recalculate, readjust, and execute the hedge in an efficient and timely manner. 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 any such hedging transactions. In certain transactions, the Fund may not be "hedged" against market fluctuations, or, in liquidation situations, may not accurately value the assets of the company being liquidated. This can result in losses, even if the proposed transaction is consummated. When the Investment Manager desires to hedge a position in the Fund's portfolio, it might not be able to do so because a hedge may not be available; it may be too costly in light of the likelihood of the possible risk actually occurring or the risk simply could not be reasonably anticipated.

Repatriation of investment income, capital and the proceeds of sales by foreign investors may require governmental registration and/or approval. The Fund could be adversely affected by delays in or a refusal to grant any required governmental registration or approval for such repatriation or by withholding taxes imposed by the government of an emerging country.

Taxation of dividends, interest and capital gains received by non-residents varies among foreign countries and, in some cases, is comparatively high. In addition, some countries have tax laws and procedures that may permit retroactive taxation so that the Fund could in the future become subject to local tax liability that it had not reasonably anticipated in conducting its investment activities or valuing its assets.

Foreign Exchange.

Spot and forward prices are highly volatile. Price movements for spot and forward contracts may be influenced by, among other things, changing supply and demand relationships, trade, fiscal, monetary, and exchange control programs and policies of governments, domestic and foreign political and economic events, changes in domestic and foreign interest rates and rates of inflation, currency devaluations and revaluations and emotions of the marketplace. In addition, governments from time to time intervene directly and by regulation in certain markets. Such intervention is often intended to influence prices directly. None of these factors can be controlled by the Investment Manager, and no assurance can be given that the Investment Manager's advice will result in profitable trades for the Fund or that the Fund will not incur substantial losses. Spot and forward contracts are not traded on exchanges. Rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Neither the CFTC nor banking authorities currently regulate trading in forward contracts on currencies, nor is there a limitation on the daily price movements of forward contracts. Speculative position limits are not applicable to forward trading. The Fund will be subject to the risk of the inability or refusal to perform on the part of the principals or agents or through whom such forward contracts are traded.

Risks of Investments in Options.

Investing in options can provide greater potential for profit or loss than an equivalent investment in the underlying asset. The value of an option may decline because of a change in the value of the underlying asset relative to the strike price, the passage of time, changes in the market's perception as to the future price behavior of the underlying asset, or any combination thereof. In the case of the purchase of an option, the risk of loss of an investor's entire investment (i.e., the premium paid plus transaction charges) reflects the nature of an option as a wasting asset that may become worthless when the option expires. Where an option is written or granted (i.e., sold) uncovered, the seller may be liable to pay substantial additional margin, and the risk of loss is unlimited, as the seller will be obligated to deliver, or take delivery of, an asset at a predetermined price which may, upon exercise of the option, be significantly different from the market value. Over-the-counter options that the Fund may use in its investment strategies generally are not assignable except by agreement between the parties concerned, and no party or purchaser has any obligation to permit such assignments. Certain of the over-the-counter market for options may be illiquid, particularly for relatively small transactions.

Swap Transactions.

The Fund may enter into various types of swap agreements which may include interest rate swaps, basis swaps, cross currency basis swaps, total return swaps, volatility and variance swaps, correlation swaps and dividend swaps. Swap agreements are typically two-party contracts entered into primarily by institutional investors for periods ranging from a few weeks to many years. In a standard "swap" transaction, two parties agree to exchange the returns (or the differential in rates of return) earned or realized on particular predetermined investments,

instruments, or indices. The gross returns to be exchanged or “swapped” between the parties are generally calculated with respect to a “notional amount”. Whether the Fund’s use of swap agreements will be successful will depend on the Investment Manager’s ability to select appropriate transactions for the Fund. Swap transactions may be highly illiquid. Moreover, the Fund bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or insolvency of its counterparty, although most interest rate swaps are expected to be cleared on established exchanges. Many swap markets are relatively new and still developing. It is possible that developments in the swap markets, including potential government regulation, could adversely affect the Fund’s ability to terminate existing swap transactions or to realize amounts to be received under such transactions. Swaps and certain other custom instruments are subject to the risk of non-performance by the swap counterparty, including risks relating to the creditworthiness of the swap counterparty.

Total return swaps are another form of swap transaction that the Fund may utilize in its investment program. A total return swap allows the total return receiver to receive the change in market value of an asset (whether a security, basket of securities, interest rate, form of debt, currency, commodity, or other asset) from the total return payer in return for paying a floating or fixed interest-rate on a predetermined amount. The total return payer is synthetically short and the total return receiver is synthetically long. Thus, total return swap agreements may effectively add leverage to the Fund’s portfolio because, in addition, to its total net assets, the Fund would be subject to investment exposure on the notional amount of the swap agreement.

