

**Item 1: Cover Page**

# **FREESTONE GROVE PARTNERS LP**

## **Part 2A of Form ADV The Brochure**

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San Francisco, California 94015

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This brochure provides information about the qualifications and business practices of Freestone Grove Partners LP (“Freestone Grove”). If you have any questions about the contents of this brochure, please contact Darin Sadow, General Counsel and Chief Compliance Officer, at (415) 453-9151 or [darin.sadow@fgrovep.com](mailto:darin.sadow@fgrovep.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Freestone Grove is also available on the SEC’s website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Any reference to Freestone Grove as a “registered investment adviser” or as being “registered,” does not imply a certain level of skill or training.

## **Item 2: Material Changes**

This brochure contains information about Freestone Grove upon its initial application to register as an investment adviser with the SEC. In the future, this item will summarize the material changes, if any, made to this brochure as part of our annual update.

### **Item 3: Table of Contents**

Item 1: Cover Page .....	1
Item 2: Material Changes .....	2
Item 3: Table of Contents .....	3
Item 4: Advisory Business.....	4
Item 5: Fees and Compensation .....	5
Item 6: Performance-Based Fees and Side-By-Side Management.....	11
Item 7: Types of Clients .....	12
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss.....	13
Item 9: Disciplinary Information.....	28
Item 10: Other Financial Industry Activities and Affiliations.....	29
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	30
Item 12: Brokerage Practices.....	32
Item 13: Review of Accounts .....	34
Item 14: Client Referrals and Other Compensation .....	35
Item 15: Custody .....	36
Item 16: Investment Discretion .....	37
Item 17: Voting Client Securities .....	38
Item 18: Financial Information.....	39

## **Item 4: Advisory Business**

Freestone Grove is a Delaware limited partnership formed in 2023 with its principal place of business in San Francisco, California. The general partner of Freestone Grove is Freestone Grove GP LLC, a Delaware limited liability company. Todd Barker is the majority owner of Freestone Grove GP LLC and Freestone Grove. Todd Barker, Naozer Dadachanji, Daniel Morillo and Ravi Paidipaty (the “Principals”) control and oversee the day-to-day operations of Freestone Grove. The investment activities of Freestone Grove are led by the Principals together with sector-specific portfolio managers (“Portfolio Managers”) and other investment professionals who will assist in executing investment strategies on behalf of clients.

Freestone Grove anticipates providing discretionary investment advice to private funds (collectively the “Funds”). The Funds will be managed in accordance with their investment objectives, as described in their respective offering documents and governing agreements (together, the “Governing Documents”). The Funds are organized as a “master-feeder” fund structure whereby feeder Funds are expected to invest substantially all of their assets in the master fund (the “Master Fund”). FGP Redwood Fund GP LLC, a Delaware limited liability company, serves as the general partner or managing member of the certain of the Funds (the “General Partner”). The General Partner is an affiliate of Freestone Grove and is controlled by Todd Barker.

On behalf of the Funds, Freestone Grove will seek to construct a beta-neutral portfolio consisting of highly idiosyncratic investments on both the long and short sides of the portfolio and across sectors including: consumer, financials, energy and natural resources, healthcare, industrials, and technology, media & telecommunications, as well as risk arbitrage and equity capital markets. Freestone Grove provides investment advice directly to the Funds and not individually to the Funds’ investors.

Freestone Grove does not participate in any wrap fee programs.

At the time of its initial ADV filing, Freestone Grove does not have any assets under management. However, Freestone Grove has registered with the SEC in reliance on Rule 203A-2(c) because it has a reasonable expectation to be eligible for SEC registration within 120 days from the date its registration became effective. This brochure provides descriptions of the strategies and policies Freestone Grove intends to implement upon effectiveness of its registration.

## Item 5: Fees and Compensation

Freestone Grove does not charge a management fee or any other asset-based fee to the Funds; but the Funds will bear expenses under a “Pass-Through Expense” model. Under this model, the Fund (and thus, each Fund investor) bears its share of all Pass-Through Expenses that Freestone Grove and/or its affiliates charge to the Fund and the Master Fund. The General Partner will be entitled to performance-based compensation with respect to the Funds, as further discussed in Item 6 “Performance-Based Fees and Side-by-Side Management” below.

As a general matter, Pass-Through Expenses include Fund Expenses and Manager Expenses.

Fund Expenses: “Fund Expenses” include without limitation: (i) expenses and fees, including administrative, legal, regulatory and tax-related fees; registrations and filings, and registered office, related to the organization of the Funds and the initial offering of the interests and shares of the Fund (“Fund Organizational Expenses”); (ii) professional expenses, including legal, administrative and registered office, accounting, auditing, valuation, tax (compliance, reporting and consulting) and regulatory compliance and consulting expenses (including the fees paid to the administrator, accountants, auditors and other service providers, which are compensated for their services at market rates pursuant to the terms of their relevant engagements), consulting fees, and costs and expenses set forth in vendor contracts, counterparty and service provider agreements, costs related to the creation and operation of other legal entities or investment vehicles for legal, regulatory or tax purpose related to the operation of the Fund, and costs and expenses relating to regulatory and tax compliance and reporting, including costs of regulatory filings relating to the Fund and the Master Fund (including, but not limited to, Form D, Form 13D, Form 13F, Form 13G, Form 13H, Form PF, Cayman Islands Monetary Fund filings, exchange filings, short-selling and security ownership disclosures and any similar forms in U.S. and non-U.S. jurisdictions and additional regulatory filings that may be required in the future); (iii) expenses and fees, including insurance expenses, legal fees, background check expenses, registration fees, printing/reproduction, of the Master Fund’s Governance Committee and its members and the independent representative; (iv) taxes, levies, duties and other expenses imposed or payable, including contingencies, in any jurisdiction in connection with the Master Fund’s trading and investment activities or other operations of the Funds, as determined by the General Partner; (v) expenses and liabilities incurred in connection with indemnification, actual or threatened litigation, arbitration, dispute settlement, internal investigations or other extraordinary or non-recurring expenses; (vi) expenses relating to information systems and technology (both hardware and software, as well as services and support) utilized or developed (including expenses and fees of third party applications and service providers that assist in such development), whether leased or acquired and owned, by the Fund or Master Fund, and information systems and technology expenses relating to cloud computing, hosting and storage, data centers, website domain and hosting, expenses related to exchange connectivity and colocation of servers, expenses related to connectivity to counterparties and service providers, as well as for software development, information security, business continuity, databases and the warehousing of data; and for expenses for hardware and software to support Freestone Grove’s technology development for applications used by the Fund, Master Fund or Freestone Grove; (vii) expenses relating to the delivery and use of historic and real-time third-party market data, including prices/quotations, news and news services, and other alternative data sets or feeds, market data terminals, displays and licenses (display and non-display), and data processing (and

data risk management) software and services; (viii) expenses relating to third-party investment research including research grants, and expenses relating to the development and implementation of investment strategies; (ix) expenses associated with the liquidation and wind-down of the Funds including legal, regulatory and administrative expenses, expenses related to the formation and operation of any liquidating trusts or accounts, corporate or entity dissolution, and reserves for contingency items, including but not limited to potential expenses for tax and regulatory obligations; (x) travel-related and entertainment-related expenses and fees, of the Master Fund's Governance Committee and its members and the independent representative; (xi) expenses relating to the ongoing marketing, offering and sale of the interests and shares of the Funds, advertising (where permitted) including the expenses and fees of legal counsel of Freestone Grove or the General Partner relating to the offering and governing documents for the Funds, confidentiality and side letters with investors, and other legal agreements; as well as the expenses for ongoing investor relations, servicing, printing/reproduction, reporting, and report distribution; and any fees or expenses for fund administrator capital activity, transfer agents or paying agents; (xii) expenses incurred in connection with the maintenance of the legal existence of the Funds, including all fees, costs, expenses, taxes or other governmental charges, as determined by the General Partner; (xiii) fees or expenses charged by service providers for asset servicing, including proxy voting, class action lawsuit recovery and monitoring, tax reclamation, exchange required reporting, and processing and advice around corporate actions; (xiv) all trading-related and custody expenses, including brokerage commissions, financing costs, interest and borrowing expenses and fees, foreign exchange, mark-ups and mark-downs, spreads, securities lending expenses and fees, exchange fees and clearing fees, transaction taxes, exchange and regulatory fees, all expenses and fees related to the trading of derivatives or other financial instruments and associated margin requirements, expenses related to exchange reporting, connectivity and colocation of servers; all expenses and fees paid to outsourced traders, prime brokers, foreign exchange prime brokers, futures commission merchants, swap counterparties, swap clearing facilities, custodians and other counterparties, the legal costs associated with closings of private, structured or credit investments, the costs implicit in repurchase and reverse repurchase agreements and all other expenses and fees related to the Master Fund's investment, trading, cash management, treasury activities; (xv) expenses associated with holding any meetings of feeder Fund investors, or implementing other feeder Fund investor voting or consent procedures, whether held in-person or online, including, but not limited to planning services or software, venue rental, printing/reproduction and travel; (xvi) expenses related to any exchange membership held by or for the benefit of the Master Fund, and all related expenses, including any legal, custody or other third-party expenses and fees incurred in obtaining or maintaining such memberships; and (xvii) all expenses, including organizational and ongoing administrative, legal, regulator, and other expenses incurred by the General Partner (or its designee) in its capacity as "partnership representative".

