

Item 1 – Cover Page



Part 2A of Form ADV Brochure

NorCap Investment Management, L.P.

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This brochure provides information about the qualifications and business practices of NorCap Investment Management, L.P. (the “Adviser”, the “Firm”, “NorCap”, “we” or “us”), sometimes referred to as the “Investment Manager”. If you have any questions about the contents of this brochure, please contact us at 972-701-8813 or email CCO@norcapfunds.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

The Adviser is a registered investment adviser with the SEC. Such registration does not imply any level of skill or training.

Additional information about NorCap Investment Management, L.P., is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

The Adviser believes that communication and transparency are the foundation of its relationship with its clients and will continually strive to provide clients with complete and accurate information at all times. The Adviser encourages all current and prospective investors and clients to carefully read this Brochure in its entirety and contact the Adviser with any questions.

The information set forth in this Brochure is qualified in its entirety by the applicable governing, offering, and/or account documents. In the event of a conflict between the information set forth in this Brochure and the information in the applicable governing, offering, and/or account documents, such documents shall control.

Material Changes

Since the last annual update to the Form ADV Part 2A on March 9, 2023, material changes to this Brochure include amendments to the following items:

- Item 4 – Advisory Business

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Item 4 – Advisory Business

The Adviser primarily provides investment management advice with respect to the Adviser’s private investment funds (as further described in Item 7). Such funds are private offerings of Limited Partnership (“Limited Partners”) interests, sometimes referred to as “Funds,” and each a “Fund” (or “Partnership”). Each Fund is sometimes referred to as a “*Client*” or, collectively, as “*Clients*.” The Adviser will typically provide investment management services to each *Client* per investment guidelines detailed in respective private placement memorandums.

NorCap Management, L.P., a Delaware limited partnership, serves as the General Partner (“General Partner”) of the Fund(s), and NorCap Investment Management, L.P., serves as the Investment Manager (“Investment Manager”). The general partner of the Investment Manager and the General Partner is NorCap Advisors, LLC, a Delaware limited liability company. The owner of NorCap Advisors, LLC, is David Norcom as an individual, and BAG Securities, L.L.C., a Texas limited liability company controlled by Bolton Walters. The professionals of the General Partner and the Investment Manager will use their expertise and experience, along with advice from third-party consultants, to attempt to achieve the investment objectives.

The Adviser does not participate in wrap fee programs.

The Adviser has been providing discretionary portfolio management services since 2004. As of September 30, 2023, the Adviser has \$269,515,363 in regulatory assets under management (“RAUM”), all of which are managed on a discretionary basis. Investors may request more current information at any time by contacting the Adviser. The Adviser does not manage any *Client* assets on a non-discretionary basis.

Item 5 – Fees and Compensation

For its services to the *Client(s)*, the Adviser is entitled to receive a management fee (“Management Fee”) generally at an annual rate between (0.9-2.0%) of the Capital Account balance of each Limited Partner. Management Fees are calculated and payable monthly in arrears.

Fees may be subject to negotiation based on the circumstances of the investor and other factors, including but not limited to the type and size of the account and the type of advisory and *Client*-related services to be provided to the account. For example, certain investors who have been introduced by solicitors with whom the Adviser has a relationship and/or certain investors for whom the Adviser acts as the Adviser to a sub-adviser relationship may be subject to different fee terms than those specifically described in this Item 5.

The Adviser’s fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the *Client*. See Item 12 for further discussion of the Adviser’s brokerage practices. *Clients* may incur certain charges imposed by custodians, brokers, and other third parties, such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer, and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

The charges, commissions, fees, and expenses described in the preceding paragraph are exclusive of and in addition to the Adviser’s fee. The Adviser will not receive any portion of these charges, commissions, fees, and expenses. The Adviser does not generally permit or require *Clients* to pay fees in advance.

Neither the Adviser nor any of its supervised persons, accept compensation for the sale of securities or other investment products, such as asset-based sales charges or service fees.

Each Client’s private placement memorandum contains further information regarding fees and compensation.

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

Consistent with applicable laws and regulations, including Rule 205-3 under the Investment Advisers Act of 1940, as amended (the “The Advisers Act”), the Adviser (or its affiliate NorCap Management, L.P.) may receive performance-based fees or allocations, calculated separately for each investor in a *Client* account, equal to a specified percentage (generally 20.0% for all *Clients*) of the increase in an investor’s account in excess of the investor’s high water mark (if applicable), as of the close of each measurement period. Please see a *Client’s* private placement memorandum and offering materials.

Generally, the Performance Allocation is estimated and, if it is due, accrued to a Limited Partner’s Capital Account at the end of each calendar month, if applicable, with a cumulative quarterly true-up at the end of each fiscal quarter, so long as, after the payment of Management Fees, the performance exceeds the benchmark, if applicable. A Performance Allocation is also calculated and charged with respect to any Limited Partner permitted or required to withdraw as of any time other than the close of a fiscal quarter on the basis of net profits allocated to such Limited Partner through the withdrawal date. In the case of a partial withdrawal, the Performance Allocation is calculated and charged only with respect to the portion of the Capital Account being withdrawn. The Performance Allocation with respect to any Limited Partner may be waived or reduced by the General Partner at its discretion. In addition, the General Partner may assign all or any portion of the Performance Allocation to any person(s) at its discretion.

Performance-based compensation arrangements may be viewed as creating an incentive for the Adviser to recommend investments that may be riskier or more speculative than those which would be recommended under a different arrangement. Such arrangements also create an incentive to favor higher-paying accounts over other accounts in the allocation of investment opportunities. The Adviser has adopted and implemented procedures designed to ensure that all *Clients* are treated fairly and equally and prevent this conflict from influencing the allocation of investment opportunities among *Clients*. The Adviser’s allocation policy applies whenever the Adviser determines that two or more *Clients* should purchase or sell interest or shares of any security or other investment.

It is the Adviser’s general policy, subject to certain exceptions, to allocate purchase or sale opportunities on a pro-rata basis to all applicable *Clients*, measured by reference to each *Client’s* relative net asset value as of the beginning of the month in which the purchase or sale is executed. See Item 12 for additional details.

For a more detailed description of the performance allocation process, including General Partner discretion, please see a *Client’s* private placement memorandum and offering materials.

The Investment Manager currently provides investment management services to other accounts and may in the future provide investment management services to additional accounts and other funds that may have the same or similar investment objectives and strategies. In addition, the Investment Manager may form, either directly or through affiliates, and provide investment management services to other investment vehicles. The Adviser is not obligated to devote any specific amount of time to the affairs of the Funds and is not required to accord exclusivity or priority to any specific Client in the event of limited investment opportunities. For further details and the brokerage practices of the Adviser, please see Item 12 below.

Separate Arrangements

The General Partner, the Investment Manager, and the Fund may enter into side letters or similar agreements with certain Limited Partners pursuant to which the Fund may give certain Limited Partners rights not granted to other Limited Partners, including one or more of the following: (i) reduced Management Fees, (ii) reduced Performance Allocation, (iii) the right to withdraw all or a portion of their investment in the Fund on shorter notice and/or with more frequency than the terms described in this Memorandum, and (iv) additional transparency into the operation of the Fund. The General Partner, the Investment Manager, and the Fund may, in the future, without obtaining the consent of any other Limited Partner (other than any Limited Partner who is materially and adversely affected by such waiver or modification), enter into one or more side letters or similar agreements with other Limited Partners to waive or modify the application of a certain provision of the Partnership Agreement. As a result, certain Limited Partners may be able to withdraw their Interests at times when other Limited Partners may not. Subject to applicable law, the Fund does not intend to disclose the terms of such side letter agreements and does not intend to disclose the identities of the Limited Partners that have entered into such agreements.

The General Partner generally grants waivers of the Management Fees and Performance Allocation to principals and employees of the Investment Manager and its affiliates, as well as their related family members and affiliates.

The foregoing risk factors do not purport to be a complete explanation of all risks involved in the offering or an investment in the Funds. Potential investors should read all relevant offering documents in their entirety before determining whether to subscribe for interests.

Item 7 – Types of *Clients*

The Adviser provides investment management services to nine Funds: (1) GovPlus Fund AI, L.P., a Delaware limited partnership (“GovPlus”), (2) NorCap Diversified Premium Fund, L.P., a Delaware limited partnership (“Diversified Premium Fund”), (3) NorCap Premium Plus Fund, L.P., a Delaware limited partnership (“Premium Plus”), (4) NorCap Securities Fund, L.P., a Delaware limited partnership. The NorCap Securities Fund, L.P., is segregated into separate Series of Units, (5) Series A NorCap Real Estate Securities Fund and (6) Series B NorCap Opportunities Fund, each having distinct investment objectives. NorCap Securities Fund, L.P., Series A, and Series B, for which NorCap is the General Partner, employ third-party advisers as investment managers. Additionally, NorCap provides investment advisory services for two segregated portfolios, (7) Capital Park Premium Plus Segregated Portfolio, (8) Capital Park Diversified Premium Segregated Portfolio, and (9) Capital Park Real Estate Securities Segregated Portfolio. NorCap Management, L.P., a Delaware limited partnership, is the General Partner of the Funds.