Forward Trading.

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

Other Derivative Investments.

The Fund may invest in derivative instruments. Derivative instruments or “derivatives” include futures, options, structured securities and other instruments and contracts that are derived from, or the value of which is related to, one or more underlying securities, financial benchmarks, currencies or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark currency or index at a fraction of the cost of investing in the underlying asset. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives are leveraged, and thus provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement may expose the Fund to the possibility of a loss exceeding the original amount invested. Derivatives may also expose investors to liquidity risk, as there may not be a liquid market within which to close or dispose of outstanding derivatives contracts. Swaps and certain options and other custom instruments are subject to the risk of non-performance by the swap counterparty, including risks relating to the creditworthiness of the swap counterparty.

Loans of Portfolio Securities.

The Fund may lend its portfolio securities on terms customary in the securities industry, enter into reverse repurchase agreements or enter into other transactions constituting a loan of the Fund’s assets. By doing so, the Fund attempts to increase its income through the receipt of interest on the loan. In the event of a default or the

bankruptcy of the other party to a securities loan, the Fund could experience delays in recovering the securities it lent and there is no assurance that the securities will be recovered. To the extent that the value of the securities the Fund lent has increased, the Fund could experience a loss if such securities are not recovered.

Private Investments.

The Fund expects to periodically make investments in unregistered securities, often purchased in private placements that will be, at the sole discretion of the General Partner, segregated as Participating Designated Investments only for the benefit of Shareholders that elect to participate in such investments. Participating Designated Investments may include (in addition to the assets or securities being so designated) any related hedging positions designated as such. Such investments may be made in private companies at various stages of their development. Investments in the private equity of companies at an early stage of development involves a high degree of business and financial risk. Early-stage companies often experience unexpected problems in the areas of product development, manufacturing, marketing, financing and general management, which, in some cases, cannot be adequately solved. Early-stage companies with little or no operating history may require substantial additional capital to support expansion or to achieve or maintain a competitive position, may produce substantial variations in operating results from period to period or may operate at a loss. Investments by the Fund in start-up or other early-stage companies may depend significantly on an entrepreneur or management team that the Investment Manager may have selected. Such companies face intense competition, including competition from companies with greater financial resources, more extensive development, better marketing and service capabilities and a larger number of qualified management and technical personnel. Such risks may adversely affect the performance of such investments and result in substantial losses to the Participating DI Shareholders. There can be no assurance that such companies will ever be profitable or even have assets or products that generate meaningful revenue.

Investments in companies in a later-stage of development also involve substantial risks. These companies typically have obtained capital in the form of debt and/or equity to expand rapidly, reorganize operations, acquire a business or develop new products and markets. These activities by definition involve a significant amount of change, which can give rise to significant problems in sales, manufacturing and general management of business activities.

Furthermore, the marketplace for such “venture capital investing” has become increasingly competitive. Involvement by financial intermediaries has increased, substantial amounts of Fund have been dedicated to making investments in the private sector and the competition for investment opportunities is at high levels. There can be no assurance that the Investment Manager will locate attractive investment opportunities in private investments.

In addition to investing in the securities of private companies, in certain circumstances, general economic or market conditions may result in certain investments held by the Fund becoming illiquid, restricted or difficult to value such that they should be treated as Specified Designated Investments (as defined below) in order to separately account for such assets from the other assets of the Fund for the benefit of the Shareholders at the date of such establishment. Designated Investments may have to be held for a substantial period of time before they can be liquidated, if at all. Such investments may be difficult to value. Market prices for such Designated Investments may be volatile and may not be ascertainable. The resale of restricted and illiquid securities often may have higher brokerage charges. Designated Investments represent capital not available for redemption by Shareholders.

Investments in Restricted Investments.

The Fund may invest its assets in restricted securities or securities that are subject to certain liquidity restrictions, including, without limitation, lock-up periods. These securities may be subject to legal or contractual restrictions on resale and transfer and, therefore, may be illiquid and subject to wide fluctuations in value. Such securities may be held by the Fund until the occurrence of certain events or for an extended period, as determined by the Investment Manager. The resale of restricted and illiquid securities may be difficult to value and oftentimes may have higher brokerage charges.

Investments in Preferred Stock.

The Fund may trade the preferred shares of certain companies. Preferred shares may pay dividends at a specific rate and generally have preference over common stock in the payment of dividends in a liquidation of assets but rank after debt securities. Unlike interest payments on debt securities, dividends on preferred shares are generally payable at the discretion of the board of directors of the issuer. The market prices of preferred shares are subject to changes in interest rates and are more sensitive to changes in the issuer's creditworthiness than are the prices of debt securities.

Convertible Securities.

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, then 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 objective.

Warrants.