Manager Expenses: "Manager Expenses" include without limitation: (i) expenses relating to the organization of Freestone Grove and the initial build-out of each of its departments and infrastructure, including employee and employment expenses and Launch Bonuses (as defined below), incurred or agreed to by Freestone Grove prior to or in connection with the launch of the Funds, as well as any other Pass-Through Expenses that have been incurred or agreed to by Freestone Grove in connection with the launch of the Funds (collectively, "Start-Up Expenses"); (ii) expenses relating to service providers, including services, software and information, to

Freestone Grove, including human resources, legal, administrative, registered office, accounting, auditing, fund administration, valuation, tax preparation, compliance, reporting and consulting expenses; and expenses related to vendor contracts, counterparty and service provider agreements, and expenses and fees relating to regulatory compliance matters, including costs of compliance programs, required employee licensing and trainings, surveillance, regulatory examinations, regulatory or legal inquiries or actions and U.S. and non-U.S. regulatory filings, including, if applicable, Form ADV, Form CTA-PQR and any similar forms in U.S. and non-U.S. jurisdictions and additional regulatory filings that may be required in the future; (iii) insurance costs and premiums, including insurance policies for directors and officers or errors and omissions, cyber-security insurance, fidelity bonds, professional and general liability insurance, employment practices and liability insurance, workers compensation, earthquake, flood, hurricane and other disaster insurance; automobile insurance, travel-related insurance and “key-person” life insurance for the Principals and other Freestone Grove personnel and future types of business-related insurance; (iv) U.S. (or non-U.S.) federal, state/province, local taxes; employment or employer taxes, transaction-related taxes, other taxes or other government filing fees, and interest and penalties related to any such tax liabilities or other payment obligations; (v) expenses and liabilities incurred in connection with indemnification, actual or threatened litigation, arbitration, dispute settlement, internal investigations or other extraordinary or non-recurring expenses of Freestone Grove; (vi) expenses relating to information systems and technology (both hardware and software, as well as services and support) utilized or developed (including expenses and fees of third party applications and service providers that assist in such development), whether leased or acquired and owned, by Freestone Grove, and information systems and technology expenses relating to cloud computing, hosting and storage, website domain and hosting, expenses related to exchange connectivity and colocation of servers, data centers, expenses related to connectivity to counterparties and service providers, and remote working systems (including both hardware and software), as well as for software development, information security, business continuity, databases and the warehousing of data; and for expenses for hardware and software to support Freestone Grove’s technology development for applications used by the Fund or Freestone Grove; (vii) expenses relating to the delivery and use of third-party historic and real-time market data, including prices/quotations, news and news services, and other alternative data sets or feeds, market data terminals, displays and licenses (display and non-display), and data processing (and data risk management) software and services; (viii) investment-related expenses relating to investment research: including research services and systems, publications and data, research conferences, calls and events, and services and consulting from research providers and so-called “expert-networks”, channel checking services, expenses related to the development of investment strategies, regardless if such strategies are successfully employed, optimizers, models, software, consulting and services, expenses related to risk management: software, data, consulting and services; (ix) expenses associated with the liquidation and wind-down of Freestone Grove, including administrative, legal and regulatory expenses, required ongoing recordkeeping costs, corporate or entity dissolution, and reserves for contingency items, including but not limited to potential expenses for tax and regulatory obligations; (x) business related travel costs, including airfare, train or other forms of transportation (private or commercial forms of travel related to Freestone Grove’s business), travel insurance, visa or entry related fees, car services and taxis, lodging, travel and business entertainment, and travel meals; (xi) salaries and other compensation and employee benefits for all Freestone Grove personnel, inclusive of the Principals, including healthcare contributions,

premiums and claims, payroll, withholding and similar taxes, employer level taxes and unemployment insurance, disability insurance, life and supplemental insurance, workers' compensation contributions, pre-tax salary contributions including, but not limited to, retirement contribution, health saving accounts, flexible spending accounts, commuter benefits; retirement plan matching and profit sharing and similar retirement or savings plan contributions (defined benefit or defined contribution) for employees and the Principals and fees for plan organization, custody and administration; payroll, benefit provider, employee-related provider and software fees, and employee expenses for meals, professional dues and licenses, professional development-related expenses, industry-related conferences, tuition and other continuing educational costs, Freestone branded "swag" items; gifts for new hires, daycare, cell phone and associated data plan, health club, and commuter, mileage, gas and parking reimbursement; (xii) bonus payments (including sign-on, supplemental, retention, make-whole, buy-out, discretionary and formulaic bonuses of any kind, as well as bonuses paid pursuant to any deferred compensation plans that Freestone Grove may establish) paid to Freestone Grove personnel, other than the Principals, including but not limited to (a) bonuses contingent on the launch of the Funds which may include any of the foregoing ("Launch Bonuses"); (b) bonuses paid to Portfolio Managers, including, but not limited to, "slope" bonuses based on the investment performance of their respective portfolios, net of any expenses allocated to such Portfolio Manager in Freestone Grove's sole discretion ("PM Bonuses"), and (c) bonuses paid to other (non-Portfolio Manager) personnel (together with Launch Bonuses and PM Bonuses, "Employee Bonuses"); (xiii) other expenses relating to Freestone Grove personnel, including but limited to, recruiting, retention and severance arrangements, including the hiring, on-boarding and termination of employees (such as advertising, job board posting, recruitment fees and retainers paid, any internal referral payments, expenses and fees relating to participation at industry-related and professional conferences, industry-related publications and subscriptions, professional organization dues and fees, and professional and industry-related events, expenses in connection with prospective employees' travel to Freestone Grove's offices, candidate meals and entertainment, relocation expenses, vendor contract buy-outs or expenses associated with the assumption or continuation of vendor contracts, and the costs and expenses associated with establishing and maintaining other incentive and compensation plans, including any structures employed to facilitate investment by qualified employees, Portfolio Managers and members of their investment teams in their own respective strategies, expenses to allow for employees to invest in the Fund via company retirement plans, and legal expenses related to hiring, immigration, counseling and terminating employees); (xiv) expenses and fees, including discretionary or formulaic amounts, paid and/or relating to consultants retained by Freestone Grove for investment and non-investment purposes, such as, investment-specific specialists, risk management, environmental, social and governance (ESG); Diversity, Equity and Inclusion; public relations, branding and graphic design, leasehold including but not limited to, architect, engineers, contractors, electricians and other trade professionals, information technology, telecommunications, software programming, global office advisory, local and other governmental, and business management; (xv) rent expenses and other expenses relating to Freestone Grove's offices and facilities, including utilities, landlord costs, furniture, fixtures and furnishings (other than original artwork), leasehold improvements (including those made prior to occupancy), electrical wiring, plumbing, network cabling, security equipment and services, sound proofing and noise reduction, fire prevention, protection and other safety equipment, appliances, audio-visual equipment, HVAC, storage, office equipment, printers, copiers, lease



negotiations (including initial lease, renewals and terminations), office inter-connectivity, office moves, custodial and cleaning, security deposits, fees and collateral letters of credit, office and pantry supplies, sundries, mailing, printing, reproduction, and any other overhead expenses; and fees, commissions and expenses of real estate brokers and other service providers to lease or otherwise acquire, renew, or terminate or dispose of office space; (xvi) expenses for networking and communication systems, including expenses relating to conventional and advanced telecommunications equipment (e.g. switches, routers, modems, etc.) and data transmission lines (cable, optical, satellite or other), cable service (internet, television, VOIP), networking and cabling, telephones, mobile phones and other personal electronic devices and related telephone voice and data plans of the Principals and other Freestone Grove personnel; (xvii) principal, interest and financing costs incurred in connection with borrowings by Freestone Grove, and banking-related fees (setup fees, account charges, wires/payments, line-of-credit, overdraft and late-penalties), foreign exchange conversion and other charges; fees, interest and penalties related to company issued credit cards; and (xviii) expenses relating to Freestone Grove's middle- and back-office and other non-investment related areas, including systems (software and hardware), outsourced services and personnel, including, but not limited to, project management, collaboration and messaging, procurement and bill payment, client relationship management, order and portfolio management, reconciliation, asset servicing (corporate actions, income), trade matching and settlement, transaction cost analysis, treasury-related (cash management, collateral management, cash investment, financing) non-investment risk management (operational, counterparty, credit and other), reporting, performance measurement and attribution and other future non-investment.

Pass-Through Expenses may be incurred directly by the Fund or by the Master Fund, Freestone Grove and its affiliated entities, the Principals, Portfolio Managers or other Freestone Grove personnel and reimbursed by the Fund or the Master Fund without interest. Pass-Through Expenses may include fees incurred at the request of specific investors, which may include investor-specific tax reporting. In general, these expenses will be allocated to the individual investors.

Freestone Grove has complete discretion to structure Employee Bonuses in any manner, using any formulaic method, and for any amount. Employee Bonuses are expected to be substantial in the aggregate.

#### Allocation and Timing

Freestone Grove will endeavor to allocate any Pass-Through Expenses, including both Fund Expenses and Manager Expenses, incurred on behalf of the Fund and any other Feeder Funds in an equitable manner.

While Pass-Through Expenses charged to the Fund are generally allocated among Fund investors proportionately based on their capital account balances, the General Partner may allocate all or a portion of specific Pass-Through Expenses differently if the General Partner determines that such allocation would be more equitable. The Fund will generally allocate any Pass-Through Expenses incurred in connection with Designated Investments (defined in Item 8, below) to the capital accounts to which they relate.

Freestone Grove will determine the amount and timing of Pass-Through Expenses charged to or otherwise borne by the Fund (including whether to cause the Fund or the Master Fund to pay

Freestone Grove for estimated Pass-Through Expenses before Freestone Grove has paid such Pass-Through Expenses) based on a methodology that Freestone Grove, in its sole discretion, believes to be fair and equitable after considering the nature of the expense and related accounting conventions.