In general, the Adviser can accept limited partners which include, but are not limited to, individuals, trust accounts, bank holding companies, bank trust departments, foundations, endowments, pension plans, other entities, and institutional accounts. Each limited partner in a Fund must be an “accredited investor,” as defined in Regulation D under the Securities Act of 1933, as amended, and a “qualified *Client*” within the meaning of Rule 205-3 under the Investment Advisers Act of 1940, as amended (the “The Advisers Act”). However, in the case of Diversified Premium Fund, each limited partner must be an “accredited investor,” a “qualified *Client*” as defined in the Investment Advisers Act of 1940, as amended, and a “qualified purchaser” or “knowledgeable employee” as defined in the Investment Company Act of 1940, as amended.

The stated minimum initial investment for a limited partner in the Diversified Premium Fund is \$1,000,000.00, the minimum investment in the GovPlus Fund is \$250,000.00, the minimum initial investment for Premium Plus is \$500,000.00, the minimum initial investment for Series A NorCap Real Estate Securities Fund is \$500,000.00, and the minimum initial investment for Series B NorCap Opportunities Fund is \$500,000.00. The minimum investment for Capital Park Premium Plus Segregated Portfolio is \$500,000.00, the minimum initial investment for Capital Park Diversified Premium Segregated Portfolio is \$1,000,000.00, and the minimum initial investment for Capital Park Real Estate Securities Segregated Portfolio is \$500,000.00. The General Partner, at its discretion, may accept investments less than the stated minimum.

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

Any *Client* account may utilize one or more of the investment strategies described below. Investing in securities involves the risk of loss, including principal, and should only be considered by persons who can bear the relevant investment risks. For risks related to the strategies, see the Certain Risk Factors following the strategy descriptions in this section.

The core investments for (1) GovPlus Fund AI, L.P., (2) NorCap Diversified Premium Fund, L.P., and (3) NorCap Premium Plus Fund, L.P., generally consist of options on U.S. indices. The Investment Manager engages in systematic risk management by position by employing a wide array of proprietary algorithms to execute the strategy and mitigate risk. In addition, the Investment Manager performs a fundamental analysis of the current macroeconomic environment, both domestically and internationally. Generally, a portion of the Fund's positions will be invested in fixed-income securities. The fixed-income portion of the investment strategy will generally include a portfolio primarily of short duration (5 years or less) direct obligations of the U.S. Treasury and obligations issued by U.S. government agencies and instrumentalities, including securities that are supported by the United States.

The Investment Manager may use leverage for the Funds, subject to the maximum allowable limits under applicable laws and regulations. The Funds may also, at times, be net short. Changes in net exposure will be determined primarily by discretionary re-hedging of existing positions rather than by explicit market timing calls. The Funds do not have target allocation percentages for asset classes.

Although it is intended that the Funds portfolio will generally consist of the components described in this Brochure, there can be no assurance that the Fund's portfolio will maintain this structure at all times (e.g., during periods of market instability). There may be times when the Investment Manager determines that it is in the best interest of the *Client* to have a significant portion, or all, of the assets in cash or cash equivalents.

The principal investment strategies are described as follows:

GovPlus Fund AI, L.P., is an enhanced fixed income absolute return strategy intended to provide incremental net returns over U.S. government fixed income portfolios, specifically to meet or exceed the Bloomberg U.S. Treasury: 1-3 Year Total Return Index Value U¹ (the "Benchmark"). The Performance allocation is computed after the Benchmark is met or exceeded, net of Management Fees.

The core investments in the fixed-income portion of the strategy will be direct obligations of the U.S. Treasury and obligations issued by U.S. government agencies and instrumentalities, including securities that are supported by the United States. These investments may be held directly or indirectly through a fund, such as mutual funds or exchange-traded funds. The market value of such securities can be expected to fluctuate in response to changes in interest rates.

The Fund's enhancement strategy typically seeks to extract value from a number of offsetting positions that exploit structural anomalies in securities markets. A fundamental characteristic of non-directional strategies

¹ The Bloomberg US Treasury: 1-3 Year Index measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury with 1-2.999 years to maturity.

is an attempt to avoid exposure to systematic risk (in general, the risk that individual securities' prices move in tandem with overall market movements). By hedging away much of the systematic risk within a portfolio, non-directional strategies can significantly reduce a portfolio's dependence on the market's direction for profits and typically exhibit lower volatility than directional strategies. The overall goals of these strategies are to seek an absolute target return and provide downside protection through hedging techniques while also realizing favorable returns and a meaningful degree of investment portfolio stability.

The Investment Manager has developed this enhancement strategy based on historical data regarding daily price movements of the S&P 500 Index² that dates to 1950. The Investment Manager has developed its enhanced strategy based on this historical data. The Fund intends to be reactive in that if the S&P 500 Index moves sharply in one direction, the Fund could close out the option position that is closest to being in the money. This risk management strategy is intended to serve to reduce risk in the event the S&P 500 Index continues to move sharply in either direction.

NorCap Diversified Premium Fund, L.P., is an absolute return strategy. The investment objective is to seek to achieve an absolute investment rate of return profile with positive, risk-adjusted returns that have a low correlation to general market indices. In addition, the Fund's absolute return investment strategy is intended to, over time, reduce volatility, enhance portfolio diversification, reduce exogenous market risk, and preserve capital.

The principal investment strategy is to seek to identify and exploit inefficiencies in securities and other instruments while minimizing downside exposure and market risk through employing non-correlated risk-mitigation techniques.

The strategy primarily utilizes two principal types of non-correlated investments: S&P 500 Index options and short duration (5 years or less) U.S. Treasury Securities and Agency Paper. It may also include, but is not limited to, stocks, bonds, derivatives on U.S. equity indices, non-U.S. exchanges, U.S. Treasury Bond Indices, currencies, commodities, individual stock derivatives, and exchange-traded funds (ETFs). The Fund generally does not intend to enter into derivative positions on individual stocks; any such derivative positions will be opportunistic in nature only.

The Fund typically seeks to extract value from a number of offsetting positions that exploit structural anomalies in securities markets. A fundamental characteristic of non-directional strategies is an attempt to avoid exposure to systematic risk (in general, the risk that individual securities' prices move in tandem with overall market movements). By hedging away much of the systematic risk within a portfolio, non-directional strategies can significantly reduce a portfolio's dependence on the market's direction for profits and typically exhibit lower volatility than directional strategies. The overall goals of these strategies are to seek an absolute target return and provide downside protection through hedging techniques while also realizing favorable returns and a meaningful degree of investment portfolio stability.

NorCap Premium Plus Fund, L.P., is an absolute return strategy. The investment objective is to seek to achieve an absolute investment rate of return profile with positive, risk-adjusted returns that have a low correlation to general market indices. In addition, the Fund's absolute return investment strategy is intended to, over time, reduce volatility, enhance portfolio diversification, reduce systemic risk, and preserve capital.

² The S&P 500 Index is a broad-based securities index that is the most commonly used gauge of large-cap U.S. equities.

The Fund's principal investment strategy is to identify and exploit inefficiencies in securities and other market instruments while minimizing downside exposure and market risk through employing non-correlated risk-mitigation techniques.

The strategy utilizes broad-based U.S. equity index options and short-to-medium duration U.S. Treasury Securities and Agency paper, corporate bonds, convertible bonds and may include, but is not limited to, stocks, bonds, derivatives on U.S. equity indices, non-U.S. exchanges, U.S. Treasury bond indices, currencies, commodities, individual stock derivatives and ETFs.

The Fund typically seeks to extract value from a number of offsetting positions that exploit structural anomalies in securities markets. A fundamental characteristic of non-directional strategies is an attempt to avoid exposure to systematic risk (in general, the risk that individual securities' prices move in tandem with overall market movements). By hedging away much of the systematic risk within a portfolio, non-directional strategies can significantly reduce a portfolio's dependence on the market's direction for profits and typically exhibit lower volatility than directional strategies. The overall goals of these strategies are to seek an absolute target return and provide downside protection through hedging techniques while also realizing favorable returns and minimizing investment portfolio volatility.

NorCap Securities Fund, L.P., is segregated into two separate series ("Series" or "Series of Units"), each having distinct investment objectives. A general description of each Series, and the strategies employed, are provided below.

- Series A: NorCap Real Estate Securities Fund

The Series A investment objective is to produce, over time, positive risk-adjusted returns that seek to outperform a weighted benchmark of the Dow Jones U.S. Real Estate Total Return Index³, the S&P U.S. Preferred REIT Stock Total Return Index⁴, and the iBoxx USD Liquid Investment Grade Index TR⁵. The strategy primarily invests in publicly traded real estate securities that have better performing same-store net operating income over long periods of time. The strategy is invested in assets that may include, but are not limited to, Real Estate Investment Trusts (REITs), real estate operating companies, lodging and entertainment, housing, land development, real estate services, and real estate finance and related assets.

The investment philosophy focuses on owning assets in class "A" quality geographical locations, which creates the potential for stronger risk-adjusted returns across an entire real estate market cycle. The strategy uses proprietary valuation methods to both judge locations and assets worth holding and is continuously adjusting holdings to capitalize on rapidly changing market conditions.

