

PART 2A OF FORM ADV

FIRM BROCHURE



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This brochure (the “Brochure”) provides information about the qualifications and business practices of Melqart Asset Management (UK) Ltd. (“Melqart” or the “Firm”), an investment adviser registered with the United States Securities and Exchange Commission (the “SEC”). Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

If you have any questions about the contents of this Brochure, please contact the Firm’s Chief Compliance Officer, Michel Massoud, at +44 20 3826 4470 and/or by email at compliance@melqart.com. The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

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

ITEM 2 – MATERIAL CHANGES

Melqart has updated its ADV Part 2A Disclosure Brochure to reflect the following change(s):

- **Item 4** – The addition of a managed account
- **Cover Page** – The change in Chief Compliance Officer from Stephen Platts to Michael Massoud

Pursuant to SEC Rules, Melqart will ensure that clients receive a summary of any material changes to this Brochure within 120 days of the close of the Firm’s fiscal year end, along with a copy of this Brochure or an offer to provide the Brochure. Additionally, as Melqart experiences material changes in the future, the Firm will send you a summary of our “Material Changes” under separate cover. For more information about the Firm, please contact the Firm at Compliance@Melqart.com.

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ITEM 4 – ADVISORY BUSINESS

A. General Description of Advisory Firm

Melqart Asset Management (UK) Ltd., an England and Wales limited liability company, was founded in March 2015 by its principal owner and Chief Investment Officer, Michel Massoud. Mr. Massoud is the principal owner (indirectly, through various entities) and the other owners are senior members of the Firm.

The Firm's main activity is investment management of advisory clients investing in event-driven and macro strategies. The Firm currently provides discretionary investment advisory services to the clients described below, primarily to private funds but also to separately managed accounts.

B. Description of Advisory Services

The Firm's advisory clients fall into two categories:

1. Private funds sponsored and controlled by the Firm and its affiliates (each a "Fund" and collectively, the "Funds"); and
2. Managed accounts for non-US institutional investors (the "SMA" and together with the Funds, the "Advisory Clients").

The Firm tailors its advisory services to the individual needs and specified investment mandates of its Advisory Clients. The investment management agreements of the Funds do not require the Firm to tailor its services to the needs of specific underlying investors. Where deemed appropriate, the Firm or an affiliate will enter into advisory and/or side letter agreements that contain investment guidelines and restrictions agreed upon with those investors.

The Firm has discretionary authority to manage the following funds:

- Melqart Opportunities Master Fund Ltd., a Cayman Islands exempted company (the "Opportunities Master Fund");
 - Melqart Opportunities Fund Ltd., a Cayman Islands exempted company (the "Opportunities Fund"). The Opportunities Fund invest all of their investable assets in the Opportunities Master Fund.
- Melqart KEAL Macro Master Fund LP., a Cayman Islands exempted limited partnership (the "Keal Master Fund");
 - Melqart KEAL Macro Fund, a Cayman Islands exempted company (the "Keal Fund"). The Keal Fund invest all of their investable assets in the Keal Master Fund.
- CPPIB MAP CAYMAN SPC, on behalf of Segregated Portfolio J; and
- DS Liquid DIV RVA MEL, LLC

Melqart (GP), LLC., a Cayman Islands limited liability company is the general partner to the Keal Master Fund.

C. Wrap Fee Programs

The Firm does not participate in wrap fee programs.

D. Assets Under Management

The Firm has approximately \$ 3,237,342,667 of regulatory assets under management (“RAUM”) for its Advisory Clients on a discretionary basis based on a valuation as of November 30, 2022.

ITEM 5 – FEES AND COMPENSATION

A. Advisory Fees and Compensation

The fees applicable to each Advisory Client are set forth in detail in each Advisory Client's governing documents. It is critical that investors and prospective investors refer to the relevant governing documents for specific fee terms and for a complete understanding of how the Firm or its affiliates are compensated for investment advisory services. A brief summary of such fees is provided below.

Asset-Based Compensation

Each of the Opportunities Fund and the Keal Fund pays Melqart Asset Management LP (the "Limited Partner"), which is an affiliate of the Firm, a monthly management fee (the "Management Fee"). The Management Fee is based on an investor's capital account balance or net asset value of the shares on the last day of the relevant month and is charged monthly in arrears. The Management Fee for any period that is less than one month is prorated. If additional subscriptions are made to a Fund during a month, the Management Fee is prorated and charged at the time of such subscription.

To the extent they are charged, the Management Fees for the SMA are individually negotiated pursuant to the agreements between the Firm and the SMA itself and are paid direct to the Firm.

Performance-Based Compensation

The Opportunities Fund and the Keal Fund, at the end of each fiscal year, pay the affiliates of the Firm and in turn the Firm, an incentive allocation fee based on the net capital appreciation attributable to each Fund investor's capital account or series of shares (the "Incentive Fee"). The Incentive Fee is subject to customary high-watermarks. Generally, any net loss for a fiscal year allocated to a capital account of an investor or series of shares, as the case may be, is carried forward each fiscal year so that no Incentive Fee is due from such capital account or series of shares, as applicable, for a particular year unless these losses have been recouped. In the event a Fund investor is permitted or required to withdraw or redeem completely or partially from the Funds other than at the end of the fiscal year, the Incentive Fee with respect to such Fund investor will be crystallized.

The Firm is entitled to receive performance-based fees from the SMA, typically on an annual basis (or other relevant periods), and typically subject to a high-watermark, and in the amounts set forth in the agreements between the Firm and the SMA. Generally, an unaffiliated third party will deduct these amounts from the SMA's assets.