If Freestone Grove causes the Funds to pay Freestone Grove any estimated Pass-Through Expenses prior to Freestone Grove paying such Pass-Through Expenses itself, Freestone Grove will generally pay such expenses promptly when due. To the extent Freestone Grove charges any such estimated Pass-Through Expenses for items that are subsequently cancelled or forfeited (such as Employee Bonuses), Freestone Grove will generally reallocate such amounts to offset other Pass-Through Expenses, or return the portion of Pass-Through Expenses to the Fund, as promptly as practicable. Freestone Grove will apply any interest earned on cash balances of payments received from the Funds, but not yet paid out for Pass-Through Expenses, to offset future Pass-Through Expenses or return the interest received. Freestone Grove will allocate any interest received on cash balances (and from other sources) by the Funds for the future payment of Pass-Through Expenses in an equitable manner.

Any Pass-Through Expense may be accrued by or charged to the Fund over multiple accounting periods in the sole discretion of Freestone Grove for purposes of calculating the Fund's net asset value. Because the amount of Pass-Through Expenses may be substantial, the timing of when Pass-Through Expenses are accrued or charged to the Fund may result in the Fund's net asset value diverging from the net asset value of the Fund as it would be calculated and reported in accordance with United States generally accepted accounting principles. In particular, Fund Organizational Expenses and Start-Up Expenses may be amortized over a period of up to 60 months, and Pass-Through Expenses for other items (including, equipment or other capital items) may be amortized over longer or shorter periods, as determined by Freestone Grove. Freestone Grove may also accelerate such amortization or reimbursement in its sole discretion, where such acceleration is permitted.

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

The General Partner will be entitled to receive performance-based allocations (“Incentive Allocation”). Investors should note that (i) the fact that the Incentive Allocation is allocated only in respect of net capital appreciation may create an incentive for Freestone Grove to make investments that are riskier or more speculative than would be the case if the General Partner were compensated solely based on a flat percentage of assets under management and (ii) the General Partner may receive increased allocations because the Incentive Allocation will be calculated on a basis that includes unrealized appreciation as well as realized gains. Incentive Allocations are subject to a “high water mark” as described in the Governing Documents.

The General Partner may agree to different Incentive Allocation arrangements with particular investors by separate agreement with them. The General Partner anticipates waiving the Incentive Allocation only for Freestone Grove, its Principals, employees, and members or partners, and those employees’, members’, and partners’ family members or retirement or estate planning vehicles for any of them.

## **Item 7: Types of Clients**

Freestone Grove provides investment advice to the Funds based on the particular investment objectives and strategies described in the applicable Governing Documents. Investment advice is provided directly to the Funds and not individually to the Fund investors. Investors in the Funds and other client accounts may include, but are not limited to, charitable organizations, corporate or business entities, endowments, family offices, foundations, fund of hedge funds, high net worth individuals, pension plans, sovereign wealth funds, and trusts.

Details concerning applicable investor suitability criteria are set forth in the respective Governing Documents and subscription materials. Certain of the Funds admit only investors that are “accredited investors” within the meaning set forth in Regulation D under the Securities Act of 1933 and “qualified purchasers” as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended. Certain other Funds require investors to meet certain suitability qualifications, such as being both (A) “accredited investors” under SEC Regulation D of the Securities Act of 1933 and (B) “qualified purchasers,” as defined in Section 2(a)(51)(A) of the Investment Company Act of 1940, as amended.

The minimum investment amount for an investment in a Fund is set forth in the Fund’s Governing Documents, although individual investments of lesser amounts may be accepted at the discretion of the General Partner.

### Side Letters

Freestone Grove may enter into side letters providing certain investors more favorable terms than other investors without being required to offer such terms to all investors. Except as required by applicable law or described herein, such side letters will not provide for more favorable liquidity and transparency rights and Freestone Grove will not be required to notify investors of any such side letters or such other rights and/or terms.

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

### Investment Strategies

The investment objective of the Funds will be to consistently generate high quality risk-adjusted returns through a combination of deep fundamental research and quantitative modeling. Freestone Grove will seek to achieve the Funds investment objective through a primary strategy that will seek to combine fundamental, bottoms-up analysis coupled with proprietary portfolio construction and risk management processes, to construct a beta-neutral, long/short portfolio with an emphasis on idiosyncratic risk across six core sectors: consumer, healthcare, technology media telecom (TMT), industrials, financials and natural resources. Freestone Grove's idea generation and portfolio construction will be led by sector teams seeking to deepen domain expertise and drive differentiated, monetizable insights. Each sector team may consist of one or more Portfolio Managers who, together with their underlying teams, will manage a portfolio of investments within the relevant sectors. Freestone Grove supports its investment professionals with a broad set of resources, including alternative data and proprietary workflow, idea generation, portfolio construction, risk management and performance attribution tools.

The Funds strategy will be to invest primarily in equity and equity-linked securities of companies globally, but with a primary focus on the United States. The Funds' strategy may also include investments in a broad range of instruments, including other securities, credit and credit-linked securities, options, futures, currencies, commodity interests, and derivatives. Freestone Grove may also employ other fundamental and quantitative strategies for the Funds that invest across one or more of the core sectors, including alpha capture, risk arbitrage, and selectively investing in IPOs, secondaries, and follow-ons. While not the Funds' primary focus, the Master Fund may invest in private securities, such as SPACs, PIPEs and pre-IPO investment opportunities, that are subject to restrictions on resale or for which there is no ready public market. Subject to certain limits and procedures, Freestone Grove may designate such investments as "Designated Investments," with certain effects described below.

Unless context otherwise requires, the discussion below of certain risks associated with significant investment strategies and/or methods of analysis should be understood as relating to risks applicable to the investment strategies or methods of analysis employed on behalf of the Master Fund, through which the feeder Funds will invest all of their investable capital.

### Certain Risks

Freestone Grove anticipates that its clients will consist of private investment funds. Acquiring an interest in a private investment fund involves a number of risks, including complete loss of investment. Such investments are speculative and not intended as a complete investment program. They are designed for sophisticated investors who fully understand and are capable of bearing the risk of loss of their investment. Freestone Grove makes no guarantee or representation that the Funds will achieve their investment objective or that investors in the Funds will receive a return of their capital.

The investment strategies used entail substantial risks, including, but not limited to, those listed below. Further risk factors are listed in the Governing Documents of the Funds.

### *Risks Arising From Particular Activities or Types of Instruments*

*Equity Securities.* The Fund will primarily invest in equity and equity-related securities. Equity securities fluctuate in value in response to many factors, including the activities, results of operations, and financial condition of individual companies, the business market in which individual companies compete, industry market conditions, interest rates, and general economic environments. Events such as domestic and international political instability, terrorism, and natural disasters often unforeseeable, contribute to market volatility in ways that may adversely affect investments made by the Fund.

*Investments Based on Valuation.* The Fund will invest in securities that Freestone Grove and/or individual Portfolio Managers believe are undervalued. Identifying investment opportunities of these kinds involves subjective judgement, and neither the Fund nor Freestone Grove can provide any assurance that Freestone Grove will succeed at it. While undervalued securities offer opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. The Fund may be required to hold positions for substantial periods before market prices reflect Freestone Grove's beliefs about their value. Returns generated from the Fund's investments may not adequately compensate for the business and financial risks assumed.

*Event-Driven Strategy Risks.* The Fund may invest in companies that Freestone Grove and/or individual Portfolio Managers believe are likely to be subject to significant transactions outside of the ordinary course of business (e.g., restructurings, spin-offs, mergers, or other reorganizations). The Fund may thus seek to make "event-driven" investments based on their analysis of the range of possible occurrences and outcomes of those transactions and their relative probabilities. By their nature, event-driven investments often present strongly disparate outcomes; that is, while a favorable resolution of a particular transaction can result in significant gains, a negative resolution can result in significant losses in the value of the Fund's investments. The ultimate resolution of a particular transaction (or changes in the market's perception of how a particular transaction will ultimately resolve) could trigger material and abrupt adjustments to the value of the Fund's investments, which will contribute to the volatility of the Fund's net asset value.

*Leverage.* The Fund will incur substantial leverage as a result of, or in connection with, a variety of transactions or investments. The Governing Documents do not impose limitations on the amount of leverage the Fund may incur. While leverage presents opportunities for increasing the Fund's total return, it has the effect of increasing potential losses as well. Accordingly, any event which adversely affects the value of an investment by the Fund would be magnified to the extent the Fund is leveraged. The cumulative effect of the use of leverage by the Fund in a market that moves adversely to the Fund's investments could result in a substantial loss to the Fund, which would be greater than if the Fund was not leveraged.

In general, the use of short-term margin borrowings results in certain additional risks to the Fund. For example, should the securities pledged or charged to brokers to secure the Fund's margin accounts decline in value, the Fund could be subject to a "margin call," pursuant to which the Fund must either deposit additional funds or securities with the broker, or suffer mandatory liquidation of the pledged or charged securities to compensate for the decline in value. In the event of a sudden drop in the value of the Fund's assets, the Fund might not be able to liquidate assets quickly enough to satisfy its margin requirements.

In addition, the Fund's investments will include securities of companies with leveraged capital structures, which could be more exposed to adverse economic factors, such as an increase in interest rates, a downturn in the economy, or deterioration in the economic conditions of the company or its industry than less leveraged companies; among other things, adverse developments could prevent leveraged companies from generating sufficient cash flow to meet principal and interest payments on their indebtedness. The value of the Fund's investment in such an entity could be significantly reduced or even eliminated.