³ The Dow Jones U.S. Real Estate Total Return Index is the total return version of the Dow Jones U.S. Real Estate Index, and is calculated with gross dividends reinvested. The base date for the index is December 31, 1991 with a base value of 100.

⁴ The S&P U.S. Preferred REIT Stock Index is designed to measure the performance of the REIT sector of the U.S. preferred stock market.

⁵ The Markit iBoxx USD Liquid Investment Grade Index is designed to reflect the performance of US Dollar (USD) denominated investment grade corporate debt. The index rules aim to offer a broad coverage of the USD investment grade liquid bond universe.

Series A: NorCap Real Estate Securities Fund is sub-advised by American Assets Capital Advisers, LLC. (CRD # 168805 / SEC# 801-80101).

Certain Risk Factors

Investment in the Funds is speculative and involves certain risks, including the risk of a total loss of an investment in the Funds. Certain of these risks are summarized below. The Funds may not be suitable for all investors and is intended for sophisticated investors who can accept the risks associated with its investments. An investment in the Funds does not constitute a complete investment program. Investors will not have recourse except with respect to the assets of the Funds. Prospective limited partners should consider, among others, the risk factors and potential conflicts of interest described in this section. All limited partners in the Funds should consult their own legal, tax, and financial advisors prior to investing in the Funds. The following is a brief description of some factors that prospective limited partners should consider. Other factors may also be material to such investors, and a prospective investor should evaluate the amount of assets that it wishes to allocate to the Funds.

The past investment performance of any Fund, the Investment Manager, or their affiliates or principals may not be construed as an indication of the future results of an investment in any of the Funds.

Investment Risks

All investments and investing and trading activities risk the loss of capital. Any search for profitable investments is subject to great risks that even a combination of experience, market or business information, or careful study cannot always overcome.

General Investment Risks

A prospective Limited Partner in any Fund should note that the prices of the securities, options and other instruments in which any Fund invests may be volatile. Price and market movements are difficult to predict and are influenced by, among other things, government trade, government intervention (whether directly or by regulation), fiscal, monetary, and exchange control programs and policies; changing supply and demand relationships; national and international political and economic events; changes in interest rates; and the inherent volatility of the marketplace. Such price and markets movements may be significant and may be detrimental. In addition, governments from time to time intervene directly and by regulation, in certain markets, often with the intent to influence prices directly. The effects of government intervention may be particularly significant at certain times in the financial instrument and currency markets, and such intervention (as well as other factors) may cause these markets and related investments to move rapidly.

In addition, there may be periods when the Investment Manager will be unable to implement a Fund's investment strategy fully. For example, although it is intended that a Fund's portfolio will be constructed as described in the private placement memorandum and offering materials, there can be no assurance that a portfolio will maintain this structure at all times (e.g., during periods of market instability). During any such period, the Investment Manager's ability to seek to achieve its investment objective may be impaired. The Risks described below apply when the particular investment type is defined in the investment strategy.

Strategy Risk

GovPlus Fund AI, L.P., NorCap Diversified Premium Fund, L.P., and NorCap Premium Plus Fund, L.P., employ absolute return strategies intended to have a low correlation with major financial market indices. Although the Adviser believes that these strategies may mitigate losses in generally declining markets, there can be no assurance that losses will be avoided. Investment strategies that have historically been non-correlated or demonstrated low correlation to one another or major world financial market indices may become correlated at certain times, such as during a liquidity crisis in global financial markets.

During such periods, certain hedging strategies may cease to function as anticipated. Absolute return strategies generally emphasize hedged positions rather than non-hedged positions in securities, options, other derivatives, and financial instruments to protect against losses due to general movements in market prices. However, there can be no assurance that such hedging will be successful or that consistent absolute returns will be achieved. Risks associated with some of these strategies are outlined herein.

The Investment Manager may fail to evaluate the risks properly or accurately in certain investments, and such failures might lead to underperformance or cause the *Client* to lose money. There can be no assurance that the Funds will be successful in achieving its investment objective or that the Funds will be profitable over any period.

Predictions of Market Movements

The profitability of a significant portion of a Fund's investment program depends to a great extent upon correctly assessing the future course of the price movements and volatility of the securities markets, bond markets, and other investments. There can be no assurance that the Investment Manager will be able to accurately predict the volatility and price movements. With respect to the investment strategy utilized by the Funds, there is always some, and occasionally a significant, degree of market risk.

Competition in the Market

The markets in which the Funds intend to invest are extremely competitive. In pursuing its investment methods and strategies, the Funds will compete with larger investment advisory and private investment firms, as well as institutional investors and, in certain circumstances, market-makers, banks, and broker-dealers, and this competition could reduce the Funds' potential returns by reducing the variety of and opportunity for investments available to the Funds. In relative terms, the Funds have little capital and may have difficulty in competing in markets in which their competitors have substantially greater financial resources, larger research staffs, and more investment professionals than the Funds have or expect to have in the future. In any given transaction, investment and trading activity by other firms will tend to narrow the spread between the price at which an investment may be purchased by the Funds and the price each expects to receive upon consummation of the transaction. In addition, competition in the writing of options may decrease the premiums that can be generated on option sales.

Margin and Leverage

Subject to applicable margin and other limitations, the Funds may borrow funds to make additional investments and thereby increase both the possibility of gain and risk of loss. Consequently, the effect of

fluctuations in the market value of the Funds' portfolios would be amplified. Interest on borrowings will be a portfolio expense of each Fund and will affect the operating results of the Fund. Also, the Funds could potentially create leverage via the use of instruments such as options and other derivative instruments.

Although the Funds will not borrow for investment purposes, low margin deposits are normally required in futures contract trading (typically between 2.0% and 25.0% of the value of the contract purchased or sold), and/or portfolio margin permits economic leverage. Like other leveraged investments, any trade may result in losses in excess of the amount invested.

When the market value of a particular open position changes to a point where the margin on deposit in an account does not satisfy the maintenance margin requirement, such account will receive a margin call. If the Fund does not satisfy the margin call within a reasonable period (which may be as brief as a few hours), the positions of the Fund may be closed out, resulting in material losses to the Fund.

Diversification

Since the Funds' portfolios will not necessarily be widely diversified, the investment portfolios of the Funds may be subject to more rapid changes in value than would be the case if the Funds were required to maintain a wide diversification among companies, securities, and types of securities.

Investments in Equity Securities Generally

Some of the Funds expect to purchase equity securities, if defined in the strategy. Although equity investments have historically generated higher average total returns than fixed-income securities over the long-term, equity investments also have experienced significantly more volatility in those returns and, in some time periods, have significantly underperformed relative to fixed-income securities. The equity investments that the Funds acquire may fail to appreciate and may decline in value or become worthless. Accordingly, the Funds may not be able to realize gains from such equity investments and may incur significant losses.

In addition, the disposition of equity securities may be restricted under the U.S. Securities Act of 1933, as amended (the "Securities Act"). Whether or not so restricted, the market for reselling such securities may be illiquid. Therefore, such investments may be required to be held for a lengthy period of time or, if the Funds were forced to liquidate their position in such securities, such liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such investment, and may also involve higher transaction costs. To the extent that issuers of these securities are small- or medium-size market capitalization companies, investments in such equity securities will have more limited marketability and may have greater price volatility than the securities of larger companies. The Funds' investments in stocks will be subject to normal market risks. While diversification among issuers may mitigate these risks, the Funds are not required to diversify their investments in equity securities, and investors must expect fluctuations in the value of equity securities held by the Funds based on market conditions. Because equity securities rank lower in the capital structure of an issuer, such investments may subject investors to additional risks not applicable to debt securities. In addition, holders of equity securities may be wiped out or substantially reduced in value in a bankruptcy proceeding or corporate restructuring.

Proxy Voting

See Item 17 below.

Income Securities

The Funds expect to invest in fixed-income securities, if defined in the strategy. Income securities are subject to interest rate, market, and credit risk. Interest rate risk relates to changes in a security's value as a result of changes in interest rates generally. Market risk relates to the changes in the risk or perceived risk of an issuer, country, or region. Credit risk relates to the ability of the issuer to make payments of principal and interest. The values of income securities may be affected by changes in the credit rating or financial condition of the issuing entities.

Convertible Securities

The Funds may invest in convertible securities, including convertible bonds, convertible preferred stocks, and other fixed-income instruments that have conversion features, if defined in the strategy. Convertible securities and preferred stock combine the fixed income characteristics of bonds with some of the potential for capital appreciation of equities and thus may be subject to greater risk than pure fixed-income instruments. Unlike bonds, some convertible securities and preferred stocks do not have fixed par values at maturity and, in this respect, may be considered riskier than bonds.

Convertible securities and preferred stocks may depreciate if the market value of the underlying equity security declines or if rates of interest increase. In addition, although debt securities are liabilities of a corporation, which the corporation is generally obligated to repay at a specified time, debt securities, and particularly convertible debt securities, are often subordinated to the claims of some or all of the other creditors of the corporation.