Waiver of Fees

In the Firm's sole discretion, the Management Fee and/or Incentive Allocation may be and have been waived, reduced, or calculated differently with respect to certain investors, including, without limitation, investors that are members, shareholders, partners, affiliates or employees of the Firm or its affiliates. The governing documents of the Funds allow the Firm to waive fees for such individuals and to negotiate different fees with investors in the Funds.

B. Other Fees and Expenses

The Funds bear their own expenses and their *pro rata* share of the relevant master fund's expenses, including the investment expenses (*e.g.*, expenses that, in the Firm's discretion, are related to the investment of the master fund's assets, whether or not such investments are consummated, such as brokerage commissions, expenses relating to short sales, clearing and settlement charges, custodial and depositary fees, bank service fees and interest expenses); investment-related travel expenses (which are travel expenses related to the purchase, sale or transmittal of the master fund's investments incurred by the Firm); professional fees (including expenses of consultants, investment bankers, attorneys, accountants and other experts) relating to investments; research and market data (including any computer hardware or software and connectivity hardware (*e.g.*, telephone and fibre optic lines) incorporated into the cost of obtaining such research and market data); corporate access; administrative expenses (including fees and expenses of the Administrator and other similar service providers); legal expenses; external accounting and valuation expenses (including the cost of accounting, valuation and risk and investment management software packages); audit and tax preparation expenses; fees and expenses of the Directors; costs relating to directors' and officers' liability insurance; expenses of the Firm related to members of the Firm attending meetings of the Directors and onsite visits to service providers of the Funds (including travel, accommodation and subsistence costs); costs of printing and mailing reports and notices; taxes; corporate licensing; regulatory expenses (including filing fees and tools to make such filings); listing fees; organizational expenses; expenses incurred in connection with the offering and sale of the Shares and other similar expenses related to the Funds; indemnification expenses; and extraordinary expenses.

In respect of the Firm's Funds, where applicable, the relevant Fund will pay for research (including access to investment analysts and experts) provided by Prime Brokers or other research providers selected by the Firm by way of a direct research charge, which will not be linked to the value or volume of transactions executed on behalf of the master fund. The research charge will be collected on a periodic basis and will be based on an annual budget for research payments which will be set, and regularly reviewed, by the Firm in consultation with the Directors. Information on the budgeted amount for research (including any changes to the budget) and estimated research charge will be made available to the investors on an annual basis, or more frequently if required under applicable law.

If any of the expenses listed above are incurred jointly for any of the Firm's Advisory Clients, such expenses will be allocated among them in proportion to the size of the investment made by each to which such expense relates, or in such other manner as the Directors considers fair and equitable.

Any expenses attributable to a particular series of interests will be allocated solely to such series. To the extent that expenses to be borne by the Funds are paid by the Firm, the Funds will reimburse the Firm for such expenses.

Each SMA has expense arrangements and other terms that are individually negotiated with the SMA, as set forth in the SMA's governing legal document. Expenses paid by SMAs are subject to limitations described in each SMA's governing legal document.

C. Additional Compensation and Conflicts of Interest

The Firm does not accept transaction-based compensation (*e.g.*, broker commissions) for the sale of securities or other investment products.

As further discussed in Item 11, the Firm makes co-investment opportunities available to the investors of the Funds, the SMA and/or third parties, based on suitability and availability, for which it typically receives performance-based compensation. Since co-investors may not be identified and/or may not agree to invest until relatively late in the investment process, or for other reasons, co-investors may not bear their proportionate share of investment-related expenses.

ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described in Item 5 above, the Firm or its affiliates, as applicable, receives an Incentive Fee from the Advisory Clients. All Advisory Clients are subject to performance-based fees.

The possibility that the Firm or its affiliates may receive an Incentive Fee creates a potential conflict of interest in that it may create an incentive for Melqart to make investments that are riskier or more speculative than in the absence of such compensation. To address this conflict, prior to making an investment, prospective investors of the Firm's Advisory Clients are provided with clear disclosures, primarily through the offering documents and/or the agreements between the Firm and the SMA as to how such compensation is charged with respect to a particular Advisory Client and the risks associated with such compensation.

ITEM 7 – TYPES OF CLIENTS

As previously described in Item 4, the Firm’s clients are all private funds or separately managed accounts. Investors in the Funds and the SMAs consist of institutional investors and other sophisticated investors such as pension funds, endowments, financial institutions, foundations, fund of funds, high net worth individuals, and insurance companies.

Investors in the Funds must meet certain eligibility requirements which generally require an investor to qualify as an “accredited investor” as defined in Rule 501 under Regulation D under the Securities Act of 1933, as amended, and a “qualified purchaser” as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended, or “knowledgeable employees”. Investors also need to meet additional requirements set forth in the subscription agreements of the relevant fund.

The minimum initial or additional subscription amounts are set forth in the governing documents for each Advisory Client, where applicable.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Descriptions set forth in this Brochure of specific advisory services that the Firm offers to Advisory Clients, investment strategies pursued, and investments made by the Firm on behalf of its Advisory Clients, should not be understood to limit in any way the Firm's investment activities. The Firm may offer any advisory services, engage in any investment strategy, and make any investment, including any not described in this Brochure, that the Firm considers appropriate, subject to each Advisory Client's investment objectives and guidelines. The investment strategies that the Firm pursues are speculative and entail substantial risks. Advisory Clients should be prepared to lose some or all of their investment. There can be no assurance that the investment objectives of any Advisory Client will be achieved or that the Firm's attempts to manage risk will be successful. Please see the relevant Advisory Client's offering documents for a full description of risks.

Methods of Analysis, Investment Objectives and Strategy: Opportunities Master Fund

Investment Objective

The Opportunities Master Fund's investment objective is to achieve positive risk adjusted returns through the cycle through a multi-asset class approach and a dynamic allocation across three main sub-strategies: merger arbitrage, special situations equity and sub-investment grade credit. The Opportunities Fund will pursue its objective by investing all of its investable assets in the Opportunities Master Fund.