*Substantial Positions in Portfolio Companies.* The Fund may acquire positions in the securities of particular companies that, by themselves or when combined with positions held in other investment funds and accounts Freestone Grove manages, comprise a substantial percentage of those companies' outstanding securities. Freestone Grove and/or the Fund may be required to file with the SEC and/or other regulatory authorities reports of beneficial ownership of securities. In these cases, it may be difficult to liquidate or reduce the Fund's position in these securities, preventing the Fund from realizing profit or avoiding loss. In addition, there may be other circumstances under which the aggregate holdings of a security by the Fund and other accounts Freestone Grove manages, or Freestone Grove's involvement with the security's issuer, limit the Fund's ability to liquidate or reduce its position. Freestone Grove may at times attempt to influence management of a particular company or exercise control of a company.

*Risks of Investing in Non-U.S. Securities.* The Fund will invest and trade in securities of non-U.S. companies or governmental entities, and in securities, commodity interests, and derivative contracts and instruments denominated in currencies other than U.S. dollars. Such securities and other instruments can subject the Fund to risks not typically associated with investing in securities and commodity interests in the United States. The following are some of the more significant risks associated with this type of investing.

- *Political and Economic Instability.* Many non-U.S. economies and markets are relatively unstable due to, among other things, volatile internal political environments, relatively unstable monetary systems, and/or external political risks. Some governments participate in their economies through ownership or regulation in ways that can have a significant effect on securities prices. The economies of some countries depend heavily on international trade and can be adversely affected by the enactment of trade barriers or changes in the economic condition of their trading partners. In some countries, especially developing or emerging countries, political or diplomatic developments could lead to programs that would adversely affect investments, such as confiscatory taxation or expropriation.
- *Currency Fluctuations.* The Fund may invest in securities denominated in foreign currencies. A change in the value against the U.S. dollar of a currency in which an investment is denominated causes a corresponding change in the U.S. dollar value of the investment. Some foreign countries maintain their currencies at artificial levels relative to the U.S. dollar. This type of system can lead to sudden and large adjustments in the currency, which can in turn result in losses to foreign investors. The Fund may enter into futures and foreign currency transactions to attempt to reduce its foreign currency exposure. These techniques may reduce, but will not eliminate, the risk of loss due to unfavorable currency fluctuations and they tend to limit any potential gain that might result from favorable currency fluctuations. Some

countries restrict conversion of their currency into foreign currencies, including the U.S. dollar, and for some currencies, there is no significant foreign exchange market.

- *Characteristics of Foreign Securities Markets.* Many foreign securities markets are not as developed or efficient as those in the United States and may be more volatile than the U.S. markets. In particular, there is generally less government supervision and regulation of many foreign exchanges, brokers, and listed companies than in the United States. Further, trading volumes in many markets are lower than in U.S. markets, resulting in reduced liquidity and potentially rapid and erratic price fluctuations. Commissions for trades on foreign exchanges may be higher than negotiated commissions on U.S. exchanges and custody expenses may be higher as well. Settlement practices for transactions in foreign markets may involve delays beyond periods customary in the United States, possibly requiring the Fund to borrow funds or securities to satisfy its obligations arising out of other transactions. In addition, there could be more “failed settlements,” which can result in losses to the Fund.
- *Less Company Information and Regulation.* There is less publicly available information about many foreign companies than about U.S. companies. This may make it more difficult for Freestone Grove or the Portfolio Managers to keep informed of corporate actions that may affect the price of a particular security. Further, many foreign countries lack uniform accounting, auditing, and financial reporting standards, practices, and requirements. These factors can make it difficult to analyze and compare the performance of foreign companies.
- *Restrictions on Investment and Repatriation.* Some countries impose restrictions and controls regarding investment by foreigners. Among other things, they may require prior governmental approvals, impose limits on the amount or types of securities that may be held by foreigners, or impose limits on the types of companies in which foreigners may invest. These restrictions may at times limit or preclude the Fund’s investment in certain countries and may increase the Fund’s costs. Indirect foreign investment may, in some cases, be permitted through investment funds that have been specifically authorized for that purpose. Because of the limited number of authorizations granted in such countries, however, units or shares in most of the investment funds authorized in those countries may at times trade at a substantial premium over the value of their underlying assets. There can be no certainty that these premiums will be maintained and if the restrictions on direct foreign investment in the relevant country were significantly liberalized, premiums might be reduced, eliminated altogether, or turned into a discount. In addition, certain foreign countries impose restrictions and controls on repatriation of investment income and capital.
- *Foreign Taxes.* Dividend and interest payments on certain foreign securities owned by the Fund may be subject to foreign withholding taxes, as may realized capital gains. Such taxes will reduce net proceeds to the Fund.
- *Depository Receipts.* The Fund may pursue some non-U.S. investing through American Depositary Receipts (“ADRs”), Global Depositary Receipts (“GDRs”),



European Depositary Receipts (“EDRs”), or other similar securities representing ownership of foreign securities (collectively, “Depositary Receipts”). Depositary Receipts generally evidence an ownership interest in a corresponding foreign security on deposit with a financial institution. Transactions in Depositary Receipts usually do not settle in the same currency in which the underlying securities are denominated or traded. Generally, ADRs, in registered form, are designed for use in the U.S. securities markets and EDRs, in bearer form, are designed for use in European securities markets. GDRs may be traded in any public or private securities markets and may represent securities held by institutions located anywhere in the world. Investing through Depositary Receipts involves substantially the same risks as investing directly in non-U.S. securities.

*Convertible Securities.* The Fund may invest in hybrid securities that may be exchanged for, converted into, or exercised to acquire a predetermined number of shares of an issuer’s common stock at the option of the holder during a specified time period (such as convertible preferred stocks, convertible debentures, stock purchase rights, and warrants). Convertible securities generally pay interest or dividends and provide for participation in the appreciation of the underlying common stock but at a lower level of risk because the yield is higher and the security is senior to common stock.

The value of a convertible security is a function of its “investment value” (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its “conversion value” (the security’s worth, at market value, if converted into the underlying common stock). The credit standing of the issuer and other factors may also affect investment value. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security is increasingly influenced by its conversion value.

*Hedging.* Freestone Grove and individual Portfolio Managers may use hedging strategies to the extent they consider appropriate in light of current circumstances and portfolio composition. Hedging strategies in general are intended to limit or reduce investment risk, but they can also be expected to involve transaction costs and may inherently limit or reduce the potential for profit. Hedges are often imperfectly inversely correlated with the underlying exposure the Fund seeks to hedge and, to the extent that is the case, can subject the Fund to additional risk, if prices involved in the hedging position move against the Fund. Other risks include: (i) possible illiquidity in the market for closing out a hedging position; (ii) interest rate, spread, or other broad market movements not anticipated by Freestone Grove or its Portfolio Managers; (iii) the Fund’s obligations to meet margin or other payment requirements; (iv) a counterparty’s default or refusal to perform; and (v) impact that required segregation of the Fund’s assets to cover hedge-related obligations may have on portfolio management or the Fund’s ability to meet short-term obligations. The Fund will not attempt to hedge all risks inherent in its positions and will hedge certain risks, if at all, only partially.

*Derivatives in General.* Fund may invest in derivative instruments including, among other things, options, contracts for differences, participatory notes, swaps (including on interest rate, credit default, total return, and equity swaps), futures, and forward contracts. While specific

types of derivatives involve specific risks, all derivative instruments can involve a variety of material risks, including the following:

- *Leverage.* Derivatives can have significant embedded leverage: they can allow the Fund to participate in market price fluctuations of the underlying reference instrument or value (e.g., securities, indices, interest rates, commodities, or currencies) while only investing a small percentage of the “notional” value of the contract. As with all forms of leverage, this can increase not only the opportunity for profit but also the risk of loss. Depending on how they are used, derivatives may increase or decrease the overall volatility of a portfolio.
- *Limited Liquidity.* The markets for many derivative instruments are frequently characterized by a limited number of dealers, can mean limited liquidity and can, in turn, make it difficult and costly to close out open positions in order either to realize gains or to limit losses.
- *Correlation Error and Change.* The pricing relationships between derivatives and the reference values or instruments underlying them may suddenly change from historical patterns, resulting in unexpected losses.

*Options.* The Fund may trade equity and other types of options. Options trading is highly speculative and may entail risks greater than investing in other securities. Option prices are generally more volatile than other securities’ prices. When trading options, the Fund is speculating on market fluctuations of securities and securities exchange indices while investing only a small percentage of the value of the securities underlying the options. A change in the market price of the underlying securities or underlying market index would cause a much greater change in the price of the option contract. If the Fund buys options that it does not sell or exercise, it will suffer the loss of the premium paid. To the extent the Fund sells (writes) options and must deliver the underlying securities at the option price, the Fund has a theoretically unlimited risk of loss if the price of the underlying securities increases. If the Fund must buy those underlying securities, it risks the loss of the difference between the market price of the securities and the option price. Any gain or loss derived from the sale or exercise of an option will be reduced or increased, respectively, by the amount of the premium paid. The expenses of option investing include commissions payable on the purchase and on the exercise or sale of an option.