Investments in U.S. Government and non-U.S. Bonds

The Funds may invest in United States and non-United States government bonds. Such investments are subject to a number of risks, including the risk that interest rates in the market may increase while the interest rate of the bonds is static over time, causing investors to miss out on potential interest income if they had invested in the market. Government bonds are also subject to risks related to any government instability, a reduction in the credit rating of the U.S. federal government, and other events that may cause a government, as the issuer of the bond, to default (i.e., fail to pay the debt that it owes on the bonds that it has issued).

U.S. Bond Markets

Many of the Funds' investments will be dependent in some manner on the U.S. bond markets, including treasury instruments. Deterioration of U.S. bond markets and other economic fundamentals could negatively impact the performance of the Funds. Such changes in fundamentals could involve fluctuations as a result of general and local economic conditions, overbuilding and increased competition, and an increase in interest rates.

Exchange-Traded Funds and Other Similar Instruments

Interests of exchange-traded funds (“ETFs”) and other similar instruments may be purchased or sold long or short by the Funds, if defined in the strategy. An ETF is an investment company that is registered under the Investment Company Act that holds a portfolio of stocks or bonds designed to track the performance of a particular index. Instruments the Funds may purchase that are similar to ETFs represent beneficial ownership interests in specific “baskets” of stocks or bonds of companies within a particular industry sector or group. These securities may also be listed on national securities exchanges and purchased and sold in the secondary market, but unlike ETFs, these securities are not registered as investment companies under the Investment Company Act. Investments in ETFs and other instruments involve certain inherent risks generally associated with investments in a broadly-based portfolio of stocks or bonds, including risks that the general level of stock or bond prices may decline, thereby adversely affecting the value of each unit of the ETF or other instrument. In addition, an ETF may not fully replicate the performance of its benchmark index because of the temporary unavailability of certain index securities in the secondary market or discrepancies between the ETF and the index with respect to the weighting of securities or the number of stocks or bonds held. Because ETFs and funds that issue similar instruments bear various fees and expenses, the Funds’ investment in these instruments will involve certain indirect costs, as well as transaction costs, such as brokerage commissions. The Adviser considers the expenses associated with an investment in determining whether to invest in an ETF or other instrument. The market value of ETF Interests may differ from their net asset value. This difference in price may be due to the fact that, at any given point in time, the supply and demand in the market for ETF Interests is not always identical to the supply and demand in the market for the underlying basket of securities. Therefore, an ETF share may trade at a premium or discount to its net asset value.

Derivatives and Swaps

Derivative instruments (“derivatives”) include futures, options, swaps, 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, commodities, 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 can not only result in the loss of the entire investment but may also expose the Funds 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 and to counterparty risk. The counterparty risk lies with each party with whom the Fund contracts for the purpose of making derivative investments (the “Counterparty”). The counterparty for futures contracts and options on futures contracts traded in the United States and on most foreign futures exchanges is the clearinghouse associated with such exchange. In general, clearinghouses are backed by the corporate members of the clearinghouse, who are required to share any financial burden resulting from the non-performance by one of its members and, as such, should

significantly reduce this credit risk. In the event of the Counterparty's default, the Funds will only rank as an unsecured creditor and risks the loss of all or a portion of the amounts it is contractually entitled to receive.

Risks of Writing Options

Writing options can provide a greater potential for profit or loss than an equivalent investment in the underlying asset. Where an option is written or granted (*i.e.*, sold) uncovered (as will usually be the case when the Funds write options, if defined in the strategy), the seller may be liable for a risk of loss which 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. 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. The Funds' options strategies, if applicable, depend on these factors combining to allow the options to expire unexercised.

A significant risk related to the Funds' enhancement strategy, if applicable, is that the value of a financial instrument on which an option is written could move significantly, causing the options written by the Funds to be "in the money" at the expiration date. Although the Adviser intends to mitigate this risk by changing the strike prices of the options contracts, thereby reducing the probability of that instrument exceeding those respective strike prices, there can be no assurance that the Adviser will be successful in this strategy.

Futures Cash Flow

Futures contracts gains and losses are marked to market daily for purposes of determining margin requirements. Option positions generally are not, although short option positions will require additional margin if the market moves against the position. Due to these differences in margin treatment between futures and options, there may be periods in which positions on both sides must be closed prematurely due to short-term cash flow needs. Were this to occur during an adverse move in the spread or straddle relationships, a substantial loss could occur.

Counterparty Risk in Futures and Options Contracts

In entering into futures contracts and options on futures contracts, there is a credit risk that a counterparty will not be able to meet its obligations to the Funds. The counterparty for futures contracts and options on futures contracts traded in the United States and on most foreign futures exchanges is the clearinghouse associated with such exchange. In general, clearinghouses are backed by the corporate members of the clearinghouse, who are required to share any financial burden resulting from the non-performance by one of its members and, as such, should significantly reduce this credit risk.

Swaps

Swap agreements tend to shift the investment exposure from one type of investment to another. Depending on how they are used, swap agreements may increase or decrease the overall volatility of the Funds. The most significant factor in the performance of swap agreements is the change in the specific factors that determine the amounts of payments due to and from the Funds. If a swap agreement calls for payments by

the Funds, the Funds must be prepared to make such payments when due. In addition, swap contracts are not traded on exchanges and are not subject to the same type of government regulation as exchange markets. As a result, many of the protections afforded to participants on organized exchanges and in a regulated environment are not available in connection with these transactions. The swap markets are “principals’ markets,” in which performance with respect to a swap contract is the responsibility only of the counterparty to the contract and not of any exchange or clearinghouse. As a result, the Funds would be subject to the risk of the inability or refusal to perform with respect to swap contracts on the part of the counterparties with which the Funds trade.

Real Estate Sector Concentration Risk

Under normal circumstances, certain Funds will concentrate investments in securities of real estate or real estate-related companies, if defined in the strategy. As such, portfolios will likely be significantly impacted by the performance of the real estate market and may experience more volatility and be exposed to greater risk than a more diversified portfolio. The value of real estate companies may be affected by various factors including, but not limited to, the following: (i) changes in general economic and market conditions; (ii) changes in the value of real estate properties; (iii) risks related to local economic conditions, overbuilding and increased competition; (iv) increases in property taxes and operating expenses; (v) changes in zoning Laws; (vi) casualty and condemnation losses; (vii) variations in rental income, neighborhood values or the appeal of a property to tenants; (viii) the availability of financing and (ix) changes in interest rates and leverage. As a result of certain Funds’ concentration in securities of real estate companies, investing in a Fund that has a real estate sector concentration may entail greater risk and experience more volatility than other funds that diversify across multiple sectors.

REITs Risk

Investing in REITs involves certain unique risks in addition to those associated with the real estate sector generally. REITs whose underlying properties are concentrated in a particular industry or region are also subject to risks affecting such industries and regions. REITs (especially mortgage REITs) are also subject to interest rate risks. By investing in REITs through the Funds, if defined in the strategy, a Limited Partner will bear expenses of the REITs in addition to Fund expenses.

Non-U.S. Investments

The Funds may invest in the securities of non-U.S. issuers (whether traded in the U.S. or overseas securities markets), if defined in the strategy. Investment in non-U.S. issuers or securities principally traded outside the United States may involve certain special risks due to economic, political, and legal developments, including favorable or unfavorable changes in currency exchange rates, exchange control regulations (including currency blockage), expropriation of assets or nationalization, imposition of withholding taxes on dividend or interest payments, and possible difficulty in obtaining and enforcing judgments against non-U.S. entities. Furthermore, issuers of non-U.S. securities are subject to different, often less comprehensive, accounting reporting and disclosure requirements than domestic issuers. The securities of some foreign governments and companies and foreign securities markets are less liquid and at times more volatile than comparable U.S. securities and securities markets. The foregoing risks associated with non-U.S. investments are even greater in emerging markets.

Short Sales

The Funds may enter into transactions, known as “short sales,” if defined in the strategy, in which the Funds sell a security not owned in anticipation of a decline in the market value of the security. The Funds do not intend to short sell individual securities; however, the Funds will short sell broad-based index options, both as part of their general investment strategy and for hedging purposes. Short selling involves selling securities that are not owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the Funds to profit from declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. However, since the borrowed securities must be replaced by purchases at market prices in order to close out the short position, any appreciation in the price of the borrowed securities would result in a loss upon such repurchase. The Funds’ obligations under securities loans are marked to market daily and collateralized by the Funds’ assets held at the broker, including cash balances and long securities positions. Because securities loans must be marked to market daily, there may be periods when securities loans must be settled prematurely, and a substantial loss would occur.

Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Short selling exposes the Funds to unlimited risk with respect to that security due to the lack of an upper limit on the price to which an instrument can rise unless risk has been limited by other positions held by the Funds.

Short sales by the Funds that are not made “against the box” theoretically involve unlimited loss potential since the market price of securities sold short may continuously increase. The Funds may mitigate such losses by replacing the securities sold short before the market price has increased significantly. Under adverse market conditions, the Funds might have difficulty purchasing securities to meet short sale delivery obligations and might have to sell portfolio securities to raise the capital necessary to meet short sale obligations at a time when fundamental investment considerations would not favor such sales.