Investment Philosophy

The Firm seeks to achieve the investment objective primarily through a balanced and flexible exposure to event driven equity and credit through the cycle, which the Firm believes will give the optimal risk-return profile sought. Such strategies may be followed in relation to transactions in securities and instruments involving M&A arbitrage, post-M&A re-rating, spin-offs, break-ups, large asset disposals, capital structure trades, restructuring, default, refinancing, liquidity shortfall, covenant breach, capital market transactions, stressed and distressed credits, other soft or hard catalysts credit situations and other events, opportunities and circumstances relating to or affecting particular asset securities, issuers, sectors, activities and/or markets. The Opportunities Master Fund may invest in a wide range of securities and instruments, including equities, sub-investment grade high yield, loans, convertibles, CDS, options, warrants and other derivative instruments. Derivative instruments may be exchange-traded or over-the-counter. The Opportunities Master Fund may employ short selling, for example to take advantage of an anticipated decline in the price of a security or instrument.

Investment and Research Process

The Firm will generally seek to identify: (i) differences between intrinsic value and market value, (ii) potential event outcomes and their distribution and (iii) upside potential versus downside risk. Therefore, in relation to the investment process, the Firm generally has regard to the following: (i) identification of the opportunity, (ii) analysis of the catalyst and potential outcomes, (iii) analysis of the capital structure, examining potentially investable securities or financial instruments and their respective pricing of the event risk and reward outcomes and (iv) decisions to purchase or sell securities or financial instruments based on the prior steps. In relation to the research process, the Firm will generally conduct a bottom-up, fundamental analysis of each underlying asset, including (i) the business and the industries in which it operates, (ii) the cash flow and financial position of the business, (iii) valuation, (iv) management and all stakeholders, (v) capital structure and (vi) relevant legal or financial documentation and analysis of specific takeover and/or

bankruptcy regime. It will also aim to participate in management meetings and company sites visits as well as interact with various market participants. Outside consultants may be used to complement the analysis at the expense of the Opportunities Master Fund.

Methods of Analysis, Investment Objectives and Strategy: Keal Master Fund

Investment Objective

The investment objective of the Keal Master Fund is to achieve absolute returns. The Keal Fund will pursue its investment objective by investing all of its investable assets in the Keal Master Fund.

Investment Program

The Keal Master Fund will be investing in macro opportunities aiming at delivering superior returns with bounded risk. It is expected that the Keal Master Fund's portfolio will be constructed through tactical allocation across equities, FX and commodities, with an emphasis on capturing risk asymmetry using derivative instruments. A quantitative risk management framework aggregated at a portfolio level is set to bound the portfolio risk and keep the return volatility within the agreed parameters.

The Firm seeks to achieve this objective by relying on dynamic allocation between three cross asset sub-strategies. The first two sub strategies, (i) Macro Opportunities; and (ii) Relative Value, aim on capturing temporary risk asymmetry created by price dislocation. The Firm believes that expressing fundamental views mostly through derivatives at a time where a price dislocation occurs gives the best risk-reward. The other strategy, Tail Risk operates as an alpha generator and global portfolio overlay and, as a result, will be permanent and depend on the overall risk of the portfolio. This Tail Risk strategy is a long equity gap risk and protects the portfolio against adverse tail events. Its allocation will depend on how much of the remaining three strategies is deemed short risk.

An SMA will have an individually negotiated mandate that will vary from those of the Funds.

Risks

The descriptions contained below provide a brief overview of certain risks related to the Firm's investment strategies. They are not intended to serve as an exhaustive list, or a comprehensive description of all risks associated with the investment strategies or specific types of securities described herein. Investors in Funds should refer to the relevant governing documents for a more complete understanding of the investment objectives and strategies applicable to their investments.

General Investment and Trading Risks. All investments present a risk of loss of capital. Supply and demand for securities and other financial instruments change rapidly and are affected by a variety of factors. Such factors include investment-specific price fluctuations as well as macro- economic, market and industry-specific conditions, including, but not limited to, national and international economic conditions, domestic and international financial policies and performance, conditions affecting particular investments (such as the results of operations, financial condition, sales and product lines of corporate issuers), national and international politics, governmental events and changes in interest rates and income tax laws. In addition, events such as political instability, terrorism, natural disasters, and regional and global health epidemics (including viral outbreaks such as COVID-19) may occur. The Firm may have only limited ability to vary its investment portfolio in response to changing economic, financial, investment and other conditions. No guarantee or representation can be made that the Firm's investment program will be successful. The market

price of securities and other financial instruments owned by the Advisory Clients may go up or down, sometimes unpredictably, and investment results may vary substantially.

Risks Associated with the Firm's Investment Strategies

Risk of Event Driven Investing. Event driven investing requires the Firm to make predictions about (i) the likelihood that an event will occur and (ii) the impact such event will have on the value of a company's securities. Losses can result if the Firm's predictions are incorrect. Event driven investing is speculative and performance results can fluctuate. The results of a particular period will not necessarily be indicative of results that may be expected in future periods.

Risk of Macro Investing. Macro investing requires the Firm to make predictions about (i) the likelihood that a macro-economic event will occur and (ii) the impact such event will have on the value of the instruments in which the Firm has invested on behalf of its Advisory Clients. Losses can result if the Firm's predictions are incorrect. Macro investing is speculative and performance results can fluctuate. The results of a particular period will not necessarily be indicative of results that may be expected in future periods.

Inability to Transact as a Result of Exposure to Material Non-Public Information. From time to time, the Firm may receive material non-public information with respect to an issuer of publicly-traded securities, including in situations where the Firm may have secured the appointment of persons selected by the Firm or other members of the Firm to a portfolio company's board of directors. This could prohibit the Firm from transacting in the securities of the issuer. This can result in substantial risk of loss or loss of opportunity if the Firm is not able to purchase or sell such securities.