Warrants will enable the Fund to purchase a specified number of shares of an issuing corporation at a specified price during a specified period of time. Warrants involve the risk of a loss of the purchase value of the warrant if the right to subscribe to additional shares is not executed prior to the warrants' expiration. The effective price paid for the warrant, when added to the subscription price of the offered security, may in fact be in excess of the value of the offered security if there is no appreciation in such security. Furthermore, the Fund may be adversely affected in the event that the securities underlying such warrants decline in value.

American Depositary Receipts and Global Depositary Receipts.

The Fund may invest its assets in ADRs and GDRs (as each term is defined below). American Depositary Receipts ("ADRs") are receipts issued by a U.S. bank or trust company evidencing ownership of underlying securities issued by foreign issuers. ADRs may be listed on a national securities exchange or may be traded in the over-the-counter market. Global Depositary Receipts ("GDRs") are receipts issued by either a U.S. or non U.S. banking institution representing ownership in a foreign company's publicly traded securities that are traded on foreign stock exchanges or foreign over-the-counter markets. Holders of unsponsored ADRs or GDRs generally bear all the costs of such facilities. The depository of an unsponsored facility frequently is under no obligation to distribute investor communications received from the issuer of the deposited security or to pass through voting rights to the holders of depositary receipts in respect of the deposited securities. Investments in ADRs and GDRs pose, to the extent not hedged, currency exchange risks (including blockage, devaluation and non-exchangeability), as well as a range of other potential risks relating to the underlying shares, which could include expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, political or social instability or diplomatic developments that could affect investments in those countries, illiquidity, price volatility and market manipulation. In addition, less information may be available regarding the underlying shares of ADRs and GDRs, and non-U.S. companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to, or as uniform

as, those of U.S. companies. Such risks may have a material adverse effect on the performance of such investments and could result in substantial losses.

Exchange Traded Funds.

The Fund may invest in and sell short shares of exchange traded funds (“ETFs”) and other similar instruments. These transactions may be used to adjust the Fund’s exposure to the general market or industry sectors and to manage the Fund’s risk exposure. ETFs and other similar instruments involve risks generally associated with investments in a broadly based portfolio of common stocks, including the risk that the general level of stock prices, or that the prices of stocks within a particular sector, may increase or decrease, thereby affecting the value of the shares of the ETF or other instruments.

Purchasing Securities of Initial Public Offering.

From time to time the Fund may purchase securities that are part of initial public offerings. The prices of these securities may be very volatile. The issuers of these securities may be undercapitalized, have a limited operating history, and lack revenues or operating income without any prospects of achieving them in the near future. Some of these issuers may only make available a limited number of shares for trading and therefore it may be difficult for the Fund to trade these securities without unfavorably impacting their prices. In addition, investors may lack extensive knowledge of the issuers of these securities. The Fund may trade securities that are “new issues,” as defined by Rule 5130. Rule 5130 and Rule 5131 restrict certain persons from participating in “new issues”.

Digital Assets.

While the Fund does not expect to invest in digital assets, it reserves the right to do so. Digital assets are digital or virtual currencies, such as cryptocurrencies, that are not issued by any central authority and use cryptography for security. As relatively new products and technologies, digital assets have only recently become selectively accepted as a means of payment for goods and services by major retail and commercial outlets, and use of digital assets by consumers to pay such retail and commercial outlets remains limited. Banks and other established financial institutions may refuse to process Fund for digital asset transactions; process wire transfers to or from digital asset exchanges, digital asset-related companies or service providers; or maintain accounts for persons or entities transacting in digital assets. Due to the lack of stability in the digital asset exchange market and the potential for closure or temporary shutdown of digital asset exchanges due to fraud, business failure, hackers, malware or government-mandated regulation, the Fund’s investments in digital assets may be subject to greater uncertainty and volatility.

Concentration and Diversification.

Since the Fund’s investments are expected to be concentrated in certain sectors, including technology, healthcare, consumer and industrial sectors, an investment in the Fund may be subject to greater market fluctuations than an investment in a portfolio of securities representing a broader range of sectors. Given this concentration, adverse events in the technology, healthcare, consumer and industrial sectors will have a material adverse effect on the Fund’s overall financial condition. Although the Investment Manager will consider certain diversification parameters when assembling and maintaining the Fund’s portfolio, the Fund’s investments may be concentrated in other ways, including by geography, market cap and less than all of the sectors referenced above. The Fund should not be viewed as a complete investment program and the Fund will not be adequately diversified in all market conditions.

Counterparty Risk.