Portfolio Securities Lending

The Funds may lend securities from its portfolio to financial institutions needing to borrow securities to complete certain transactions, if defined in the strategy. Securities loans are usually facilitated by an intermediary, known as the lending agent. The Funds continue to be entitled to payments in amounts equal to the interest, dividends, or other distributions payable on the loaned securities, which affords the Funds an opportunity to earn interest on the amount of the loan and on the loaned securities’ collateral.

Securities lending arrangements are subject to certain risks. A securities lender may receive cash payments in lieu of dividends, which (subject to any negotiated gross-up payment) may be taxed at a higher rate than qualified dividends. During the term of the loan, the Securities Investor Protection Corporation, or “SIPC,” may not protect the Funds with respect to the loaned securities. Therefore, the collateral pledged may constitute the only source of satisfaction of the financial institution’s obligations in the event a financial institution fails to return the securities to the Funds. The Funds are also subject to a risk of loss if the borrower, with which it has engaged in a portfolio loan transaction, breaches its agreement or if its lending agent becomes insolvent.

Hedging and Arbitrage

The Adviser may employ hedging techniques to reduce the risk of highly speculative investments. However, there is a substantial risk that hedging techniques may not always be possible or effective in limiting losses. In fact, a hedge may produce a net loss. Hedges are more difficult to implement than many other transactions, and the possibilities for errors may be greater than for other transactions. The Adviser's trading techniques may not be successful and may thereby cause the Funds to incur losses on the positions that the Adviser initiates.

Suspensions or Limitations

Each exchange on which futures are traded, and the U.S. Commodity Futures Trading Commission ("CFTC"), for U.S.-based exchanges typically have the right to suspend or limit trading in the contracts that each such exchange lists. Such a suspension or limitation could render it impossible for the Funds to liquidate positions and thereby expose the Funds to losses. In addition, there is no guarantee that exchange and other secondary markets will always remain liquid enough for the Funds to close out existing futures positions. It is also possible that an exchange or the CFTC could order the immediate liquidation and settlement of a particular contract or order that trading in a particular contract is to be conducted for liquidation only.

Most United States futures exchanges limit fluctuations in certain commodity interest contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." During a single trading day, no trades may be executed at prices beyond the daily limits. Once the price of a particular contract has increased or decreased by an amount equal to the daily limit, positions in the contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. Contract prices have occasionally moved to the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent the Funds from promptly liquidating unfavorable positions and subject the Funds to substantial losses, which could exceed the margin initially committed to such trades.

In addition, there is no guarantee that exchange and other secondary markets will always remain liquid enough to close out existing futures positions. Options positions cannot always be liquidated at the desired price. This can occur when the market is "thinly traded" (i.e., a relatively small volume of buy and sell orders). It is also possible that an exchange or the CFTC could order the immediate liquidation and settlement of a particular contract or order that trading in a particular contract is to be conducted for liquidation only.

Valuations

From time to time, certain situations affecting the valuation of the Funds' investments (such as limited liquidity, unavailability or unreliability of third-party pricing information, and acts or omissions of service providers to the Funds) could have an impact on the net asset value of the Funds, particularly if prior judgments as to the appropriate valuation of an investment should later prove to be incorrect after a net asset value-related calculation or transaction is completed. The Funds are not required to make retroactive adjustments to prior subscription or withdrawal transactions, or Management Fees, or Performance Allocations based on subsequent valuation data.

Restrictions on Liquidity, Transfers, and Withdrawals

There are restrictions on withdrawals from the Funds (which may be settled in securities rather than cash) and on transfers of Interests. The prior written consent of the General Partner will be required for a transfer of the Interest of any Limited Partner. Because of the restrictions on withdrawals and transfers, an investment in the Funds is a relatively illiquid investment and involves a high degree of risk. A subscription for Interests should be considered only by persons financially able to maintain their investment and who can accept a loss of all of their investment.

Substantial withdrawals by the Limited Partners within a short period of time could require the Funds to liquidate investments more rapidly than would otherwise be desirable, possibly reducing the value of the Funds' assets and/or disrupting the Funds' investment or hedging strategies. A reduction in the Funds' size could make it more difficult to generate a positive return or to recoup losses due to, among other things, reductions in the Funds' ability to take advantage of particular investment opportunities or strategies.

The Funds do not intend to make any distributions to the Limited Partners unless written notice of a distribution request has been received from a Limited Partner but rather intend to reinvest substantially all of the Funds' income and gain. Cash that might otherwise be available for distribution is also reduced by the payment of the Funds' obligations and expenses (including Management Fees and expense reimbursements) and the establishment of appropriate reserves. Therefore, a Limited Partner should not rely on potential distributions (if any) from the Funds to cover the Limited Partner's tax liability associated therewith.

Distributions In-Kind

It is not expected that the Adviser will ever make distributions in-kind. While the investments made by the Funds are readily liquidated, the Funds may not be able to sell such investments at prices that reflect the Adviser's assessment of their value or the amount paid for such investments.

Insolvency or Failure of the Prime Broker

Institutions, such as the prime broker or various banks, may hold certain of the Funds' assets in "street name." Bankruptcy, inadequate controls, or fraud at one of these institutions could impair the operational capabilities or the capital position of the Funds.

Cash Positions

The Funds may, from time to time, maintain a portion of its assets in cash. Although such a practice may assist in the preservation of capital, the assumption of cash positions may also impact overall investment returns. Cash investment practices of the Funds may be expected, therefore, to affect the total investment performance of the Funds.

Trading Advisers May Have Limited Capacity

Certain investing and trading approaches employed by the Funds might accommodate only a certain amount of capital during a given period. The Funds will normally endeavor not to undertake to manage more capital than the Funds' approaches are able to accommodate without risking a potential deterioration in returns.

Inflation

Inflation and rapid fluctuations in inflation rates have had in the past and may in the future have adverse effects on economies and financial markets, particularly in emerging economies. For example, if an issuer is unable to increase its revenue in times of higher inflation, its profitability may be adversely affected. Issuers may have revenues linked to some extent to inflation, including, without limitation, by government regulations and contractual arrangements. As inflation rises, an issuer may earn more revenue but may incur higher expenses. As inflation declines, an issuer may not be able to reduce expenses commensurate with any resulting reduction in revenue. Furthermore, wages and prices of inputs increase during periods of inflation, which can negatively impact returns on investments. 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. Past governmental efforts to curb inflation have also involved more drastic economic measures that have had a materially adverse effect on the level of economic activity in the countries where such measures were employed. There can be no assurance that inflation will not become a serious problem in the future and have an adverse impact on the returns generated by the Partnerships and on Limited Partners.

Proposed Private Fund Adviser Rules

On February 9, 2022, the SEC proposed new rules and rule amendments under the Advisers Act that would, if adopted, significantly impact and affect private fund advisers, including those registered with the SEC and those exempt from registration (the "Proposed Private Fund Adviser Rules"). The Proposed Private Fund Adviser Rules generally provide for (i) increased transparency with respect to fee and expense disclosure and financial performance disclosures, (ii) mandatory annual audits of private funds and guidance on reporting standards and record-keeping requirements, (iii) new requirements with respect to certain adviser-led secondary transactions, including requirements to obtain third-party fairness opinions in connection with such transactions, and (iv) prohibitions and restrictions on certain practices and activities of private fund advisers with respect to private funds managed thereby, including, but not limited to, exculpation, standard of care and indemnification provisions relating to private fund advisers, charging fees or expenses related to a portfolio investment on a non-pro-rata basis, borrowing from a private fund and certain types of preferential treatment of particular investors. It is anticipated that the Proposed Private Fund Adviser Rules will be subject to substantial public and industry comment. Accordingly, it is not clear whether or not any or all of the proposed new rules will ultimately be adopted by the SEC or materially changed from their current form. However, if adopted, the Proposed Private Fund Adviser Rules could significantly increase the costs of compliance for private funds and private fund advisers, including the Adviser and the Funds, and require significant amendments and revisions to the partnership agreements.

Terrorist Attacks, War, and Natural Disasters

Terrorist activities, anti-terrorist efforts, armed conflicts involving the United States or its interests abroad, and natural disasters may adversely affect the United States, its financial markets, and global economies

and markets and could prevent the General Partner and the Funds from meeting their respective investment objectives and other obligations. The potential for future terrorist attacks, the national and international response to terrorist attacks, acts of war or hostility, and natural disasters have created many economic and political uncertainties in the past and may do so in the future, which may adversely affect the United States and world financial markets and the Funds for the short- or long-term in ways that cannot presently be predicted.

Reliance on the General Partner and the Investment Manager

All decisions with respect to the management of the business, operation, conduct, and control of the affairs of the Funds will be made exclusively by the General Partner. Except as specifically provided in the Partnership Agreements or applicable law, Limited Partners will have no right or power to take part in the management of the Funds. Accordingly, no person should purchase an Interest unless such person is willing to entrust the management of the Funds to the General Partner.

Furthermore, the Investment Manager will make substantially all trading and investment decisions of the Funds. Limited Partners will have no right or power to take part in the trading and investment decisions of the Funds. Accordingly, no person should purchase an Interest unless such person is willing to entrust the investment activities of the Partnerships to the Investment Manager.