Liquidity Risks. The Firm may make investments in financial instruments that are not readily marketable or that cease to be readily marketable after the Firm makes its investment. Advisory Clients could incur substantial trading losses while access to liquidity is impaired. In addition, in conjunction with a market downturn, counterparties could incur losses of their own, thereby weakening their financial condition and increasing credit risk to them. Further, investments that lack liquidity and/or a readily assessable market value will generally be carried on the books of the Advisory Clients at fair value (which may be approximated by cost) as reasonably determined by the Firm. There is no guarantee that fair value will represent the value that will be realized upon the eventual or immediate disposition of the investment. In particular, for the SPV, investors do not have any right to redeem their shares.

Leverage. The Firm has the discretion to use "leverage" as part of its investment strategy. The use of leverage allows the Advisory Clients to make additional investments, thereby increasing profit on successful investments. However, leverage also magnifies losses, which would be greater than if the capital were not leveraged.

Derivatives and Volatility Risk. The Firm's investment strategy involves the purchase and sale of relatively volatile instruments such as derivatives, which are frequently valued based on implied volatilities of such derivatives compared to the historical volatility of underlying securities. Fluctuations or prolonged changes in the volatility of such securities can adversely affect the value of investments.

Long-Term Investments. The Firm at times selects long-term investments that could cause the Advisory Clients to forego value in the short term or temporary investments in order to be able to participate in

additional and/or longer-term opportunities in the future.

Uncertain Exit Strategies. Exit strategies are difficult to predict with confidence, particularly with less liquid investments. Exit strategies, which appear to be viable when an investment is initiated, may be unavailable or may be precluded by the time the investment is ready to be realized due to liquidity, economic, legal, or other factors, including issuer-specific factors.

Short-term Market Considerations. At times, the Firm's trading decisions are made based on short-term market considerations, and the portfolio turnover rate could result in significant trading related expenses.

Short Selling. The Firm's investment strategy involves short selling. Short selling means selling securities which are not owned by the short seller, and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. A short sale creates the risk of a theoretically unlimited loss and certain unforeseeable events, like natural disasters, could adversely affect the value of equity securities investments.

Hedging Transactions. The Firm utilizes financial instruments for hedging purposes for both investment and risk management reasons, as determined in its sole discretion. While the Firm enters into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance than if it had not engaged in any such hedging transaction. Importantly, certain risks simply cannot be hedged.

Currency Risks. In addition, the Firm may or may not seek to hedge currency exposure where it has invested in financial instruments denominated in currencies that differ from the base currency of the Advisory Client. If unhedged, the value of positions denominated in such currencies will fluctuate with exchange rates in addition to other price changes of the investments and could potentially result in losses to the Advisory Clients if the value of the base currency increases. Conversely, a decrease in the value of base currency will have the opposite effect on investments denominated in a currency that differs from the base currency.

Emerging Market Investments. The Firm at times will invest in securities of companies located in emerging countries or issued by the governments of such countries. Such securities involve various risks that could impact the liquidity or valuation of the Firm's investments.

Counterparty Risk. Some of the markets in which the Firm effects transactions are not "exchange-based," including "over-the-counter" or "interdealer" markets. Advisory Clients are subject to the risk of the inability of a counterparty to settle a transaction in accordance with its terms and conditions.

Risks Related to Particular Types of Securities

Equity Securities Generally. the value of equity securities of public and private, listed and unlisted companies and equity derivatives generally varies with the performance of the issuer and movements in the equity markets. As a result, a client account may suffer losses if it invests in equity instruments of issuers whose performance diverges from the Firm's expectations or if equity markets generally move in a single direction and a client account has not hedged against such a general move. A client account also may be exposed to risks that issuers will not fulfil contractual obligations such as, in the case of convertible securities or private placements, delivering marketable common stock upon conversions of convertible securities and registering restricted securities for public resale.

Micro, Small and Medium Capitalization Companies. Investments in securities of micro and smaller-capitalization companies involve higher risks in some respects than do investments in securities of larger "blue-chip" companies. For example, prices of securities of micro- and small-capitalization and even medium-capitalization companies are often more volatile than prices of securities of large-capitalization companies and may not be based on standard pricing models that are applicable to securities of large-capitalization companies. Furthermore, 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. Finally, due to thin trading in the securities of some micro- and small-capitalization companies, an investment in those companies may be illiquid.

Preferred Stock. Investments in preferred stock involve risks related to preferred stock's priority in the event of bankruptcy, insolvency or liquidation of the issuing company and how dividends are declared. Preferred stock ranks junior to debt securities in an issuer's capital structure and, accordingly, is subordinate to all debt in bankruptcy. Preferred stock generally has a preference as to dividends. Such dividends are generally paid in cash (or additional shares of preferred stock) at a defined rate, but unlike interest payments on debt securities, preferred stock dividends are payable only if declared by the issuer's board of directors. Dividends on preferred stock may be cumulative, meaning that, in the event the issuer fails to make one or more dividend payments on the preferred stock, no dividends may be paid on the issuer's common stock until all unpaid preferred stock dividends have been paid. Preferred stock may also be subject to optional or mandatory redemption provisions.

Convertible/Exchangeable Securities. A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by a client account is called for redemption, a client account will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on a client account's ability to achieve its investment objective.