*Over-the-Counter Derivatives.* Over-the-counter or “OTC” derivatives have historically been individually-negotiated, non-standardized agreements entered into directly and privately between two parties—rather than on an exchange—to make/receive payments based on changes in underlying reference instruments or values. While, as described below, legislation and regulations require many derivatives to be cleared, many remain bilateral and non-cleared. OTC derivatives involve the following types of risks, among others:

- Counterparties to non-cleared OTC derivatives might fail to perform, causing the Fund to lose the benefit of the derivative agreement and potentially to lose access to assets posted with the counterparty as collateral. Non-cleared OTC derivatives are generally not afforded the risk-mitigating protections of an execution facility or clearinghouse, or of a government regulator that oversees the execution facility or clearinghouse, in the event of such a failure to perform. Even cleared derivatives

may not avoid these risks entirely: when transacting in cleared OTC derivatives, the Fund will not face a clearinghouse directly but rather will transact through an OTC derivatives dealer that is registered with the CFTC or SEC and that acts as a clearing member (a futures commission merchant). If another of the Fund's clearing member's customers fails to meet its obligations to the clearing member, under certain circumstances the clearing member could default on its obligations to the clearinghouse, and the Fund's assets held by the clearing member could consequently become inaccessible for an indefinite period or could ultimately prove not to be recoverable.

- If a counterparty's creditworthiness declines, the value of a derivative contract with the counterparty can be expected to decline, potentially resulting in losses by the Fund.
- Many derivative contracts call for payments periodically or upon changes in the price of an underlying instrument or in underlying rates or indices. The Fund must be prepared to make those payments when due, and it may be required to maintain collateral with its counterparty to support its payment obligations. If the Fund were to fail to fulfill those obligations or to post any required collateral, its counterparty could declare an event of default, and the Fund could be required to pay breakage fees, suffer the loss of the amounts paid to the counterparty, and possibly forego future payments from the counterparty.
- OTC derivatives are less liquid than listed options or futures.
- Difficulties may arise in interpreting the legal terms of the relevant agreements.

*Swap Agreements.* A swap is an agreement between two parties to exchange cash flows (and sometimes principal amounts) measured by different interest rates, commodity prices, exchange rates, energy rates, indices or prices, with payments generally calculated by reference to a principal ("notional") amount or quantity. OTC Swaps and similar derivatives are individually negotiated contracts that are not traded on exchanges or SEFs; banks and dealers act as principals in these markets. OTC Swaps may have non-standardized and highly bespoke terms, and may or may not be cleared by a central counterparty. As a result, the Fund may be exposed to counterparties' inability or refusal to perform with respect to such contracts. However, many swaps, for example many interest rates swaps, are required to be executed through regulated futures exchanges or SEFs and to be submitted for clearing to regulated clearinghouses. All swaps, whether OTC or traded on regulated markets, may be subject to various other types of risk, including market risk, liquidity risk, counterparty credit risk (including risk of clearing member or clearinghouse default), legal risk, and operations risk. If a counterparty's creditworthiness declines, the value of a swap with that counterparty can be expected to decline, potentially resulting in losses by the Fund. Similarly, if a counterparty fails to meet its obligations, including as a result of bankruptcy or insolvency, the Fund may experience a total loss. Swaps can involve considerable economic leverage and may, in some cases, involve significant risk of loss. Depending on their structure, swaps may increase or decrease exposure to the corporate credit market, equity securities, long-term or short-term interest rates, foreign currency values, corporate borrowing rates, or other factors. Swaps can take many different

forms and are known by a variety of names. The Fund is not limited to any particular form of swap.

Depending on how they are used, Swaps may increase or decrease the overall volatility of a portfolio. The most significant factor in the performance of Swaps is the change in the specific interest rate, currency, equity index or other factors that determine the amounts of payments due to and from the Fund. If a Swap calls for payments by the Fund, the Fund must be prepared to make those payments when due.

*Total Return Swaps.* The Master Fund may enter into total return swaps. Total return swaps are swap agreements where a party agrees to pay the counterparty the total return of a defined underlying asset (e.g., common stock) in return for fixed or floating payments. The total return receiver assumes the entire economic exposure - that is, both market and credit exposure - to the reference asset without having a direct interest in or ownership rights with respect to such asset. The total return payer - often the owner of the reference obligation - gives up economic exposure to the performance of the reference asset and in return takes on counterparty credit exposure to the total return receiver in the event of a default or fall in value of the reference asset. As a receiver of total return swaps, the Fund will be obligated to make certain periodic payments in exchange for the total return on a referenced asset, including coupons, interest, and the gain or loss on such asset over the term of the swap. The Fund may be required to maintain collateral with the total return swap counterparty. If the Fund fails to fulfill its payment obligations or fails to post any required collateral under a total return swap, the total return swap counterparty may declare an event of default, and, as a result, the Fund may be required to pay swap breakage fees (with respect to OTC swaps), suffer the loss of the amounts paid to the counterparty, and forego the receipts from the counterparty of further total return swap payments. There are certain legal, tax and market uncertainties that present risks in entering into total return swaps, and there has been increased regulatory scrutiny on the use of total return swaps. There is currently little case law or litigation characterizing total return swaps, interpreting their provisions or characterizing their tax treatment. The total return swap counterparties with whom the Master Fund does business may encounter financial difficulties, fail or otherwise become unable to meet their obligations. Any such development would impair the operational capabilities of the Funds or cause damaging losses, or even a complete loss, of its capital.

*Futures/Commodities Activities.* The Master Fund could buy futures on securities indices, commodities, or currencies, and trade in other commodity interests. As with some other derivatives, futures can provide a form of leverage, allowing the Master Fund to participate in market price fluctuations of indices, interest rates, or commodities underlying futures (or options on futures), while only investing a small percentage of the value of those underlying indices, rates, or commodities as margin. Trading in futures is highly speculative and may entail risks that are greater than investing in securities, including: increased volatility relative to other securities; increased exposure resulting from the leverage aspects of futures trading; the loss of any premium paid to enter into the transaction; delivery failure; default by any other party; and inability to close out a position because the trading market becomes illiquid. Neither Freestone Grove nor the General Partner is registered as either a "commodity pool operator" or a "commodity trading advisor."

*Short Sales.* The Fund intends to sell securities short as a regular part of its investing activities. In a short sale, the Fund sells securities it does not own, in the expectation that the market price

will decline and the Fund will be able to buy replacement securities later at a lower price. To accomplish this, the Fund borrows the securities from a broker or other third party. It “closes” the position by “returning” the security (buying a replacement security on the lender’s behalf). This “return” obligation does not typically have a specified “maturity” date and the lender generally may require replacement of the securities whenever it chooses. A short sale theoretically involves the risk of unlimited loss; the price at which the Fund must buy “replacement” securities could increase without limit. The Fund may experience losses on short positions that are not offset by gains on long positions.

Short selling is subject to a theoretically unlimited risk of loss because there is no limit on how much the price of a security may appreciate before the short position is closed out. There can be no assurance that the securities necessary to cover the short position will be available for purchase by the Fund. In addition, purchasing securities to close out the short position can itself cause the price of the relevant securities to rise further, thereby increasing the loss incurred by the Fund. Furthermore, the Fund may prematurely be forced to close out a short position if a counterparty from which the Fund borrowed securities demands their return, resulting in a loss on what might otherwise have been ultimately a profitable position. If it is determined by the broader market that the Fund (and others) are short a heavily shorted security, the Fund may be susceptible to the risk that groups of investors may coordinate, on social media or otherwise,

The Fund could suffer losses on short-selling activities as a direct or indirect result of those changes, and its ability to use short selling as a part of its overall investment activities could be limited or made less effective or profitable.

*Currencies and Foreign Exchange.* The Fund may take positions in currencies, either directly or using derivative instruments. While it may do so to hedge currency exposure on investments, it may also do so to take advantage of trading opportunities identified by Freestone Grove or its Portfolio Managers. The foreign exchange markets can be news-driven, can be unexpectedly volatile, and can be affected by non-market forces such as actions of various governments. The Fund may trade non-deliverable forwards, and it may also trade deliverable forward contracts in the inter-bank currency market. Deliverable forward contracts and “cash” trading are substantially unregulated. Deliverable forward contracts are not currently traded on exchanges; rather, banks and dealers act as principals in these markets. There is currently no limitation on daily price movements and speculative position limits are not applicable. Changes in the forward markets may entail increased costs and result in burdensome reporting requirements. Principals in the forward markets have no obligation to continue to make markets in the forward contracts traded. The CFTC now regulates non-deliverable forwards (which includes many deliverable forwards where the parties do not take delivery) as swaps. The imposition of credit controls by governmental authorities or the implementation of additional regulations might limit forward trading to less than that which Freestone Grove or its Portfolio Managers would otherwise recommend, to the possible detriment of the Fund.

*Small and Medium Capitalization Stocks.* The Fund may invest in stocks of companies that have or may, following investment, end up having relatively small- or medium-sized market capitalizations. While such stocks can provide significant potential for appreciation, they can involve higher risks than investments in stocks of larger companies. For example, prices of small-capitalization and some medium-capitalization stocks are often more volatile than prices of large-capitalization stocks and the risk of bankruptcy or insolvency of many smaller

companies (with the attendant losses to investors) may be higher than for larger, “blue-chip” companies. In addition, thin trading in some small- and medium-capitalization stocks may make those stocks less liquid than large-capitalization stocks.

*Restricted Securities and Private Investments.* The Fund may invest in restricted securities issued in exempt offerings and may make other private investments in illiquid instruments. There may be no trading market for these instruments, and the liquidation of such investments could, depending on the circumstances, be difficult or occur at disadvantageous prices. As a result, the Fund may be required to hold such securities for extended periods of time. It may be difficult to hedge such investments, and, unlike readily marketable securities, such investments typically are not eligible for portfolio financing. In some instances, the Fund may not be able to readily dispose of such illiquid investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time. Restricted securities may sell at prices lower than similar securities that are not subject to restrictions on resale.