The success of the Funds will be substantially dependent on the services and abilities of the General Partner and the Investment Manager. Limited Partners have no rights, powers, or authorities to take part in the management, business, operation, conduct, and control of the affairs of the Funds.

Reliance on Key Persons

If key executive personnel, including the Principal and Owners of the General Partner and the Investment Manager, cease to participate in the Funds' business for any reason, the Funds' ability to make day-to-day operating decisions and manage portfolios could be materially and adversely impaired. The Investment Manager's ability to successfully manage the Funds' affairs and investment programs will depend substantially on the experience and services of the Investment Manager's personnel (whose continued service is not guaranteed). The loss of the services of any of the Investment Manager's personnel could have a material adverse effect on the operations of the Funds. The Investment Manager may not be able to successfully recruit additional key persons. There can be no assurance that the Investment Manager or its personnel, or any Trading Adviser will be available to the Partnerships for any particular period of time.

Risk Resulting from Performance Allocation

The Performance Allocation allocable to the General Partner may create an incentive for the Investment Manager (as an affiliate of the General Partner) to make investments that are riskier or more speculative than would be the case in the absence of the Performance Allocation. Performance Allocations, once paid to the Investment Manager, are not reimbursed to Limited Partners experiencing subsequent net losses.

Regulatory Matters Risk

Regulatory matters relating to the Funds are complex. Accordingly, a prospective investor should consult its legal counsel and tax (accountant), financial and other advisers with respect to an investment in any of the Funds.

The Funds are not, and will not be, registered under the Investment Company Act. Therefore, the Funds are not subject to regulation under the provisions of the Investment Company Act. One or more of the Funds intend to rely on the provisions of Section 3(c)(7) of the Investment Company Act. Accordingly, the provisions of the Investment Company Act, among other things, require that a fund's board of directors, including a majority of disinterested directors, approve certain of the fund's activities and contractual relationships, prohibit certain trading and investment activities and prohibit the fund from engaging in certain transactions with its affiliates, will not be applicable.

To comply with 3(c)(7), all Limited Partners in the Fund must be "qualified purchasers." If the Fund accepts subscriptions from Limited Partners other than "qualified purchasers," it will rely on Section 3(c)(1) for its exemption from registration; *provided* that each Limited Partner that is not a "qualified purchaser" will meet the definition of "qualified *Client*" as such term is defined under the Advisers Act. To comply with Section 3(c)(1), the Fund must restrict the number of beneficial owners to one hundred (100) or fewer.

Derivatives, Commodities, and Futures

With regard to exemption from registration as a commodity pool operator ("CPO") or commodity trading adviser ("CTA"), the Funds will purchase and sell derivatives in compliance with applicable CFTC Rules, including Rule 4.13(a)(3).

The Funds may trade on a limited basis in commodities and futures, if defined in the strategy. Such contracts are highly specialized, and while they may increase the total return in the investments, they may also entail greater than ordinary investment risks. The CFTC regulates such trading activity. Pursuant to an exemption from registration under CFTC regulations, neither the General Partner nor the Investment Manager is required to register, and neither is registered with the CFTC or the National Futures Association ("NFA") as a CPO, nor as a CTA. To comply with the exemption, the Investment Manager is subject to specific limitations on the number of commodities and futures that it can trade on behalf of the Funds. Should the Funds' investments in commodities and futures instruments exceed the limits provided by the applicable exemption from registration, the Investment Manager will either have to register with the NFA or cease providing commodity interest trading advice to the Funds and liquidate the Funds' holdings of commodities and futures which could result in losses and additional costs.

Future Regulatory Environment

The Funds and the Investment Manager will be subject to various securities laws and regulations that may limit some aspects of the Funds' operations or subject the Funds or the Investment Manager to the risk of sanctions for noncompliance. The securities and derivatives markets are subject to comprehensive statutes, regulations, and margin requirements. In addition, the SEC, the CFTC, and the exchanges are authorized to take extraordinary actions in the event of a market emergency, including, for example, the retroactive implementation of speculative position limits or higher margin requirements, the establishment of daily price limits and the suspension of trading. The regulation of securities and derivatives both inside and outside the United States is a rapidly changing area of law and is subject to modification by government

and judicial action. The effect of any future regulatory change on the Funds is impossible to predict but could be substantial and adverse.

There can be no assurance that more recent or future laws will not modify, limit, or otherwise affect the prospects and profitability of the Funds and their investments. Current economic conditions, and unprecedented and ongoing government intervention, may result in unforeseen negative consequences to the Funds and Limited Partners.

Security Risks

See the private offering materials for other risks related to operations, cyber, and information security.

Tax-Related Risks

Uncertainty and Complexity of Tax Treatment

The tax aspects of an investment in the Funds are complicated and complex and, in many cases, uncertain. Statutory provisions and administrative regulations have been interpreted inconsistently by the courts. Additionally, some statutory provisions remain to be interpreted by administrative regulations. Limited Partners will thus be subject to the risk caused by the uncertainty of the tax consequences with respect to an investment in the Funds. Each prospective investor should have the tax aspects of an investment in the Funds reviewed by professional advisors familiar with such investor's personal tax situation and with the tax laws and regulations applicable to the investor and private investment vehicles.

Risk of Adverse Determination

There can be no assurance that the conclusions set forth herein will not be challenged successfully by the Internal Revenue Service (the "Service") or any other taxing authority, or significantly modified by new legislation, changes in the Service's positions, or court decisions. The Funds have not applied for, nor are expected to apply for, any advance rulings from the Service with respect to any of the U.S. federal income tax consequences described herein. No representations or warranties of any kind are made by the General Partner with respect to the U.S. federal income tax consequences relating to an investment in the Funds. The Funds may take positions with respect to certain tax issues which depend on legal conclusions not yet resolved by the courts. Should any such positions be successfully challenged by the Service or other applicable taxing authority, there could be a materially adverse effect on the Funds, and a Limited Partner might be found to have a different tax liability for that year than that reported on its income tax returns.

Risk of Tax Audit

An audit of the Funds by the Service or another taxing authority could result in adjustments to the tax consequences initially reported by the Funds and may result in an audit of the returns of some or all of the Limited Partners, which examination could affect items not related to a Limited Partner's investment in the Funds. If audit adjustments result in an increase in a Limited Partner's income tax liability for any year, such Limited Partner may also be liable for interest and penalties with respect to the amount of underpayment.

Tax Liabilities Without Distributions

If the Funds have taxable income in a fiscal year, each Limited Partner will be taxed on that income in accordance with its allocable share of such Fund's profits, whether or not such profits have been distributed. Because the General Partner anticipates that there will be no cash distributions to the Limited Partners, an investor may incur tax liability with respect to activities of the Funds without receiving sufficient distributions from the Funds to defray such tax liabilities. In order to satisfy its tax liability in such a case, a Limited Partner would need sufficient funds from sources other than the Funds. Furthermore, the Funds may make investments with respect to which the Funds recognize income for U.S. federal income tax purposes prior to receiving the cash or realizing the income as an economic matter. In addition, the Funds may recognize income for U.S. federal income tax purposes that does not reflect income as an economic matter. Such recognition of income prior to receipt of an economic benefit, if any, may result in increased tax liability for the Limited Partners.

Delayed Schedule K-1s

The Adviser will provide Schedule K-1s as soon as practicable after receipt of all the necessary information. However, though Schedule K-1s have always to date been issued timely, the Adviser may be unable to provide final Schedule K-1s to Limited Partners for any given tax year until significantly after April 15 of the following year. Upon request, the General Partner will endeavor to provide Limited Partners with estimates of the taxable income or loss allocated to their investment in the Funds on or before such date, but final Schedule K-1s may not be available until completion of the Funds' annual audits. Limited Partners should be prepared to obtain extensions of the filing date for their income tax returns at the U.S. federal, state, and local levels.

Unrelated Business Taxable Income ("UBTI")

The Funds may make investments or engage in activities that give rise to UBTI under Sections 512 and 514 of the Code. Thus, an investment in the Funds may not be desirable for certain tax-exempt investors. For example, the Funds may incur leverage giving rise to UBTI or participate in investments that give rise to UBTI through entities that are treated as partnerships for U.S. federal income tax purposes. Because of the "flow-through" principles applicable to partnerships, if UBTI is earned by the Funds, a tax-exempt investor in the Funds will realize UBTI. Because of the Investment Manager's objective of maximizing the pre-tax returns of all the Limited Partners, the Investment Manager may be required to make certain decisions to maximize pre-tax returns that result in Tax-Exempt U.S. Investors (as defined below) recognizing more UBTI than might otherwise be the case. In some cases, the Investment Manager may forego actions regarding the acquisition, financing, management, and disposition of assets that would reduce UBTI because such actions would reduce the overall pre-tax returns to all the Limited Partners.