Investments in Initial Public Offerings. Investments in initial public offerings (or shortly thereafter) may involve higher risks than investments issued in secondary public offerings or purchases on a secondary market due to a variety of factors, including the limited number of shares available for trading, unseasoned trading, lack of investor knowledge of the issuer and limited operating history of the issuer. In addition, some companies in initial public offerings are involved in relatively new industries or lines of business, which may not be widely understood by investors. Some of these companies may be undercapitalized or regarded as developmental stage companies, without revenues or operating income, or the near-term prospects of achieving them. These factors may contribute to substantial price volatility for such securities and, thus, for the value of a client account.

Unlisted Securities. Unlisted securities may involve higher risks than listed securities. Because of the absence of any trading market for unlisted securities, it may take longer to liquidate, or it may not be possible to liquidate, positions in unlisted securities than would be the case for publicly traded securities. Companies whose securities are not publicly traded may not be subject to public disclosure and other investor protection requirements applicable to publicly traded securities.

Dealer Market Making. The value of a client account's fixed income investments will be affected by general fixed income market conditions, such as the volatility and liquidity of the fixed income market, which are

affected by the ability of dealers to "make a market" in fixed income investments. In recent years, the market for bonds has significantly increased while dealer inventories have significantly decreased, relative to market size. This reduction in dealer inventories may be attributable to regulatory changes, such as capital requirements, and is expected to continue. As dealers' inventories decrease, so does their ability to make a market (and, therefore, create liquidity) in the fixed income market. Especially during periods of rising interest rates, this could result in greater volatility and illiquidity in the fixed income market, which could impair a client account's profitability or result in losses.

Derivative Instruments. Generally, Certain swaps, options and other derivative instruments may be subject to various types of risks, including market risk, liquidity risk, the risk of non-performance by the counterparty (including risks relating to the financial soundness and creditworthiness of the counterparty), legal risk and operations risk. In addition, a client account may, in the future, take advantage of opportunities with respect to certain other derivative instruments that are not presently contemplated for use or that are currently not available. Special risks may apply in the future that cannot be determined at this time. The regulatory and tax environment for derivative instruments in which a client account may participate is evolving and changes in the regulation or taxation of such financial instruments may have a material adverse effect on a client account.

Swap Agreements Generally. A client account may enter into swap agreements and options on swap agreements ("swaptions"). These agreements can be individually negotiated and structured to include exposure to a variety of different types of investments, asset classes or market factors. A client account, for instance, may enter into total return swaps, correlation swaps, variance swaps, volatility swaps or other swap agreements with respect to interest rates, credit defaults, currencies, securities, indexes of securities and other assets or other measures of risk or return. Depending on their structure, swap agreements may increase or decrease a client account's exposure to, for example, equity securities, long-term or short-term interest rates, foreign currency values, credit spreads or other factors. Swap agreements can take many different forms and are known by a variety of names. A client account is not limited to any particular form of swap agreement.

Swap Agreements and Synthetic Assets. A client account may acquire exposure to indices, debt securities, structured finance securities, loans and other types of assets synthetically through derivative products such as credit default swaps (including CDS and CDX contracts), total return swaps, credit linked notes, structured notes, trust certificates and other derivative instruments (each, a "Synthetic Asset"). A Synthetic Asset could take many forms, including a credit derivative transaction that references a structured finance security, debt security or loan, a credit derivative transaction that references a portfolio or index of corporate reference entities or a portfolio or index of reference obligations consisting of structured finance securities, total return swap transaction that references both income and any capital gains of an underlying asset, debt securities, bonds, or other financial instruments (each, a "Reference Obligation").

While the Firm expects that returns on a Synthetic Asset may reflect those of each related Reference Obligation, as a result of the terms of the Synthetic Asset and the assumption of the credit risk of the Synthetic Asset counterparty, a Synthetic Asset may have a different expected return, a different (and potentially greater) probability of default and different expected loss and recovery characteristics following a default.

Repurchase or Reverse Repurchase Transactions, Buy-Sell Back or Sell-Buy Back Transactions. A client account may enter into repurchase and reverse repurchase transactions or buy-sell back or sell-buy back transactions. When a client account enters into a repurchase agreement or a sell-buy back transaction, it effectively "sells" the securities to a counterparty (such as a financial institution), and agrees to repurchase such securities on a mutually agreed date for the price paid by the counterparty, plus interest at a negotiated rate. In a reverse repurchase or a buy-sell back transaction, a client account "buys" securities from a counterparty, subject to the obligation of the counterparty to repurchase such securities at the price paid by a client account, plus interest at a negotiated rate. Repurchase, reverse repurchase and sell-buy back or buy-sell back transactions by a client account involve certain risks.

For example, if the seller of securities to a client account under a reverse repurchase agreement defaults on its obligation to repurchase the underlying securities, as a result of its bankruptcy or otherwise, a client account will seek to dispose of such securities, which action could involve costs or delays. If the seller becomes insolvent and subject to liquidation or reorganization under applicable bankruptcy or other laws, a client account's ability to dispose of the underlying securities may be restricted. It is possible, in a bankruptcy or liquidation scenario, that a client account may not be able to substantiate its interest in the underlying securities. Finally, if a seller defaults on its obligation to repurchase securities under a reverse repurchase agreement, a client account may suffer a loss to the extent that it is forced to liquidate its position in the market, and proceeds from the sale of the underlying securities are less than the repurchase price agreed to by the defaulting seller. Similar elements of risk arise in the event of the bankruptcy or insolvency of the buyer.

Currencies and Currency-Related Instruments. A principal risk in trading currencies is the rapid fluctuation in the market prices of currency contracts. Prices of currency contracts traded by a client account are affected generally by relative interest rates, which in turn are influenced by a wide variety of complex and difficult to predict factors such as money supply and demand, balance of payments, inflation levels, fiscal policy, and political and economic events. In addition, governments from time to time intervene, directly and by regulation, in these markets, with the specific effect, or intention, of influencing prices which may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations.

