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**Item 1. Cover Page**

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**FORM ADV PART 2A: FIRM BROCHURE**



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**OMNI BRIDGEWAY MANAGEMENT (USA) LLC**

**OMNI BRIDGEWAY (CAYMAN) LIMITED**

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**October 20, 2023**

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**THIS BROCHURE PROVIDES INFORMATION ABOUT THE QUALIFICATIONS AND BUSINESS PRACTICES OF OMNI BRIDGEWAY MANAGEMENT (USA) LLC AND OMNI BRIDGEWAY (CAYMAN) LIMITED. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS BROCHURE, PLEASE CONTACT US AT (212) 488-5331. 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 OMNI BRIDGEWAY MANAGEMENT (USA) LLC AND OMNI BRIDGEWAY (CAYMAN) LIMITED IS AVAILABLE ON THE SEC'S WEBSITE AT [WWW.ADVISERINFO.SEC.GOV](http://WWW.ADVISERINFO.SEC.GOV).**

**REGISTRATION AS AN INVESTMENT ADVISER DOES NOT IMPLY A CERTAIN LEVEL OF SKILL OR TRAINING.**

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## **Item 2. Material Changes**

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In this Item, the Firm is required to discuss any material changes that have been made to the brochure since the last annual amendment.

Item 4 – An additional Fund, Fund 1, was added into the Firm’s RAUM as a result of a development detailed below. Further changes were made in the brochure to reflect the addition of Fund 1.

We encourage all recipients to read this Brochure carefully in its entirety.

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#### Item 4. Advisory Business

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Omni Bridgeway Management (USA) LLC (a Delaware limited liability company that was formed in 2018 and referred to herein as "OBM") and Omni Bridgeway (Cayman) Limited (a Cayman Island limited company that was formed in 2018 and referred to herein as "Omni Cayman") and together with OBM, such entities collectively referred to as the "Advisers" and each an "Adviser") provide investment management services to U.S. and foreign clients. The Advisers are indirectly or directly wholly owned by Omni Bridgeway Limited ("OBL"), a public company listed on the Australian Securities Exchange. The Advisers provide discretionary investment management services to their clients, with a focus on litigation finance and distressed debt investments, as more fully described herein.

OBM acts as investment adviser for a US fund structure referred to as "Fund 4". OBM's clients currently include a non-U.S. insurance company, in respect of a series of segregated accounts maintained by such insurance company, as well as a limited partnership (the "OBM LP Investor") for which an affiliate of OBM serves as general partner. These clients invest indirectly through a series of special purpose entities (the "Fund 4 Transaction Vehicles") formed to hold the underlying investments in which the clients participate. OBL invests in the Transaction Vehicles alongside OBM's other clients.

An affiliate of OBM, Omni Bridgeway (Fund 1) LLC ("Fund 1"), owns a variety of litigation finance investments. Prior to May 31, 2023, Fund 1 consisted of a Class A Member, Omni Bridgeway Holdings (Fund 1) LLC ("Fund 1 Holdings") and a Class B Member, an external investor unaffiliated with Omni Bridgeway. Through a series of transactions dated May 31, 2023, Fund 1 provided participation interests in its underlying investments to an external investor and permitted a sale by the existing Class B Member of its Class B Membership Interests in Fund 1 to a Fund 4 Transaction Vehicle. Therefore, as of the date hereof, the members of Fund 1 now consist of Fund 1 Holdings as the Class A Member and a Fund 4 Transaction Vehicle as the Class B Member.

Omni Cayman acts as an investment adviser for a Cayman Islands limited partnership referred to as "Fund 5" and together with Fund 4 are referred to as the "Funds" and is each a "Fund". Omni Cayman's clients current include non-US investors as well as a US limited partnership (collectively, the "Cayman Investors"). These clients invest indirectly through a series of special purpose vehicles formed to hold the underlying investments in which the clients in Fund 5 participate (the "Fund 5 Transaction Vehicles") and collectively with the Fund 4 Transaction Vehicles, the "Transaction Vehicles"). Omni Cayman is a related adviser of OBM pursuant to SEC Rule 203A-2(b).

The Advisers may advise other clients and investment vehicles in the future. In addition, the Advisers may provide advice to one or more "co-investors" who may invest in specific litigation finance investments alongside the Advisers' other clients from time to time.

The Advisers may tailor its advisory services to a client's particular financial situation when requested, and/or agree, upon client request, to specific investment restrictions or guidelines for that client's account.

As of June 30, 2023, OBM and Omni Cayman collectively advise funds with client assets of \$882,838,319 on a discretionary basis.