Tax Changes

Investors will be subject to the risk that changes to the tax law may adversely affect the U.S. federal income tax consequences of their investment in the Funds. Changes in existing tax laws or regulations and their interpretation may be enacted after the date of this Memorandum, possibly with retroactive effect, and could alter the income tax consequences of an investment in the Funds. Certain provisions of the Code may be further amended or interpreted in a manner adverse to the Fund, in which event any benefits derived from

an investment in the Funds may be adversely affected. In addition, significant legislative and budgetary proposals affecting tax laws have been made by the legislative and executive branches of the U.S. federal government. The likelihood of enactment of any such proposals, or any similar proposals, into law is uncertain. The enactment of any such proposals, including subsequent proposals, into law, could have material adverse effects on the Fund and/or the Limited Partners. Enactment of such legislation, or similar legislation, could require significant restructuring of the Funds in order to mitigate such effects.

Non-U.S. Investments and Emerging Markets

Certain investments made by the Funds may be subject to foreign taxes, including brokerage, stamp, withholding, or other taxes levied by governments, which has the effect of increasing the cost of such investment and reducing the realized gain or increasing the realized loss on such securities at the time of sale. All distributions to the Funds will be made net of any taxes payable on those distributions or on amounts out of which they are distributed (including any corporate, foreign, local, and withholding taxes). Investing in the securities of companies located outside the U.S. involves certain tax considerations not usually associated with investing in securities of U.S. companies. With respect to certain countries, there is a possibility of confiscatory taxation, the imposition of withholding or other taxes on dividends, interest, capital gains, or other income, and less favorable tax provisions. In addition, an issuer of securities may be domiciled in a country other than the country in whose currency the instrument is denominated. Some of these risks do not apply equally to issuers in larger, more developed countries. These risks are more pronounced in investments in issuers in countries with emerging markets or if the Fund invests significantly in a particular country.

The foregoing is not intended to be an exhaustive analysis or listing of the tax risks associated with an investment in the Funds. Many of the relevant tax considerations will vary depending on a prospective Limited Partner's individual circumstances. The tax aspects associated with such an investment are complex and complicated and are subject to a variety of interpretations. Prospective Limited Partners are strongly urged to review the *Client's* private placement memorandum and offering materials and to seek and rely upon the advice of their own tax advisor who is qualified to discuss the foregoing and other possible tax risks.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a Limited Partner or a potential investor's evaluation of the Adviser or the integrity of the Adviser's management. The Adviser has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

- A. Neither the Adviser nor any of its management persons is registered or has an application pending to register as a broker-dealer or a registered representative of a broker-dealer.
- B. The General Partner is not registered as a commodity pool operator (“CPO”) in reliance on CFTC Rule 4.13(a)(3). CFTC Rule 4.13(a)(3) exempts the General Partner from compliance with the requirements applicable to registered CPOs with respect to the Funds because, among other required elements, the Funds operate pursuant to the following criteria: (1) Interests are exempt from registration under the 1933 Act and are offered and sold without marketing to the public, (2) each participant in the Funds is an accredited investor as defined in Rule 501 of Regulation D under the Securities Act, and (3) the Partnerships’ commodity interest positions will be limited as set forth under CFTC Rule 4.13(a)(3). As a result, the Limited Partners will not receive the disclosure document and certified annual reports that registered CPOs are ordinarily required to provide. The Investment Manager is not registered as a commodity trading advisor (“CTA”) in reliance on one or more exemptions therefrom.
- C. BAG Securities, L.L.C., owns an interest in all the NorCap entities. Mr. Bolton Walters is the Principal and senior managing member of BAG Securities, L.L.C, a Texas limited liability company (also dba Capital Park Securities, L.L.C and Bank Advisory Group Securities, L.L.C).
- D. Mr. Bolton Walters, Mr. David Norcom, and Mr. Kenneth Tananbaum also serve on the Board of Directors for Capital Park SPC; a Cayman Islands exempted segregated portfolio company managed by Capital Park Securities, L.L.C. Mr. Walters, Mr. Norcom, and other Directors and Officers of the Adviser retain passive, non-management interests in other sponsored limited partnerships not related to the NorCap entities.

An affiliate of the Adviser, NorCap Management, L.P., serves as General Partner of the Funds and, in this capacity, is entitled to receive a performance allocation.

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

As part of an overall internal compliance program, the Adviser has adopted a Code of Ethics that imposes standards of business conduct, including requirements to put *Client* interests first and not to take inappropriate advantage of employment-related information, seeks to minimize potential conflicts of interests between employees and investment advisory *Clients* and helps to ensure compliance with applicable laws and regulations.

The Code of Ethics also imposes restrictions on employee personal securities transactions and accounts. Such restrictions include prohibitions on trading in securities while in possession of material, nonpublic information, and reporting of personal securities accounts, transactions, and/or holdings as required by Rule 204A-1 under The Advisers Act.

The Code of Ethics also generally requires the Adviser's partners, officers, and employees to obtain pre-approval of certain securities transactions that conflict with the *Client* transactions. Existing and prospective Adviser *Clients* may obtain an overview of the Adviser's policies by mailing a written request for such document to the Chief Compliance Officer ("CCO") at the physical address detailed on the first page of this document or by e-mail to cco@norcapfunds.com.

Subject to the provisions of the Code of Ethics, which provide that all personal securities transactions must be conducted in such a manner as to avoid any actual, apparent, or potential conflict of interest or any abuse of an employee's position of trust and responsibility, the employees can be restricted to buy or sell certain securities for a time period, but not prohibited permanently. Therefore, Adviser's officers and employees may from time-to-time have acquired or sold, or may subsequently acquire or sell, for their personal accounts securities which may at one time been purchased or sold for the accounts of the Adviser's *Clients*.

The Adviser, its affiliates and partners, officers, and employees may engage in transactions or cause or advise a particular *Client* to engage in transactions that may differ from or be identical to the transactions engaged in by the Adviser for other accounts. The Adviser shall not have any obligation to engage in any transaction for a *Client*'s account or to recommend any transaction to a *Client* in which any of the Adviser's affiliates may engage either for their own accounts or the account of any other *Client*, except as otherwise required by applicable law.

The Adviser does not engage in agency cross transactions or principal transactions.

Item 12 – Brokerage Practices

The Investment Manager generally has the authority to make all determinations regarding securities to be purchased or sold, the number of such securities to be purchased or sold, the use of broker-dealers, and commissions paid. As mentioned in Item 7, the Investment Manager manages the Funds and the Series that utilize third-party sub-advisers. The Investment Manager has oversight over the brokerage practices of these Clients.

In placing orders, the Investment Manager seeks to obtain the best execution taking into account factors such as (i) the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); (ii) the operational efficiency with which transactions are affected, taking into account the size of order and difficulty of execution; (iii) the financial strength, integrity, and stability of the broker; (iv) the Investment Manager's risk in positioning a block of securities; (v) the quality, comprehensiveness, and frequency of available research services considered to be of value; and (vi) the competitiveness of commission rates in comparison with other brokers satisfying the Investment Manager's other selection criteria.

While the Investment Manager generally seeks the best price in placing its orders, an account may not necessarily be paying the lowest price available.

It is the Firm's policy to execute all transactions through the Adviser's executing brokers in compliance with the Firm's best execution policies. Furthermore, any discussions regarding option sales are solely between the Adviser and the Adviser's executing brokers, as the Adviser never has knowledge of the precise identity of counterparties in any such sale.

The Investment Manager does not currently generate "soft dollars" with respect to any *Client* account. If the Investment Manager were to use "soft dollars," it intends to do so within the safe harbor afforded by Section 28(e) of the Securities Exchange Act of 1934, as amended.

In selecting or recommending broker-dealers, the Investment Manager does not consider whether the Adviser or an affiliate receives investor referrals from such broker-dealers. The Investment Manager does not accept directed brokerage arrangements.

The Investment Manager does periodically aggregate *Client* trades. *Clients* participating in aggregated orders will generally receive the same average price. In certain instances, the Investment Manager may need to execute multiple trades in the same security through different broker-dealers because a particular broker-dealer may not be able or willing to trade in the quantity or price that the Investment Manager seeks. In such cases, the aggregation of such orders is not practically possible as most trade orders are executed or filled when they are placed, and, as a result, each trade order placed with a different broker-dealer is considered a separate order, and different accounts will not participate in an average price.

Series

In the course of its investing and trading activities, the Series may, directly or indirectly through trading advisers, incur various transaction costs, fees, and expenses, including brokerage commissions and trading expenses. The General Partner (and its Affiliates and Trading Advisers) shall have discretion in deciding

which broker-dealers (including prime brokers) are used and in negotiating brokerage commissions and trading expenses. In addition to paying commissions to broker-dealers, each series may also buy or sell securities directly from or to broker-dealers at prices that include markups or markdowns.

Potential Conflicts of Interest

The Investment Manager serves as an investment manager to other *Client* accounts, including other collective investment vehicles which are managed by the General Partner and/or its affiliates and in which the General Partner or any of its affiliates may have an equity interest. Any of these other *Client* accounts may have objectives similar to that of the Funds. The Investment Manager may add new accounts or investment vehicles in the future with similar or different investment strategies and in which the Investment Manager or any of its affiliates may have an equity interest.