*SPACs.* The Fund is permitted to invest in stock, warrants, and other securities of special purpose acquisition companies (“SPACs”) or similar special purpose entities that pool funds to seek potential acquisition opportunities. Each SPAC, at the time of its formation, will have no plans, arrangements or understandings with any prospective target business concerning an initial business combination and may be unable to complete its initial business combination. SPACs often operate at a loss or with substantial variations in operating results from period to period and generally need substantial additional invested capital to support expansion or to achieve or maintain a competitive position. The existence of sponsor interests and other compensation from a SPAC creates an incentive for the sponsor to pursue the consummation of an initial business combination in order to secure the value of such interests, even where such a combination may not be in the best interest of the SPAC shareholders (including the Fund). Unless and until an acquisition is completed, a SPAC generally invests its assets (less a portion retained to cover expenses) in U.S. Government securities, money market fund securities and cash; if an acquisition that meets the requirements for the SPAC is not completed within a pre-established period of time, the invested funds are returned to the entity’s shareholders. Because SPACs and similar entities are in essence blank check companies without an operating history or ongoing business other than seeking acquisitions, the value of their securities is particularly dependent on the ability of the entity’s management to identify and complete a profitable acquisition. If a SPAC is unsuccessful in acquiring companies, there is a possibility of significant loss to investors. Some SPACs may pursue acquisitions only within certain industries or regions, which may increase the volatility of their prices. In addition, these securities, which are typically traded in the OTC market, may be considered illiquid and/or be subject to restrictions on resale.

In addition, the Fund is permitted to invest in privately sourced and structured convertible and equity-linked securities of public companies (“PIPEs”), including in connection with the Fund’s direct or indirect investment in a SPAC. If the Fund invests in the common equity of a SPAC, its only opportunity to affect the investment decision regarding a potential business combination may be limited to exercising its redemption rights as a public shareholder in connection with the initial business combination. If the Fund invests in a SPAC through a private placement, the Fund could be subject to certain restrictions, such as requiring the Fund to vote in favor of a proposed initial business combination, not to redeem the shares purchased by the Fund, and not

to otherwise buy, sell or hedge securities of the SPAC for a specified period of time. As a result, investments in SPACs.

*PIPE Transactions.* The Fund may invest in PIPE transactions. Investors in PIPE transactions purchase securities directly from a publicly-traded entity in a private placement transaction, typically at a discount to the market price of the entity's securities. Because the sale of the securities is not registered under the Securities Act, the securities are "restricted" and cannot be immediately resold by the investors into the public markets, and thus may present the risk that an investor may not be able to liquidate those securities. Accordingly, the publicly-traded entity typically agrees as part of the PIPE deal to register the restricted securities with the SEC. Any number of factors may prevent or delay a proposed registration. Alternatively, it may be possible for securities acquired in a PIPE transaction to be resold in transactions exempt from registration in accordance with Rule 144 under the Securities Act, or otherwise under U.S. federal securities laws. However, there is no assurance that such securities will ever be registered with the SEC or that an active trading market for such securities will exist when the Fund seeks to dispose of them. There may be a significant delay before such PIPE securities may be sold, resulting in losses to the Fund which may be substantial.

*Active or Suggestive Investing.* Freestone Grove may communicate with the issuer of a security in an attempt to influence the issuer's decisions or strategies and enhance the value of the Fund's investment. This could occur when the Master Fund and other accounts, together, have or seek to take a position in an issuer's securities that is material relative to other holders of the issuer's outstanding securities. Freestone Grove's efforts may be ineffective for a variety of reasons, including: (i) opposition by the issuer's management or shareholders of the subject company; (ii) "preemptive" defensive efforts by the issuer, including a merger with, or a friendly tender offer by, another company; (iii) material changes in securities prices; (iv) intervention by a governmental agency; or (v) the issuer's corporate governance mechanisms. Successful advocacy with an issuer may also depend on the active cooperation of shareholders and others with an interest in the issuer, which may not materialize or may change. Even if Freestone Grove's efforts succeed, market reactions may not be what was anticipated or hoped for and, particularly if the Fund's and other accounts' position in the issuer is material relative to other security holders, the Fund may be unable to exit its position at a favorable price.

*Distressed Investments.* The Fund may invest in "distressed" securities — *i.e.*, of issuers that are experiencing significant financial or business difficulties. The Fund may lose a substantial portion or all of its investment in a distressed situation or may be required to accept cash or securities with a value less than its investment. Among the risks inherent in investments in entities experiencing significant financial or business difficulties is the fact that it frequently may be difficult to obtain information as to the true condition of the issuers. These investments also may be adversely affected by state and federal laws relating to, among other things, fraudulent conveyances, voidable preferences, lender liability, and the bankruptcy court's discretionary power to disallow, subordinate, or disenfranchise particular claims. The market prices of distressed entity investments are subject to abrupt and erratic market movements and above average price volatility, and the spread between the bid and asked prices of these investments may be greater than normally expected. In trading distressed securities, litigation is sometimes required, which can be time-consuming and expensive and can frequently lead to unpredicted delays or losses.

*Special Situations.* The Fund may invest in distressed securities of companies involved in or undergoing work-outs, liquidations, spin-offs, reorganizations, bankruptcies, or other catalytic changes or similar transactions. In any investment opportunity involving these types of special situations, there exists the risk that the contemplated transaction either will be unsuccessful, will take considerable time, or will result in a distribution of cash or a new security with a value less than the Fund's purchase price for the security or other financial instrument in respect of which the distribution is made. If an anticipated transaction does not occur, the Fund may be required to sell its investment at a loss. As with other distressed company investments, the Fund could lose its entire investment in special situation investments.

*Exchange Traded Funds and Other Pooled Investment Vehicles.* The Fund may invest or trade in exchange traded funds ("ETFs"), index-related instruments, and other instruments or pooled vehicles as a way of hedging risks related to particular industries, sectors, or markets in connection with its other investments. Doing so will subject the Fund to the hedging-related risks discussed elsewhere. It may also include the risk that an ETF or index-related instrument may not effectively reflect the performance of the index, industry, or other market it is intended to replicate. Investing in any pooled investment vehicle involves, in addition to all the risks involved in investing in securities or commodities generally, the risk that the expenses charged to the pooled vehicle reduce the return, that the managers of the pooled vehicle are not successful at their stated program, that those managers face conflicts of interest, that the investment is illiquid, and that the non-investment operations of the pooled vehicle become subject to error and mismanagement, resulting in losses for the pooled vehicle. In any event, such pooled vehicles can be expected to incur costs in addition to the Fund's fees and costs described elsewhere in this memorandum, thus reducing the return on investments in those vehicles.

*Artificial Intelligence.* Recent technological advances in artificial intelligence and machine learning technology including recent releases of so-called "large language models" and "generative AI" by a number of large and well-financed competing technology companies (collectively, "AI Technology"), pose risks to Freestone Grove, the Fund and the Fund's investments. While Freestone Grove intends to utilize AI Technology in connection with its business activities, including investment activities, Freestone Grove continues to evaluate and adjust internal policies governing use of AI Technology by its personnel. Notwithstanding any such policies, personnel of Freestone Grove could, unbeknownst to Freestone Grove, utilize AI Technology in contravention of such policies. The Freestone Grove, the Fund and its investments could be further exposed to the risks of AI Technology if third-party service providers or any counterparties, whether or not known to Freestone Grove, also use AI Technology in their business activities. The Freestone Grove will not be in a position to control the manner in which third-party products are developed or maintained, or the manner in which third-party services are provided.

Use of AI Technology by any of the parties described in the previous paragraph could include the input of confidential information (including material non-public information)—either by third parties in contravention of non-disclosure agreements or by personnel of Freestone Grove in contravention of Freestone Grove's policies—into AI Technology applications, resulting in such confidential information becoming part of a dataset that is accessible by other third-party AI Technology applications and users.



Independent of its context of use, AI Technology is generally highly reliant on the collection and analysis of large amounts of data, and it is not possible or practicable to incorporate all relevant data into the model that AI Technology utilizes to operate. Certain data in such models will inevitably contain a degree of inaccuracy and error – potentially materially so – and could otherwise be inadequate or flawed, which would be likely to degrade the effectiveness of AI Technology. To the extent that Freestone Grove, the Fund or its investments are exposed to the risks of AI Technology use, any such inaccuracies or errors could have adverse impacts on Freestone Grove, the Fund or its investments. So long as Freestone Grove’s use of AI Technology does not involve Freestone Grove’s gross negligence, fraud, or willful misconduct, Freestone Grove will not incur any liability to, and will be held harmless by, the Fund for losses that result from AI Technology’s inaccuracies and errors.

AI Technology and its applications, including in the private investment and financial sectors, continue to develop rapidly, and it is impossible to predict the future risks that may arise from such developments. Additionally, various governmental entities have been increasingly active in considering laws and/or market restrictions related to AI Technology. The timing of the passage, and the ultimate effect of the implementation, of such laws and market restrictions is impossible to predict but the additional regulation may increase the costs associated with, and may limit the ability of Freestone Grove to implement, AI Technology in connection with the management of the Fund, which could have an adverse impact on the Fund’s performance.

*Timing of Gains and Losses; Volatility.* The Fund may need to hold some of its positions for significant periods before their success or failure becomes apparent or any gains can be realized. It may take longer for successful positions to realize their potential than for unsuccessful ones to reveal their weaknesses. Market prices of portfolio positions may be expected to fluctuate significantly over the Fund’s holding periods, causing the Fund’s performance to be volatile over the short term.