Some of the markets in which the Fund may affect its transactions are “over-the-counter” or “interdealer” markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of “exchange based” markets. This exposes the Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Fund to suffer a loss. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Fund has concentrated its transactions with a single or small group of counterparties. The Fund is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. Pursuant to the Dodd-Frank Act (as defined below), some derivatives transactions will be subject to mandatory clearing and will also be subject to the margin requirements

set forth by the clearing house. The additional margin, capital and collateral obligations may increase the cost of derivatives transactions and thereby potentially decrease the profitability of certain positions.

Confirmation, Settlement, and Operational Risks.

Some of the markets in which the Fund may attempt to effectuate transactions are “over the counter” or otherwise non-standard, which raises the risk that the counterparty to a trade may not confirm or settle the transaction due, for example, to a dispute (whether or not bona fide) arising at the confirmation of the transaction or thereafter, concerning the existence of the transaction or concerning the terms of the transaction. This may cause the Fund to suffer a loss (or, result in the Fund’s failure to profit from a transaction that would have been favorable). From time to time, the Fund may need to pursue legal remedies against a counterparty in order to enforce the terms of a transaction, and, given the complicated and sometimes unpredictable nature of commercial litigation, the Fund may not always be successful in these actions. Whether or not the Fund prevails in litigation, it will bear the cost of such litigation, which can be substantial.

Confirmation, settlement, and operational risks may also arise from general difficulties in processing, on a regular basis, various non-standardized and non-generic transactions across numerous and diverse markets, many of them outside of the United States. For many of such transactions, there are no automated systems regarding settlement or other trade processing functions, which increases the risk that a mistake may be made in the confirmation or settlement of such transactions. Consequently, the Investment Manager and the Fund rely heavily on their internal financial, accounting and other data processing systems, and on administrative, accounting, legal support, and back office services provided by the Investment Manager and third parties. The potential limitations of such systems, procedures and personnel of the Investment Manager and third parties to accommodate an increasing volume and complexity of transactions may also constrain the Investment Manager’s ability to manage the Fund’s portfolio. Additionally, the Fund’s investment strategy depends on its ability to establish and maintain an overall market position in a combination of instruments. The Fund’s trading orders may not be executed in a timely and efficient manner due to various circumstances including, without limitation, systems failures or human error attributable to the Investment Manager, the Fund, and/or their brokers, agents or other service providers. As a result, the Fund might not be able to achieve the market position intended by the Investment Manager or might incur a loss in exiting a position.

Cash Balances.

The Fund may hold a portion of its assets in cash. The Fund will hold any cash balances it may accumulate for investment, reinvestment or distribution to the Shareholders in securities subject to repurchase agreements, in money market mutual funds, in interest-bearing bank accounts or in other fixed-income securities. The returns on the cash balances are expected to be low and the Fund could miss more significant returns if its cash balances are high.

Money Market Instruments.

The Investment Manager may invest, for defensive purposes or otherwise, all or a portion of the Fund’s assets in money-market instruments and foreign money-market mutual funds, or hold cash or cash equivalents in such amounts as the Investment Manager deems appropriate under the circumstances. Money market instruments are high quality, short-term fixed-income obligations, which generally have remaining maturities of one year or less, and may include U.S. government securities, commercial paper, certificates of deposit and bankers’ acceptances issued by domestic branches of United States banks that are members of the Federal Deposit Insurance Corporation, and repurchase agreements. However, there can be no assurances that such investments will not be subject to significant risks.

Alternative Data.

The Investment Manager expects to obtain and use alternative data in its investment process. The Investment Manager will use its discretion to determine what data to gather and what subset of that data the strategies and techniques take into account to produce the forecast on which its trading decisions are made. Alternative data may consist of datasets that have been culled from a variety of sources, including, but not limited to, internet usage, sentiment data, app download data, credit card data, payment records, and/or financial transactions, and government and other public records databases (this data is sometimes referred to as “big data” or “alternative data”). The Investment Manager intends to apply this alternative data to add to its fundamental view of micro-

and macro-economic trends and otherwise to develop or improve trading or investment themes. Due to the fact that much of this data may be provided from third-party sources, not all desired or relevant data will be available to, or processed by, the Investment Manager at all times. The analysis and interpretation of alternative data involves a high degree of uncertainty and may entail significant expense, including technological efforts, that are borne by the Fund). No assurance can be given that the Investment Manager will be successful in utilizing alternative data in its investment process. Further, the Investment Manager will rely heavily on the third-party data providers to gather data sets, and, if information that it receives from a third-party data source is incorrect, the Fund may be negatively impacted, and may not achieve its desired results. Although the Investment Manager will use third-party data sources that it believes to be generally reliable, the Investment Manager typically receives these services on an “as is” basis and cannot guarantee that the data received from these sources will be accurate. The investment processes developed by the Investment Manager are highly tailored to the data providers on which it relies. If for any reason the Investment Manager loses access to such data, including because a data provider fails to or determines that it will, for whatever reason, no longer provide the Investment Manager with access to such data, the ability of the Fund to implement its investment program will be materially impacted. Moreover, there has been increased scrutiny from a variety of regulators regarding the use of alternative data in this manner, and its use or misuse under current or future laws and regulations could create liability for the Investment Manager and/or the Fund in numerous jurisdictions. Any future limitations on the use of alternative data could have a material adverse impact on the performance of the Fund.