Commodity-Related Instruments. The production and marketing of commodities may be affected by actions and changes in governments. In addition, commodity-related instruments may be cyclical in nature. During periods of economic or financial instability, commodity-related instruments may be subject to broad price fluctuations, reflecting volatility of energy and basic material prices and possible instability of supply of various commodities. Commodity-related instruments may also experience greater price fluctuations than the relevant commodity. In periods of rising commodity prices, such instruments may rise at a faster rate; and conversely, in times of falling commodity prices, such instruments may suffer a greater price decline. A client account may seek to gain exposure to the commodity markets by investing in commodity swap agreements and may also invest in other commodity-linked derivatives. The value of a commodity-linked derivative investment generally is based upon the price movements of a physical commodity (such as energy, mineral or agricultural products), a commodity futures contract or commodity index, or other economic variable based upon changes in the value of commodities or the commodity markets.

The risk of loss in trading commodities can be substantial. If a client account purchases a commodity option, it may sustain a total loss of the premium and of all transaction costs. If a client account purchases or sells

a commodity futures contract or sells a commodity option, it may sustain a total loss of the initial margin funds and any additional funds that it deposits with its broker to establish or maintain its position. If the market moves against its position, a client account may be called upon by its broker to deposit a substantial amount of additional margin funds, on short notice, in order to maintain its position. If it does not provide the requested funds within the prescribed time, its position may be liquidated at a loss, and it will be liable for any resulting deficit in its account.

Futures Contracts. The value of futures depends upon the price of the financial instruments, such as commodities, underlying them. The prices of futures are highly volatile, and price movements of futures contracts can be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, investments in futures are also subject to the risk of the failure of any of the exchanges on which a client account's positions trade or of its clearing houses or counterparties.

Forward Trading. Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade, and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in forward markets due to unusually high trading volume, political intervention or other factors.

Stressed and Distressed Obligations. A client account may invest in obligations of issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems, including companies involved in bankruptcy or other reorganization and liquidation proceedings. These obligations are likely to be particularly risky investments although they also may offer the potential for correspondingly high returns. Among the risks inherent in investments in troubled entities is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments also may be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court's power to disallow, reduce, subordinate, recharacterize debt as equity or disenfranchise particular claims. Such companies' obligations may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies.

Repurchase and Reverse Repurchase Agreements. A client account may enter into repurchase and reverse repurchase agreements. When a client account enters into a repurchase agreement, it "sells" securities to a broker-dealer or financial institution, and agrees to repurchase such securities on a mutually agreed date for the price paid by the broker-dealer or financial institution, plus interest at a negotiated rate. In a reverse repurchase transaction, a client account "buys" securities issued from a broker-dealer or financial institution, subject to the obligation of the broker-dealer or financial institution to repurchase such securities

at the price paid by a client account, plus interest at a negotiated rate. The use of repurchase and reverse repurchase agreements by a client account involves certain risks. For example, if the seller of securities to a client account under a reverse repurchase agreement defaults on its obligation to repurchase the underlying securities, as a result of its bankruptcy or otherwise, a client account will seek to dispose of such securities, which action could involve costs or delays. If the seller becomes insolvent and subject to liquidation or reorganization under applicable bankruptcy or other laws, a client account's ability to dispose of the underlying securities may be restricted. It is possible, in a bankruptcy or liquidation scenario, that a client account may not be able to substantiate its interest in the underlying securities. Finally, if a seller defaults on its obligation to repurchase securities under a reverse repurchase agreement, a client account may suffer a loss to the extent that it is forced to liquidate its position in the market, and proceeds from the sale of the underlying securities are less than the repurchase price agreed to by the defaulting seller. Similar elements of risk arise in the event of the bankruptcy or insolvency of the buyer.

Stabilized Investments. The Firm may effect transactions in investments the prices of which may be the subject of stabilization. Stabilization enables the market price of a security to be maintained artificially during the period when a new issue of securities is sold to the public. Stabilization may affect not only the price of the new issue but also the price of other securities related to it. Stabilization may be permitted under the applicable rules in order to help counter the fact that, when a new issue comes on the market for the first time, the price can sometimes drop for a time before buyers are found. Stabilization is typically being carried out by a "stabilization manager" (typically, the firm chiefly responsible for bringing a new issue to the market). As long as the stabilizing manager follows a strict set of rules, he is entitled to buy back securities that were previously sold to investors or allotted to institutions which have decided not to keep them. The effect of this may be to keep the price at a higher level than it would otherwise be during the period of stabilization.

ITEM 9 – DISCIPLINARY INFORMATION

The Firm and its employees have not been involved in any disciplinary events that require disclosure in response to this Item 9.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Broker-Dealer Registration Status

Neither the Firm nor its management persons are registered or have an application pending to register as a broker-dealer or registered representative of a broker-dealer.

B. Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Adviser Registration Status

Neither the Firm nor its management persons are registered or have an application pending to register as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

C. Material Relationships or Arrangements with Related Persons

As described in Item 4 above, an affiliate of Melqart serves as general partner of the Keal Master Fund.

As described in Item 6 above, the Firm and its affiliates are entitled to receive performance-based compensation from the funds. Please see also in Item 6 information about how Melqart addresses the potential conflict of interest that the relationship with its affiliates creates.

D. Material Conflicts of Interest Relating to Other Investment Advisers

The Firm does not recommend or select other investment advisers for its Advisory Clients.

ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

A. Code of Ethics

The Firm's Code of Ethics (the "Code") describes the Firm's high standard of business conduct and has been designed to comply with the requirements of Advisers Act Rule 204A-1 ("Rule 204A-1"). The Code applies to all "Access Persons", as such term is defined under Rule 204A-1; all the Firm members, partners and employees are deemed to be Access Persons. Among other things, the Code requires that all Access Persons comply with all applicable securities laws and imposes certain procedures concerning potential conflicts of interest and personal trading, as further described herein. Personnel who fail to observe the Code and related compliance policies risk serious sanctions, including dismissal and personal liability. A copy of the Code will be furnished upon request. Investors may request a copy of the Code by contacting the Firm at the address or telephone number listed on the first page of this Brochure.