*Material Non-Public Information.* Because of its ongoing responsibilities in connection with investment-related activities for the Funds, other accounts and otherwise, the personnel of Freestone Grove may acquire confidential information and/or material non-public information or be otherwise restricted (or determine to be restricted) from initiating transactions in certain potential investment opportunities and may enter into confidentiality or “stand-still agreements” with respect to certain potential investment opportunities. In addition, during the course of the research and diligence process for the Master Fund and otherwise, Freestone Grove may share and receive information from other market participants, which could increase the likelihood that Freestone Grove will receive material non-public information and be required to restrict trading in certain investments. In such circumstances, Freestone Grove may restrict the Funds, or the Funds may be restricted by law, policy or contract, for a period of time, from (i) unwinding a position, (ii) establishing an initial position or taking a greater position, and (iii) pursuing related investment opportunities. If such restrictions or limitations apply to investments in which the Fund is invested (even if the information was derived in connection with other accounts or otherwise), then such restrictions or limitations could give rise to substantial investment losses, which losses, in the case of an investment in which the Fund has a short position, are theoretically unlimited.

*Reliance on Technology; Cybercrime.* The Funds will rely heavily on computer hardware and software, online services, and other computer-related or electronic technology and equipment to

facilitate their investment activities. Events beyond Freestone Grove's control could cause a disruption in the operation of any of that technology or equipment, causing the Funds to experience losses, liabilities, or other adverse effects. In particular, the Funds are subject to risks associated with a breach in their cybersecurity. Cybersecurity is a generic term used to describe the technology, processes, and practices designed to protect networks, systems, computers, programs, and data from "hacking" by other computer users, other unauthorized access, and the resulting damage and disruption of hardware and software systems, loss or corruption of data, and misappropriation of confidential information. If a cybersecurity breach were to occur, the Funds may incur substantial costs, including those associated with: forensic analysis of the origin and scope of the breach; increased and upgraded cybersecurity; investment losses from sabotaged trading systems; identity theft; unauthorized use of proprietary information; litigation; adverse investor reaction; the dissemination of confidential and proprietary information; and reputational damage. Any such breach could expose both the Funds and Freestone Grove to civil liability as well as regulatory inquiry and/or action. Investors could also be exposed to additional losses as a result of unauthorized use of their personal information.

#### *Platform Risks*

*Multi-Manager Platform; Decentralization.* Freestone Grove employs a "multi-manager" strategy under which each Portfolio Manager invests independently of the others. Portfolio Managers may from time to time compete with others for the same positions, and "opposite" positions held by the Portfolio Managers will be economically offsetting. Portfolio Managers are generally entitled to PM Bonuses that are paid in respect of their individual performance regardless of whether their returns are offset in respect of the Fund by other Portfolio Managers' positions or hedging performed by Freestone Grove, and these PM Bonuses are included in the Pass-Through Expenses borne by the Fund and the Fund investors. Although Freestone Grove has implemented certain risk limitations across the Master Fund's entire portfolio, these limitations may also prevent individual Portfolio Managers from fully implementing their investment ideas.

The success of Freestone Grove's multi-manager model is highly dependent on the ability of Freestone Grove and its Principals to identify, recruit and retain talented Portfolio Managers. The market for portfolio management and investing talent is intensely competitive. As a recent entrant in a competitive market, Freestone Grove may not be successful in attracting and retaining Portfolio Managers. Identifying investment talent is inherently uncertain and a Portfolio Manager's past performance in other environments will not necessarily be indicative of his or her future investment success. In addition to identifying and recruiting investment talent, Freestone Grove's multi-portfolio manager model is also dependent on Freestone Grove's ability to allocate capital among Portfolio Managers in a manner that will enhance returns and mitigate risks in light of anticipated market conditions. There can be no guarantee that Freestone Grove will be successful in its allocation decisions among Portfolio Managers.

*Model, Programming and Data Risk.* The Freestone Grove and certain of the Portfolio Managers may employ quantitative investment models and risk management tools (each, a "Model" and together, "Models"). Such Models generally seek to forecast future price changes or other events based upon a limited number of factors and inputs. The forecasts generated by these Models may differ substantially from actual future price realizations or events, resulting in losses. Certain Models may be highly reliant on the gathering and cleaning of large amounts of data. As such,

Models are heavily reliant on correct data inputs. If incorrect data is entered into a substantiated Model, the resulting valuations may be incorrect. Errors in Models, data and software are often extremely difficult to detect and may go undetected for long periods of time or may never be detected. The degradation or impact on Models caused by these errors can compound over time. Although Freestone Grove seeks to retain individuals skilled in the development and operation of necessary functions in the development of Models, data and software, the complexity of the individual tasks, the difficulty of integrating such tasks and the limited ability to perform “real world” testing of the end product raises the chances that the finished Model may contain an error.

*Algorithmic Strategies and Trading.* Quantitative strategies and execution techniques cannot fully match the complexity of the financial markets and therefore sudden unanticipated changes in underlying market conditions can significantly impact their performance. Further, as market dynamics shift over time, previously highly successful strategies and execution techniques may become outdated, perhaps without a Portfolio Manager recognizing that fact before substantial losses are incurred. Even without becoming completely outdated, the effectiveness of the Models employed may decay in an unpredictable fashion for any number of reasons including, but not limited to, an increase in the amount of assets managed, the sharing of such Models with other funds or accounts managed by Freestone Grove, the use of similar strategies and execution techniques by other market participants and/or market dynamic shifts over time. Moreover, there is likely to be an increasing number of market participants who rely on strategies and execution techniques that may be similar to those used by the Portfolio Managers, which may result in a substantial number of market participants taking the same action with respect to an investment and some of these market participants may be substantially larger than the Funds. Should one or more of these other market participants begin to divest themselves of one or more positions, a “crisis correlation,” independent of any fundamentals, could occur, thereby causing the Fund to suffer material, or even total, losses. Although a Portfolio Manager may generally attempt to deploy relative value strategies, this does not mean that the Fund will not be affected by adverse market conditions similar to those described above and/or others. There can be no assurances that the Models implemented will be profitable, and various market conditions may be materially less favorable to certain strategies than others.

Algorithmic trading creates risks related to execution errors. The controls imposed by the Fund or by various Portfolio Managers utilizing algorithmic trading, or the controls imposed by third party service providers engaged by the Fund, may fail or may not be effective in catching and/or preventing incorrect trades from reaching the markets. The Freestone Grove has developed mechanisms to mitigate the potential risk of an execution error caused by the use of algorithmic, systematic execution modalities but such efforts do not remove the risk of such an error occurring. The Fund bears the risks associated with the reliance on proprietary and third party algorithmic execution modalities including bearing all losses related to errors other than in relation to losses arising from Freestone Grove’s gross negligence, fraud, or willful misconduct.

## **Item 9: Disciplinary Information**

Neither Freestone Grove nor any of its officers, directors, or employees or other management persons, have been involved in any legal or disciplinary events that would require disclosure in response to this item.

## **Item 10: Other Financial Industry Activities and Affiliations**

Freestone Grove and its employees do not have any relationships or arrangements with other financial services companies that pose material conflicts of interest.

Freestone Grove relies on an exemption from registration as a commodity pool operator with the Commodities Futures Trading Commission (the “CFTC”) under the Commodity Exchange Act.

The General Partner is an affiliate of Freestone Grove. The General Partner is deemed by the SEC to be registered as an investment adviser and the General Partner and any persons acting on behalf of the General Partner are subject to the Investment Advisers Act of 1940, as amended (“Advisers Act”) and Freestone Grove’s compliance program.

Freestone Grove and its management persons are not registered as broker-dealers and do not have any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer.

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

### Code of Ethics

Freestone Grove has adopted Personal Investment Policies and a Code of Business Conduct (together the “Code of Ethics”) that is applicable to all employees. The Code of Ethics includes, among other things, insider trading policies and procedures. All Freestone Grove personnel must put the interests of clients and investors before their own personal interests and must act honestly and fairly in all respects in dealings with clients and investors. The Code of Ethics is available upon request to clients by contacting Freestone Grove at the address or telephone number listed on the first page of this document.

### Participation or Interest in Client Transactions

Eligible Freestone Grove personnel may hold direct or indirect financial interests in the Employee Vehicles, which in turn will invest in the Funds. Additionally, subject to the procedures generally described in “Personal Trading” below, Freestone Grove personnel may make or hold investments in some of the same investments that are held or traded by the Funds.

### Personal Trading

Employees must pre-clear certain personal securities transactions, including securities obtained through a private placement, before completing such transactions. Freestone Grove may deny any proposed transaction by an employee, particularly if the transaction may pose a conflict of interest. Freestone Grove will require preclearance for transactions in “Reportable Securities” as defined in the Advisers Act and imposes a minimum holding period for such approved positions. Employees will also be required to provide quarterly reports, or arrange electronic data feeds direct from their brokers, regarding transactions and provide annual holdings reports in Reportable Securities.

### Restricted List

Freestone Grove maintains a “Restricted List” to help it prevent improper trading, and to help avoid the appearance of impropriety or conflicts in connection with its investing activities. The Restricted List is a list of companies whose securities or financial instruments are subject to restrictions regarding trading and other activities. When an issuer is placed on the Restricted List, employees are prohibited from buying or selling or recommending the purchase or sale of any security or financial instrument of the Restricted List issuer for any account (e.g., Freestone Grove client or personal account), unless an exception has been granted by Legal & Compliance.