General Economic and Market Conditions.

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

Market Disruptions; Governmental Intervention; Dodd-Frank Wall Street Reform and Consumer Protection Act.

The global financial markets could go through pervasive and fundamental disruptions that may lead to extensive governmental intervention. Such intervention could be implemented on an “emergency” basis, suddenly and substantially eliminating market participants’ ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition, certain of these interventions may be unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of the markets as well as previously successful investment strategies.

For example, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), was enacted to reform various aspects of the United States financial markets and resulted in numerous regulatory changes, including additional reporting requirements and registration and comprehensive regulation of “major swap participants.”

The Fund may incur major losses in the event of disrupted markets and other extraordinary events in which historical pricing relationships become materially distorted. The risk of loss from pricing distortions is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. The financing available to the Fund from its banks, dealers and other counterparties will typically be reduced in disrupted markets. Such a reduction may result in substantial losses to the Fund. Market disruptions may from time to time cause dramatic losses for the Fund, and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk.

Epidemics, Pandemics.

There has been an outbreak of a novel and highly contagious form of coronavirus (“COVID-19”), which has spread to most, if not all, countries throughout the world. The impact of the outbreak of COVID-19 has been

and will continue to be extensive in many aspects of society. The outbreak has resulted in numerous deaths, adversely impacted global commercial activity, and led (and will likely continue to lead) to significant uncertainty and disruptions in the global financial markets and the economies of nations where the coronavirus disease has arisen. The global impact of this outbreak continues to evolve, and it is impossible to predict the impact it may have on the global economy or the global financial markets in the future. This outbreak of COVID-19, or any future epidemic or pandemic similar to COVID-19, SARS, H1N1/09 flu or MERS, could have a significant adverse impact on the Fund and its investments, could adversely affect the Fund's ability to fulfill its investment objectives, and could result in significant losses to the Fund. The extent of the impact of any outbreak on the performance of the Fund and its investment depend on many factors, including the duration and scope of such outbreak, the development and distribution of treatments and vaccines for viruses such as COVID-19, the extent of its disruption to important global, regional and local supply chains and economic markets, and the impact of such outbreak on overall supply and demand, investor liquidity, consumer confidence and levels of economic activity, all of which are highly uncertain and cannot be predicted.

Russia-Ukraine Conflict.

On February 24, 2022, Russia launched an invasion of Ukraine that has resulted in an ongoing military conflict between the two countries (the "Russia-Ukraine Conflict"). The Russia-Ukraine Conflict has caused, and is currently expected to continue to cause, significant disruptions to the global financial system, international trade, and the transportation and energy sectors, among other disruptions. In addition, the Russia-Ukraine Conflict has displaced millions of people, causing an acute refugee crisis in Europe, and has increased the threat of nuclear accidents or attacks, cyberattacks and further regional or global conflicts (including a potential expansion of the Russia-Ukraine Conflict to other countries as well as other potential conflicts, including, but not limited to, conflicts in other geographic locations and between other state and non-state actors), among other potentially dire consequences. In response to Russia's actions, multiple countries and governing bodies, including the United States and the European Union, have put in place global sanctions and other severe restrictions or prohibitions on the activities of certain individuals and businesses connected to Russia and/or Belarus. Certain companies have also implemented restrictions that severely limit, and in some cases, reverse or cancel, business transactions in or involving certain individuals and/or businesses connected to or associated with Russia and/or Belarus. Further, some companies have moved to divest of Russia-based subsidiaries and assets. In addition, the impacts of the Russia-Ukraine Conflict on the supply chain and commodity prices are expected to be profound and may result in substantial inflation in one or more countries (or globally). However, the ultimate impact of the Russia-Ukraine Conflict and its effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Fund or any particular industry, business, currency or country and the duration and severity of those effects, is impossible to predict.

The Russia-Ukraine Conflict may have a significant adverse impact on, and result in significant losses to, the Fund, which could result in a partial or total loss of investment for the Shareholders. In particular, the Fund may suffer significant increases in operating costs, losses from cyberattacks, significant reductions in revenue and growth, increased foreign exchange risk and/or unexpected operational losses and liabilities. It may also limit the ability of the Fund to source, diligence and execute new investments and to manage, finance and exit investments in the future. Developing and further governmental actions (sanctions-related, military or otherwise) may cause additional disruption and constrain or alter existing financial, legal and regulatory frameworks and systems in ways that are adverse to the Fund, all of which could adversely affect the Shareholders.