The Firm also maintains insider trading/market abuse policies and procedures that are designed to prevent the misuse of material, non-public information by the Investment Adviser, its principals and employees and their affiliates. Access Persons are required to certify their compliance with the Code and the Insider Trading Policies on a periodic basis.

B. Securities in which the Investment Adviser or a Related Person Has a Material Financial Interest

Certain personnel have personal investments directly or indirectly in one or more Funds. The amount of each member's, partner's or employee's personal investment in a Fund may change over time. A member, partner or employee may decide to invest only in certain Funds and not in others, and investors generally will not be provided with notice of the Firm member, partner or employee investments in, or withdrawals from, a Fund. Such an investment in one Fund and not another creates a potential conflict of interest in that it could cause the Firm to make different investment decisions than if they did not have such a financial ownership interest. Accordingly, the Firm has adopted written policies and procedures concerning the allocation of investment opportunities among clients in a fair and equitable manner.

C. Investing in Securities that the Investment Adviser or a Related Person Recommends to Clients

Access Persons are generally prohibited from personally investing in the same securities that Melqart recommends to Clients. The Code places restrictions on personal trades by Access Persons including that they disclose their personal securities holdings and transactions to the Investment Adviser on a periodic basis. Access Persons' personal investment transactions are pre-cleared when necessary and monitored by the Chief Compliance Officer. In order to manage any conflict of interest, such transactions are reviewed in the best interests of clients and are denied by the Chief Compliance Officer if there is risk of potential adverse consequences to Advisory Clients. Contemporaneous trading of securities or instruments that have been purchased or sold on behalf of an Advisory Client is prohibited.

D. Conflicts of Interest Created by Contemporaneous Trading

From time to time, various potential and actual conflicts of interest may arise from the overall advisory, investment and other activities of the Firm and its affiliates. The Firm has established policies and procedures to monitor and resolve conflicts and will endeavor to resolve conflicts with respect to investment opportunities in a manner it deems equitable to the extent possible under the prevailing facts and circumstances.

In addition, the Firm may give advice or take action with respect to the investments of one or more Advisory Clients that may not be given or taken with respect to other Advisory Clients with similar investment programs, objectives, and strategies. Accordingly, although certain of the Advisory Clients have similar strategies, they may not hold the same securities or instruments and do not achieve the same performance. These activities also may adversely affect the prices and availability of other securities or instruments held by or potentially considered for one or more Advisory Clients.

The Firm and its affiliates may also have ongoing relationships with companies whose securities are in or are being considered for the Advisory Clients. The Firm recognizes that conflicts may arise under such circumstances and will endeavor to treat all Advisory Clients fairly and equitably.

Co-Investments

The Firm from time to time offers co-investment opportunities to investors in the Funds, its other Advisory Clients and to third parties. The Firm is under no obligation to provide co-investment opportunities to investors or to third parties, and any such co-investment opportunity may be offered to one or more third parties and/or some and not other investors. Co-investment opportunities will generally be allocated pro rata among co-investment clients, where sufficient capacity is available. Certain investors are granted a priority right to participate in co-investments opportunities if insufficient capacity exists once a position is fully sized for all appropriate Advisory Clients (namely, the Opportunities Fund and Keal Fund). The existence of such a priority right may result in fewer co-investment opportunities for other investors or clients. Additions or monetizing such positions will typically be done simultaneously and will be pro-rated across all participating co-investment clients and comingled funds together, based on their respective target position sizes.

ITEM 12 – BROKERAGE PRACTICES

A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions

The Firm has full discretionary authority to manage the Funds and the SMA, including authority to make decisions with respect to which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and commissions or mark-ups and markdowns paid. The Firm's primary consideration in placing transactions with particular brokers is to obtain execution in the most effective manner possible. The Firm takes into account a variety of factors, including, but not limited to price, costs, speed, and likelihood of execution. The "total consideration" or price, costs (including execution venue fees), clearing and settlement fees, financing fees and any other fees paid to third parties for execution is only one factor. The Firm does not need to obtain the lowest possible execution price for its Advisory Clients on every single occasion; rather it will verify on an ongoing basis that the execution arrangements it has established work well throughout the different stages of the order execution process and are in the best interests of its Advisory Clients. The Firm may also, in its discretion, deal directly with a market maker rather than with a broker who is acting on an agency basis. The Firm maintains policies and procedures to review the quality of executions, including periodic reviews by its Broker Review Committee.

Research and Other Soft Dollar Benefits

The Firm does not have any formal or informal soft-dollar arrangements and does not receive any soft dollar benefits from any broker, dealer, or other counterparty. To the extent that the Firm purchases investment research, it does so consistent with guidance issued by the SEC.

Brokerage for Client Referrals

The Firm does not consider whether the Firm or a related person receives Advisory Client referrals from a broker when selecting or recommending a broker. From time to time, brokers assist the Firm in raising additional funds from investors and representatives from the Firm speak at conferences or programs sponsored by such brokers for investors interested in investing in hedge funds. Through such "capital introduction" events, prospective investors would have the opportunity to meet with representatives of the Firm. Currently, neither the Firm nor the Funds compensate any broker for organizing such events or for any investments ultimately made by prospective investors attending such events, nor do they anticipate doing so in the future. The Funds may accept subscriptions from investors who also provide services to the Funds, including brokers and their affiliates. Relationships such as these could be viewed as creating a conflict of interest that potentially could affect the Firm's ability to seek best execution. While the Firm's relationship with brokers may influence it in deciding whether to use such broker in connection with brokerage, financing and other activities, the Firm will not commit to allocate a particular amount of brokerage to a broker in any such situation. Furthermore, the Firm conducts periodic best execution reviews to identify and mitigate compliance risks associated with brokerage relationships.