The private placement memorandums and offering materials require that the General Partner and/or its affiliates act in a manner that it considers fair, reasonable, and equitable in allocating investment opportunities but does not otherwise impose any specific obligations or requirements concerning the allocation of time, effort or investment opportunities or any restrictions on the nature or timing of investments for the account of the Funds and for the General Partner's own account or for other accounts which the General Partner or its affiliates may manage. The General Partner and/or its affiliates is not obligated to devote any specific amount of time to the affairs of the Funds and is not required to accord exclusivity or priority to the Funds in the event of limited investment opportunities arising from the application of speculative position limits or other factors. The General Partner and/or its affiliates is not required to accord exclusivity or priority to the Funds in the event of limited investment opportunities arising from the application of speculative position limits or other factors. The foregoing is also true of the Investment Manager.

If the Investment Manager determines that it would be appropriate for the Funds and one or more other *Clients* managed by the Investment Manager to participate in an investment opportunity, the Investment Manager will seek to execute orders for all of the participating investment accounts on an equitable basis. If the Investment Manager has determined to invest at the same time for more than one of the investment accounts under its management, the Investment Manager will generally place combined orders for all such accounts simultaneously, and if all such orders are not filled at the same price, it will generally average the prices paid. Similarly, if an order on behalf of more than one account cannot be fully executed under prevailing market conditions, the Investment Manager will allocate the trade among the different accounts on the basis that it considers equitable. Also, there may be circumstances where combined orders are not available or operationally prohibitive, as with the management of onshore, offshore, or sub-advised accounts with similar mandates but differing service providers, infrastructure, or portfolio compliance responsibilities. Therefore, pro-rata investment, price, and cost allocation may not be available. The Investment Manager will seek to balance these factors to achieve an equitable result under the circumstances. *Client* directed restrictions, or other restrictions may affect the allocation of an order. If any directed restriction from the Funds or another account is placed on a particular security or group of securities, the order will be allocated to the other participating accounts as described above. The Investment Manager formulates written allocation plans in the form of order memoranda based on the investment guidelines, current exposure levels of each *Client*, and other factors set forth above across the various *Client*

accounts. Situations may occur where a Fund or Funds could be disadvantaged because of the investment activities conducted by the Investment Manager for other investment accounts.

The Investment Manager's authority to use "soft dollar" credits generated by the Funds' securities transactions to pay for expenses that might otherwise have been borne by the Investment Manager may give the Investment Manager an incentive to select brokers or dealers for Fund transactions or to negotiate commission rates or other execution terms, in a manner that takes into account the soft dollar benefits received by the Investment Manager rather than giving exclusive consideration to the interests of the Funds.

Subject to certain restrictions, pre-clearance, and reporting requirements set forth in the Investment Manager's compliance manual, the principals, as well as the employees and officers thereof and of organizations affiliated with the Investment Manager and General Partner ("Affiliates"), may buy and sell securities for their own accounts or the accounts of others, but may not buy securities from or sell securities to the Funds. The Affiliates may engage for their own accounts, or for the accounts of others, in other business ventures of any nature, and the Funds have no right to participate in or benefit from the other management activities of the Investment Manager described above and the Affiliates are not obligated to account to the Funds for any profits or benefits made or derived therefrom, nor shall they have any obligation to disclose or refer to the Funds any of the investment or service opportunities obtained through such activities.

NorCap's Chief Investment Officer (CIO) and Chairman of the Investment Management Committee, Terrance Brown, is related to a Managing Director of an agency broker that executes trades for the Adviser. The brokerage firm is not a related entity, and the CIO receives no financial benefit from the relationship which was established with the Adviser long before employment.

Item 13 – Review of Accounts

The *Client* accounts, with the exception of the Series, are reviewed regularly and, in any event, at least daily by the Chief Risk Officer or assignees. The Investment Manager does a reasonableness review. The Adviser will make appropriate adjustments to the investments held in a *Client* account as promptly as practicable after identifying the need for a change in such account. The Investment Manager will review records relating to the trading in the *Client* account on an ongoing basis and, in conjunction with the applicable portfolio manager(s) for the account, will monitor the suitability of such trades in light of any applicable policies, investment objectives, investment or other restrictions and previous disclosures made to *Clients*.

NAV Consulting, Inc. (the “Administrator” or “NAV”) has been engaged as the administrator of the Funds pursuant to a service agreement (the “Service Agreement”). The Administrator is responsible for, among other things, calculating net asset value, verifying the Performance Allocation and Management Fee (each as defined below), performing certain other accounting and back-office functions, processing capital subscription, withdrawal, and transfer activities of Limited Partners, and performing certain applicable anti-money laundering functions and related administrative service.

Limited Partners in the Funds generally receive from the Administrator written monthly statements regarding their accounts that include details pertaining to the performance and current market value of such accounts during the applicable reporting period as set forth in the private placement memorandum and offering materials. The Administrator performs final option pricing from the CBOE system, and for Treasury bills, they use a broker-dealer. The Investment Manager performs a reasonableness review.

Series

The Series A: NorCap Real Estate Securities Fund is a series fund of NorCap Securities Fund, L.P., which is a Delaware series limited partnership. The investment manager is NorCap Investment Management, L.P., and the sub-adviser and portfolio manager is American Assets Capital Advisers, LLC (“AACA”). NorCap monitors Series A: NorCap Real Estate Securities Fund on a regular basis for consistency with the investment objectives and specific investment strategy.

Item 14 – *Client* Referrals and Other Compensation

The Adviser has referral or solicitation arrangements with non-affiliated persons or entities to which the Adviser pays compensation for the referral of business.

Any such arrangements are pursuant to written arrangements consistent with Rule 206(4)-3 of The Advisers Act. The Adviser and/or the solicitation agent will make appropriate disclosures of such arrangements to the Partnerships, and the Partnerships do not bear the cost of such referral or solicitation fees, nor is the advisory fee higher than the advisory fee to other Partnerships or *Clients* because of such payments.

Item 15 – Custody

The Adviser is deemed to have custody of the assets of each Fund. The Adviser maintains each Fund's accounts with a "qualified custodian" in accordance with Rule 206(4)-2 under the Advisers Act (the "Custody Rule"). The Adviser may use more than one prime broker/custodian. The names and addresses of the prime broker/custodians are detailed in the private placement memorandum(s) of each Fund. To comply with the requirements of the Custody Rule, each Fund is audited each year in accordance with U.S. Generally Accepted Accounting Principles ("GAAP") by an independent public accountant, and these audited financial statements are provided to Limited Partners within 120 days of fiscal year end. *Clients* should carefully review those statements.

Item 16 – Investment Discretion

The Investment Manager has discretionary authority to trade on behalf of each of the *Clients*. Such authority is set forth in the investment management agreement between the Adviser and each Fund or in the sub-adviser agreement. In all cases, the Investment Manager exercises such discretion in a manner consistent with the stated investment objectives in the investment management agreement and the *Clients*' private placement memorandum.

Item 17 – Voting *Client* Securities

The Investment Manager maintains a policy seeking to ensure all proxies (or similar instruments) are voted in the best interest of *Clients*, including where there may be material conflicts of interest in voting proxies. The Investment Manager and General Partner generally believe their interests are aligned with the *Clients* and Limited Partners through, for example, their direct/indirect beneficial ownership interests in such *Clients* and therefore will not seek investor approval or direction when voting proxies. Therefore, there is a risk that a proxy vote may not align with the wishes of a particular Limited Partner. There may also be circumstances that create a conflict of interest in voting proxies between the Investment Manager/General Partner and the *Clients* or between *Clients*. In the event that there is or may be a conflict of interest in voting proxies, the Investment Manager may address the conflict using several alternatives, including internal assessment and resolution of such conflicts in favor of the best interests of the *Clients*, which may require interest balancing, or by seeking the approval, concurrence, or ratification of any then-established investment committee.

If the Adviser exercises voting authority with respect to its *Clients*, it must make and retain the following: (a) a copy of each proxy statement that the Adviser receives regarding *Client* securities, but may rely on obtaining a copy of a proxy statement from the SEC’s Electronic Data Gathering Analysis, and Retrieval (“EDGAR”) system; (b) a record of each vote cast by the Adviser on behalf of a *Client*; (c) a copy of any document created by the Adviser that was material to making a decision how to vote proxies on behalf of a *Client* or that memorializes the basis for that decision; and (d) a copy of each written *Client* (or investor) request, if any, for information on how the Adviser voted proxies on behalf of the *Client*, and a copy of any written response by the Adviser to such a request.

Series

To the extent a Series holds non-voting securities or contractually forgoes the right to vote in respect of the voting securities of a trading adviser fund, the Series will not be permitted to vote on matters that require the approval of the interest holders of the trading adviser fund, including with respect to matters potentially adverse to the Series’ interests.

The Investment Manager will provide Limited Partners with information about how a proxy was voted, or with a copy of the proxy voting policy and related procedures, upon written request to the Chief Compliance Officer, NorCap Investment Management, L.P., 15100 Gebron Drive, Austin, Texas 78734.

Item 18 – Financial Information

The Adviser has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to *Clients*. Neither the Adviser nor any of its Principals have been subject to a bankruptcy or financial compromise.

The Adviser does not collect advance fees of \$1,200 or more for services to be performed six (6) months or more in the future.

In 2020, certain *Clients* filed a claim against a Prime Brokerage firm utilized from 2013 through 2019, seeking resolution through FINRA arbitration.