### Cross Trades and Principal Transactions

Freestone Grove may determine that it would be in the best interests of certain clients to transfer a security from one client to another (each such transfer, a “Cross Trade”) for a variety of reasons, including, without limitation, tax purposes, liquidity purposes, to rebalance the portfolios of the clients, or to reduce transaction costs that may arise in an open market transaction. If Freestone Grove decides to engage in a Cross Trade, Freestone Grove will determine that the trade is in the best interests of each client involved and take steps to ensure that the transaction is consistent with the duty to obtain best execution for each of those clients.

To the extent that Cross Trades may be viewed as principal transactions due to the ownership interest in a client by Freestone Grove or its personnel, Freestone Grove will comply with the requirements of Section 206(3) of the Advisers Act.

## **Item 12: Brokerage Practices**

### Brokerage

Freestone Grove is authorized to determine the broker or dealer to be used for each securities transaction on behalf of the Funds. In selecting brokers and determining commission rates, Freestone Grove complies with best price and execution requirements. In selecting the brokers for the Funds, Freestone Grove considers such factors as: price; execution capabilities, including efficiency of execution and willingness to execute difficult transactions; financial strength and stability; block trading and block positioning capabilities; confidentiality; reputation; infrastructure; reliability; quality of research products or services and other value-added services.

Freestone Grove pays bundled commission rates and receives research and brokerage provided by many of its executing and prime brokers. Freestone Grove need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. Commission rates are generally negotiable, and selecting brokers on the basis of considerations that are not limited to commission rates may result in higher transaction costs than would otherwise be obtainable. Brokers may provide research and brokerage services directly or by paying service providers engaged by Freestone Grove. In addition, Freestone Grove may, subject to its best execution policy, trade with certain brokers primarily in consideration for providing research services. In any such case Freestone Grove will determine in good faith that the amount of commissions charged is reasonable in relation to the value of the brokerage and research products or services provided by the broker.

Freestone Grove has an incentive to recommend broker-dealers based on benefits that it receives from brokers, whether or not pursuant to soft dollar arrangements as described herein, rather than the interests of the Funds in receiving the most favorable execution. Any products or services that Freestone Grove receives from broker-dealers may be used in connection with its management of all client accounts, not just those accounts which generate the relevant commissions.

Freestone Grove assumes no responsibility for the actions or omissions of any broker or dealer selected by Freestone Grove in accordance with its standard of care.

### Soft Dollars

Section 28(e) of the Exchange Act, provides a “safe harbor” to investment managers who use “soft dollars,” i.e., commissions generated by their advised accounts, to obtain investment research and brokerage services from companies that provide lawful and appropriate assistance to the manager in connection with the investment decision-making process. Conduct outside of the safe harbor afforded by Section 28(e) is subject to the traditional standards of fiduciary duty under state and federal law.

While Freestone Grove generally does not expect to enter into traditional “soft dollar” arrangements, Freestone Grove cannot be certain that it will not “pay-up” for the execution of trades; thus, a Fund may be deemed to be paying for research services provided by the broker. Research and related products or services furnished by brokers will be limited to services that constitute research within the meaning of Section 28(e) of the Securities Exchange Act of 1934, as amended. Accordingly, research and related products or services may include, but are not limited to, written information and analyses concerning specific securities, companies or sectors;



market, financial and economic studies and forecasts, as well as discussions with research personnel; financial and industry publications; statistical and pricing services utilized in the investment management process. The research and related products or services may include both proprietary research created or developed by the broker-dealer and research created or developed by a third party. Research services obtained by the use of commissions arising from a Fund's portfolio transactions may not only benefit such Fund's trading, but may be used by Freestone Grove in its other investment activities. When Freestone Grove receives research or other products or services from brokers or dealers to whom Freestone Grove direct trades, Freestone Grove may receive a benefit because it does not have to produce or pay for such research, products, or services. The receipt of research and other "soft-dollar" benefits from broker-dealers may provide an incentive for Freestone Grove to select or recommend a broker-dealer based on our interest in receiving the research or other products or services, rather than on our Funds' interest in receiving the most favorable execution. Using a broker who provides us with research or other "soft-dollar" benefits may cause clients to pay commissions higher than the commissions charged by broker-dealers who do not so provide.

#### Trade Errors

Freestone Grove has established trade processes and procedures designed to reduce the likelihood of errors and, in its sole discretion, will determine what constitutes a trade error.

Except as described below, the Funds will bear the cost of any clerical errors or trading mistakes of Freestone Grove and the Portfolio Managers with respect to its placing or executing trades for the Funds, as such errors are considered by Freestone Grove to be a cost of doing business. Pursuant to the exculpation of liability and indemnification provisions of the applicable Governing Documents, the General Partner or Freestone Grove will only be obligated to reimburse the Funds for any Trade Error resulting from Freestone Grove's fraud, gross negligence or willful misconduct that is not offset by gains due to Trade Errors during the same calendar quarter. Freestone Grove anticipates that any additional client accounts will be subject to similar trade error policies. The General Partner and Freestone Grove, subject to their fiduciary obligations, will determine whether or not any loss resulting from a Trade Error is required to be reimbursed in accordance with such liability and exculpation provisions. Any positive Trade Errors will be for the benefit of the Funds but may offset losses in reimbursable Trade Errors within a quarter.

## **Item 13: Review of Accounts**

### Reviews

Freestone Grove performs various daily and periodic investment monitoring reviews of each client portfolio. Such reviews are conducted by Freestone Grove's investment professionals together with members of other teams. A review of a client portfolio may also be triggered by any unusual activity or special circumstances.

### Reports to Investors

Freestone Grove expects to provide or arrange for the administrator to provide each investor in each Fund with periodic reports in accordance with the terms of the relevant Governing Documents. These reports generally include periodic performance updates, an annual report containing audited financial statements of the accounts for the fiscal year then ended, and necessary tax information, if applicable.

## **Item 14: Client Referrals and Other Compensation**

Freestone Grove does not currently engage solicitors or placement agents to market the Funds, but may do so in the future.

Freestone Grove effects securities transactions through a number of broker-dealers. By virtue of its conducting business with broker-dealers, Freestone Grove may receive certain economic benefits from such broker-dealers which would not be received if it did not transact through the broker-dealers. These benefits may include, but are not limited to: access to an electronic communication network for order entry and account information; receipt of proprietary research; and participation in broker-dealer sponsored research and capital introduction conferences. Freestone Grove understands that the benefits received through its relationship with the broker-dealers (including its prime brokers) generally do not depend upon the amount of transactions directed to, or amount of assets custodied by, the broker-dealers.

## **Item 15: Custody**

With the exception of any investments in “privately offered securities”, per Rule 206(4)-2 under the Advisers Act (the “Custody Rule”), all Fund assets will be held in custody by unaffiliated broker/dealers or banks acting in the capacity as “qualified custodians.”

Notwithstanding the foregoing, the General Partner’s role as general partner to the Funds enables Freestone Grove’s personnel to access Fund assets, and Freestone Grove has developed procedures that ensure the safeguarding and protection of the assets.

The Funds are subject to an annual audit and the audited financial statements are distributed to each investor. The audited financial statements are prepared in accordance with generally accepted accounting principles, are intended to be issued with an unqualified opinion, and distributed to Fund investors within 120 days of the Funds’ fiscal year ends in accordance with the Custody Rule.

## **Item 16: Investment Discretion**

Freestone Grove provides discretionary investment advisory services to the Funds. Freestone Grove makes investment decisions, without consultation with the Funds or the Fund investors regarding which securities are bought and sold for the Funds, the total amount of the securities to be bought and sold and the broker-dealers with which orders are placed for execution. Such discretionary authority is granted to Freestone Grove in the applicable Fund limited partnership agreement or investment management agreement.

Freestone Grove will not be restricted in any respect and will have complete discretion to select and allocate capital among investment strategies and Portfolio Managers and may cause the Funds to invest in any additional investment strategies in its own discretion. Strategies employed on behalf of the Funds may differ in terms of style, asset class, geography, concentration, leverage or exposure. Each Portfolio Manager will have discretion to manage capital allocated to it subject to the investment restrictions and guidelines, risk controls and compliance policies set forth by Freestone Grove. The Funds may retain a significant amount of cash or cash equivalents for hedging or risk management purposes or to preserve future investment opportunities. Freestone Grove anticipates that it will have similar investment discretion over any additional client accounts that it manages.

## **Item 17: Voting Client Securities**

In voting proxies on behalf of the Funds, Freestone Grove is guided by general fiduciary principles. Freestone Grove will vote proxies in the manner that it believes is consistent with efforts to achieve a Fund's stated investment objectives, including maximizing the value of the applicable Fund's portfolio. Freestone Grove also retains the discretion to take no action with respect to a proposed vote if it determines that doing so is in the best interest of a Fund (for example, where Freestone Grove determines that the cost of voting exceeds the expected benefit to the Fund). Investors in the Funds may not direct the vote in a particular solicitation.

Conflicts of interest may arise between the interests of clients on the one hand and Freestone Grove on the other hand or between one client and another client. If Freestone Grove determines that a conflict of interest is material, Freestone Grove may use one or more methods to resolve the conflict, including disclosing the conflict to the independent advisory board of the relevant clients, among other potential measures.

Freestone Grove may retain a third-party proxy advisory service on behalf of the Funds.

Clients may obtain a copy of Freestone Grove's written proxy voting policies and information on how it voted its securities holdings by contacting Freestone Grove's Compliance department at the address set forth on cover page of this brochure.

## **Item 18: Financial Information**

Freestone Grove has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.