Directed Brokerage

The Firm does not recommend, request, or require that a client direct the Firm or an affiliate to

execute transactions through a specified broker-dealer.

B. Order Aggregation

When the purchase and sale of securities is considered to be in the best interest of more than one Advisory Client, the securities to be purchased or sold may be aggregated, but are not necessarily aggregated, in order to obtain superior execution and/or lower brokerage expenses, with each Advisory Client paying its proportionate share of the total commission and paying or receiving its proportionate share of the total cost or sales proceeds. Advisory execution prices for identical securities purchased or sold on behalf of multiple accounts in any one day are averaged. In such instances, allocation of prices, as well as expenses incurred in the transaction, will be made in a manner that the Firm considers to be equally as favorable to the Advisory Clients as to any other party. There are circumstances where the Firm will initiate a trade on behalf of certain Advisory Clients and once the position is sufficiently sized for those clients, trading will commence for other relevant clients.

C. Trade Error Policy

In the event that the Firm experiences an error with respect to trades made on behalf of the Advisory Clients, the Firm will correct such error in accordance with its policies and procedures. Certain trade errors may be borne by the Advisory Clients. To the extent that a trade error is caused by a counterparty of the Advisory Clients, such as a broker or agent, the Firm will seek to recover any related trade error losses from such counterparty.

D. Trade Allocation Policy

Advisory Clients are allocated investment opportunities suitable in light of their respective investment mandate, investment restrictions and guidelines (if any), volume of the order, time horizons, and other relevant factors outlined in the Firm's written policies and procedures. The Firm determines trade allocation prior to execution and, in the absence of other considerations, generally allocates each trade pro rata relative to the intended position sizing among all Advisory Clients for which such trade is appropriate.

ITEM 13 – REVIEW OF ACCOUNTS

A. Frequency and Nature of Review of Client Accounts or Financial Plans

The accounts of Advisory Clients are under continuous review by the Firm's Chief Investment Officer, as well as the Firm's other investment and risk management personnel. Such reviews include a review of existing investments, potential investments, investment policy, the suitability of the investments used to meet policy objectives, cash availability, and investment objectives. The Chief Investment Officer and other investment team members consider, among other things, investment performance, the portfolio's sensitivity to market changes, and whether anything has changed after an initial investment decision that impacts the risk or potential return.

B. Factors Prompting Review of Client Accounts Other than a Periodic Review

A review of a client account may be triggered by any unusual activity or special circumstances.

C. Content and Frequency of Account Reports to Clients

Fund investors are expected to receive the following: unaudited monthly investor statements; monthly investor letters; annual audited financial statements within 120 days of the fiscal year end; and a Schedule K-1 for the Fund investors in U.S. domiciled Funds only. Additionally, U.S. investors in the Funds will be provided with annual documentation relating to ownership in a Passive Foreign Investment Company ("PFIC").

The SMAs are entitled to weekly and/or monthly reporting, among other reporting, as specified in the governing legal documents.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

The Firm does not receive economic benefits from non-clients for providing investment advice or other advisory services.

ITEM 15 – CUSTODY

Neither Melqart nor any of its affiliates act as a qualified custodian for Advisory Client assets. Advisory Client account assets are held in custody by unaffiliated broker-dealers or banks. Clients receiving statements directly from such custodians should carefully review those statements and should carefully compare such statements to any reports sent by the Firm.

ITEM 16 – INVESTMENT DISCRETION

The Firm has complete investment discretion over the portfolios of the Funds. There are no specific limitations placed on this authority, provided that the Firm will exercise its discretionary authority in accordance with the investment objectives and strategy and applicable limitations, if any, set forth in applicable offering documents or other governing agreements of each Fund. The Firm has entered into an investment management agreement, or similar agreement, with each Fund pursuant to which the Firm was granted discretionary trading authority.

The Firm has discretionary authority to manage SMAs. The SMAs are subject to investment objectives, guidelines, and restrictions, and fee arrangements, as well as other terms that are individually negotiated and set forth in the relevant governing legal agreements.

ITEM 17 – VOTING CLIENT SECURITIES

The Firm understands and appreciates the importance of proxy voting. The Firm does not, as a matter of procedure, vote all proxies, as with its M&A-related positions, the interests of the Advisory Clients are often for the issuer to realize a contemplated transaction and not to effect change within a particular issuer. When the Firm does not vote proxies, it is because the expense and time involved in evaluating those proxies outweighs the potential benefit to the Advisory Clients. Nonetheless, the Firm will, as a matter of procedure, always vote in a manner that is consistent with maximizing the interests of the Advisory Clients, which may at times call for exercising a proxy vote.

The Firm will identify any conflicts that exist between the interests of the Firm and its Advisory Clients by reviewing the relationship with the issuer of each security to determine if the Firm or any of its members, partners or employees has any financial, business, or personal relationship with the issuer. If a conflict of interest exists, the Advisory Clients will exercise voting rights in accordance with their investment objectives and policies and the Firm or any of its members, partners or employees will either have the option to vote in the same direction as the Advisory Clients or take no action in respect to their vote.

Clients or investors with any questions about the Firm's proxy policy, its proxy record-keeping procedures or who would like any detailed information about how proxies are actually voted for their accounts, should contact the Firm at the address or telephone number listed on the first page of this Brochure.

ITEM 18 – FINANCIAL INFORMATION

The Firm has never been the subject of a bankruptcy petition and is not currently aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its Advisory Clients.