Inflation.

Inflation and rapid fluctuations in inflation rates have had in the past, and may in the future have, negative effects on economies and financial markets. In an attempt to stabilize inflation, countries may impose wage and price controls or otherwise intervene in the economy. Governmental efforts to curb inflation often have negative effects on the level of economic activity. As such, inflation and rapid fluctuations in inflation rates can adversely affect the financial performance of the Fund. There can be no assurance that continued and more wide-spread inflation will not become a serious problem in the future and have an adverse impact on the performance of the Fund.

Remote Employees.

The Investment Manager permits certain employees to work remotely. In order for employees to work remotely successfully, the Investment Manager's technologies and other operational infrastructures must function properly. Any failure in the proper functioning of such technologies or other operational infrastructures could disrupt such remote employees' abilities to adequately carry out their functions, which may result in losses to the Fund.

Difficulty of Locating Suitable Investments.

There can be no assurance that there will be a sufficient number of suitable investment opportunities to enable the Fund to invest all of its capital in opportunities that satisfy the Fund's investment objective or that such investment opportunities will lead to completed investments by the Fund. The availability of investment opportunities, particularly with small issues, generally will be subject to competition from other investment entities.

Competition.

The securities industry and the varied strategies engaged in by the Investment Manager are extremely competitive and each involves a degree of risk. The Fund competes with firms, including many of the larger securities and investment banking firms, which have substantially greater financial resources and research staffs.

Suspension of Trading.

For all securities traded on public exchanges, each exchange typically has the right to suspend or limit trading in all securities that it lists. Such a suspension could render it impossible for the Fund to liquidate its positions and thereby expose it to losses. In addition, there is no guarantee that non-exchange markets will remain liquid enough for the Fund to close out positions.

Change in Investment Strategies.

The investment strategies, approaches and techniques discussed herein may evolve over time due to, among other things, market developments and trends, the emergence of new or enhanced investment products, changing industry practice and/or technological innovation. As a result, these investment strategies, approaches and techniques may not reflect the investment strategies, approaches and techniques actually employed by the Fund. Nevertheless, the investments made on behalf of the Fund will be consistent with the Fund's investment objective.

Broker Risk.

The Fund's assets may be held in one or more accounts maintained for the Fund by the Prime Brokers (as defined below) or at other brokers or custodian banks, which may be located in various jurisdictions, including emerging market jurisdictions. The Prime Brokers, other brokers (including those acting as sub-custodians) and custodian banks are subject to various laws and regulations in the relevant jurisdictions that are designed to protect their customers in the event of their insolvency. Accordingly, the practical effect of the laws protecting customers in the event of insolvency and their application to the Fund's assets may be subject to substantial variations, limitations and uncertainties. For instance, in certain jurisdictions brokers could have title to the Fund's assets or not segregate customer assets. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a prime broker, another broker or a clearing corporation, it is impossible to generalize about the effect of the insolvency of any of them on the Fund and its assets. Investors should assume that the insolvency of any of the Prime Brokers, local brokers, custodian banks or clearing corporations may result in the loss of all or a substantial portion of the Fund's assets or in a significant delay in the Fund having access to those assets.

Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to an evaluation of the Investment Manager's advisory services or the integrity of its management.

Item 10: Other Financial Industry Activities and Affiliations

The Investment Manager and its management persons are not registered as broker-dealers and do not have any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer, respectively.

The General Partner and/or its affiliates intend to file a notice with the National Futures Association for an exemption from registration with the Commodity Futures Trading Commission (the “**CFTC**”) as a commodity pool operator (“**CPO**”) with respect to the Fund pursuant to CFTC Regulation 4.13(a)(3). The Investment Manager also intends to claim an exemption from registration with the CFTC as a commodity trading advisor pursuant to Rule 4.14(a)(8) under the CEA.

Under the terms and conditions of applicable Governing Documents, the Investment Manager, its affiliates and its employees may engage in other activities and allocate their time, services and functions between the Fund and any such other activities.

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

Code of Ethics

The Adviser's Code of Ethics (the "Code") is designed to meet the requirements of Rule 204A-1 of the Investment Advisers Act of 1940 (the "Advisers Act"). The Code applies to the Investment Manager's "Access Persons". Access Persons include, generally, any partner, officer or director of the Adviser and any employee or other supervised person of the Investment Manager (or an affiliate) who, in relation to Clients, (1) has access to non-public information regarding any purchase or sale of securities, or non-public information regarding securities holdings or (2) is involved in making securities recommendations, executing securities recommendations, or has access to such recommendations that are non-public. All employees and contractors of the Investment Manager are deemed to be Access Persons.

The Code sets forth a standard of business conduct that takes into account the Investment Manager's status as a fiduciary and requires Access Persons to place the interests of the Clients above their own interests and the interests of the Investment Manager. The Code requires Access Persons to comply with applicable federal securities laws. Further, Access Persons are required to promptly bring violations of the Code to the attention of the Investment Manager's Chief Compliance Officer (the "CCO"). All Access Persons are provided with a copy of the Code and are required to acknowledge receipt and understanding of the Code upon hire and on at least an annual basis thereafter.

Access Persons must provide the Investment Manager's Chief Compliance Officer with a list of their personal accounts and an initial holdings report within 10 days of becoming an Access Person. In addition, the Investment Manager's Access Persons must provide annual holdings reports and quarterly transaction reports in accordance with Advisers Act Rule 204A-1. Further, the Investment Manager may place certain securities on a "Restricted List" comprised of names of issues of securities about which the Investment Manager (including Access Persons) have learned material, nonpublic information. Access Persons are strictly prohibited from purchasing or selling securities that appear on the Restricted List.

In addition, the Code seeks to ensure the protection of nonpublic information about the activities of the Clients, investors and prospective investors. Investors or prospective investors may obtain a copy of the Code by contacting the CCO, Jeff Andrews at ja@dandelioncap.com.

Subject to the pre-clearance requirements, Access Persons are permitted to make securities transactions in their personal accounts. This presents potential conflicts in that an Access Person could make improper use of information regarding the Client's holdings or future transactions or research paid for by the Client. An Access Person could take for himself or herself an investment opportunity available to the Client or could engage in "front-running" of the Client's investment. This is further mitigated by the Investment Manager prohibiting Access Persons from purchasing single name securities and requiring CCO approval for the sale of any previously held legacy securities.

Dandelion seeks to manage the potential conflicts of interest inherent in Access Person personal trading by rigorous enforcement of its Code, which contains strict pre-clearance and reporting guidelines for Access Persons. The Investment Manager requires that Access Persons pre-clear certain securities transactions in their personal accounts, including transactions in public equities and equity-like securities, initial public offerings ("IPOs"), limited offerings, and securities of any company that operates in the countries that are within the scope of the investment activities of the Investment Manager. Access Persons must also obtain pre-approval from the CCO prior to engaging in any outside business activities. Requests for pre-clearance are reviewed for potential conflicts of interest with the Clients.

Item 12: Brokerage Practices

The Investment Manager is responsible for selecting broker-dealers to execute trades and negotiating any commissions paid on such transactions. The Investment Manager's primary consideration in placing transactions with particular broker-dealers is to obtain execution in the most effective manner possible. The Investment Manager also takes into account a variety of other factors, including the financial strength, integrity and stability of the broker-dealer and the commissions to be paid. The Investment Manager may also consider the quality, comprehensiveness and frequency of available research and other products and services considered to be of value. Such products and services may include, among other things, written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts, statistics and pricing or appraisal services, discussion with research personnel, special execution capabilities, order of call and the availability of stocks to borrow for short trades. The Investment Manager is authorized to pay higher prices for the purchase of securities from, or accept lower prices for the sale of securities to, brokerage firms that provide it with such research and trading related products and services or to pay higher commissions to such firms if the Investment Manager determines such prices or commissions are reasonable in relation to the overall services provided. Accordingly, the Fund may be deemed to be paying for research and other products and services with "soft" or commission dollars. It is anticipated that the use of commissions or "soft dollars" to pay for research and brokerage products and services will fall within the safe harbor created by Section 28(e) of the Exchange Act. The Investment Manager expects to outsource the trading function to a third party. Accordingly certain of the functions referenced above will be handled by the outsourced trading firm, subject to periodic monitoring by the Investment Manager.

In some instances, the Investment Manager may receive a product or service that may be used only partially for functions within Section 28(e) of the Exchange Act (e.g., an order management system, trade analytical software or proxy services). In such instances, the Investment Manager will make a good faith effort to determine the relative proportion of the product or service used to assist the Investment Manager in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e) of the Exchange Act. The proportion of the product or service attributable to assisting the Investment Manager in carrying out its investment decision-making responsibilities will be paid through brokerage commissions generated by client transactions and the proportion attributable to administrative or other purposes outside Section 28(e) of the Exchange Act will be paid for by the Investment Manager from its own resources. The Investment Manager has not entered into any soft dollar arrangements as of the date of this filing, but expects to do so in the future.

Research and brokerage services obtained by the use of commissions arising from the Master Fund's portfolio transactions may be used by the Investment Manager in its other investment activities and thus, the Master Fund and the Feeder Funds may not necessarily, in any particular instance, be the direct or indirect beneficiary of the research or brokerage services provided. Although the Investment Manager will make a good faith determination that the amount of commissions paid is reasonable in light of the products or services provided by a broker, commission rates are generally negotiable and thus, selecting brokers on the basis of considerations that are not limited to the applicable commission rates may result in higher transaction costs than would otherwise be obtainable. The receipt of such products or services and the determination of the appropriate allocation in the case of "mixed use" products or services creates a potential conflict of interest between the Investment Manager and its clients.

When client brokerage commissions (or markups or markdowns) are used to obtain research or other products or services, the Investment Manager receives a benefit because it does not have to produce or pay for the research, products or services. The Investment Manager may have an incentive to select or recommend a broker-dealer based on the Investment Manager's interest in receiving the research or other products or services, rather than on its interest in receiving most favorable execution.

The Investment Manager may place transactions with a broker or dealer that (i) provides the Investment Manager (or an affiliate) with the opportunity to participate in capital introduction events sponsored by the

broker-dealer or (ii) refers investors to the Fund or other products advised by the Investment Manager (or an affiliate), if otherwise consistent with seeking best execution; provided the Investment Manager is not selecting the broker-dealer in recognition of the opportunity to participate in such capital introduction events or the referral of investors. The Investment Manager may utilize other services provided by the Prime Brokers, including business consulting and capital introduction.

The CCO periodically will review the performance of each executing broker and consider, among other things, the quality of executions provided, the cost of executions, soft dollar arrangements, and potential conflicts of interest.

When the purchase and sale of securities and other instruments is considered to be in the best interest of the Master Fund and any other clients, the securities or other instruments to be purchased or sold may be aggregated in order to obtain superior execution and/or lower brokerage expenses. Execution prices for identical securities purchased or sold on behalf of multiple accounts in any one day may be (but are not required to be) averaged. In such instances, allocation of prices, as well as expenses incurred in the transaction, will be made in a manner that the Investment Manager considers to be equally as favorable to the Master Fund as to any other party. As a matter of fiduciary duty, the Investment Manager will ensure that, when allocating and aggregating securities transactions, all participating Clients are treated in a fair and equitable manner.

Item 13: Review of Accounts

The Chief Investment Officer will regularly monitor and analyze the transactions, positions, and investment levels of the Fund to ensure that they conform with the investment objectives and guidelines that are stated in the Governing Documents. In these reviews, he will pay particular attention to any changes in the investment's fundamentals, overall risk management and changes in the markets that may affect price levels.

The Fund will furnish to each investor monthly performance updates and an annual report that will include audited financial statements as of the end of each fiscal year.

Item 14: Client Referrals and Other Compensation

Dandelion does not intend to retain a third party for the purpose of soliciting prospective investors in the Fund. To the extent the Adviser engages in referral activities, they will be conducted in accordance with SEC Rule 206 (4)-3 under the Advisers Act, as well as relevant guidance.

Item 15: Custody

Dandelion is deemed to have custody of the Fund's assets pursuant to Advisers Act Rule 206(4)-2. Upon completion of the relevant Fund's annual audit by an independent auditor that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board (PCAOB), the Investment Manager will distribute each of the Fund's audited financials to investors within 120 days of such Fund's fiscal year end.

The Fund's assets and securities are maintained with a qualified custodian. The qualified custodians utilized by the Fund are disclosed in the Adviser's Form ADV Part 1.

Item 16: Investment Discretion

Dandelion has discretionary authority to manage securities accounts on behalf of the Clients, subject to the terms and conditions of the Governing Documents. The Investment Manager is authorized to make transaction recommendations for the Clients. As explained in Item 8 above, the Client's investment strategy is set forth in detail in the Governing Documents. The Fund investors do not have the ability to impose limitations on the discretionary authority of the Investment Manager. The Fund investors must execute a subscription agreement in which they make various representations, including representations regarding their suitability to invest in an investment pool.

Item 17: Voting Client Securities

Dandelion has authority to vote Client securities.

The Investment Manager will vote proxies or solicitations in the best interests of the Clients. Prior to voting a proxy or solicitation addressed to the Clients, the Investment Manager reviews the proxy or solicitation to determine if there are any conflicts of interest. If a conflict is identified, the Investment Manager then makes a determination as to whether the conflict is material or not. If no material conflict is identified pursuant to these procedures, the proxy will be voted in accordance with the best interest of the Clients.

If a material conflict is identified, the Investment Manager will determine what course of action is in the best interests of the Client.

The Funds investors do not have the ability to direct proxy or solicitation votes. Investors may obtain additional information regarding how Dandelion voted proxies or solicitations and may obtain a copy of the Investment Manager's voting policies and procedures, by request.

Item 18: Financial Information

Dandelion is not aware of any financial condition that is expected to impair its ability to manage Client assets and neither the Investment Manager, nor any of its affiliates, has been the subject of a bankruptcy proceeding.