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## Item 5. Fees and Compensation

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The Advisers' clients currently pay the Advisers quarterly management fees, and the Advisers or one or more affiliates thereof in relation to Fund 4 and Fund 5, respectively, also receive performance-based compensation. The amount of such compensation is set out in the applicable investment management agreements between the relevant client and each of the Advisers and/or in the governing documents for the LP Investor, as applicable. Fund 1 clients do not currently pay the Advisers any fees.

The amount of these fees was negotiated between the Advisers and their respective current clients and does not reflect the fees or other costs that would be borne by other clients in the future. The types and amounts of fees payable in respect of a client of an Adviser are set forth in an investment advisory agreement and/or offering documents between the relevant Adviser and the applicable client and have been negotiated based on a variety of factors, including, but not limited to, the size, composition and complexity of the client's account, length and nature of the Adviser's relationship with the client, special services agreed upon with the client or other factors deemed relevant by the applicable Adviser. As this brochure is intended to be delivered solely to "qualified purchasers," as such term is defined in Section 2(a)(51)(A) of the Investment Company Act of 1940, the Advisers are not required to publish a fee schedule in this brochure.

Each Adviser's management fees generally are paid out of the client's current income and other proceeds of the client's investments managed by such Adviser and/or by capital contributions from the client pursuant to draw down notices delivered by the applicable Adviser or its affiliates, or its or their designated service provider.

The Advisers and/or certain affiliates thereof are also entitled to performance-based compensation from the clients in each of the Funds, as described in "*Performance-Based Compensation and Side-by-Side Management*" below.

**Co-Investor Fees.** Under certain circumstances, the Advisers and/or its and their affiliates may (or may not) in its discretion: (i) receive performance-based compensation, management fees or other similar fees from co-investors; and (ii) collect customary fees in connection with actual or contemplated portfolio investments that are the subject of such co-investment arrangements. See "*Types of Clients – Co-Investments*," below. Co-investors bear and are charged their pro rata share of fees, costs and expenses related to the discovery, investigation, development, acquisition or consummation, ownership, maintenance, management, monitoring, hedging and disposition of their co-investments and generally are required to pay their pro rata share of fees, costs and expenses related to their potential co-investments that are not consummated, such as breakup fees or broken deal expenses, provided that such co-investors have been identified at the time the potential co-investment opportunity ceases to be pursued.

**Other Fees and Expenses.** Clients incur other expenses in connection with the Advisers' respective advisory services. The investors of Fund 4 and Fund 5 bear legal, organizational and offering expenses in connection with the formation and initial offerings, which are borne indirectly by its investors (subject to certain rights of set-off of those expenses against the management fee payable to the applicable Adviser, as

more fully described in the operative documents). Similar expenses are incurred by the Transaction Vehicles and borne by their respective investors.

Clients generally pay all of their respective ordinary and extraordinary operating expenses, including their proportionate share of any organizational or startup related expenses of the applicable Transaction Vehicles through which the clients invest. The expenses borne by the Advisers' clients are set out in detail in each client's investment advisory agreement with the applicable Adviser and/or the operating documents of the Fund 4 and Fund 5 investors, and generally include: (i) all costs, expenses, liabilities and obligations attributable to acquiring, holding and disposing of investments, including due diligence costs and expenses and research expenses (whether or not the transaction related to a potential investment is consummated), transactional fees and expenses (including, without limitation, legal fees and expenses) and the costs of any independent accountants or other experts or consultants engaged by the applicable Adviser in connection with specific investments; (ii) operational costs of the client, the client's account and the Transaction Vehicles in which it invests, such as legal, accounting, bookkeeping, auditing, consulting and other professional expenses, administration, audit and tax preparation expenses, all taxes (if any), costs and expenses related to regulatory compliance matters, fees payable to governments or agencies and fees and expenses of third-party compliance consultants; (iii) the client's and the applicable Transaction Vehicles' pro rata portion of any insurance costs including, without limitation, directors and officers insurance, errors and omissions insurance and any other insurance obtained by the applicable Adviser or its affiliates designed to mitigate risks related to client investments; (iv) reasonable research-related travel expenses of the applicable Adviser, including reasonable business-related stipends; (v) costs associated with the preparation and conduct of litigation and administrative proceedings related to the implementation of the client's investment strategy; (vi) expenses of any administrative proceedings undertaken by the applicable Adviser or its affiliates in its/their capacity as the "partnership representative" of a Transaction Vehicle; (vii) expenses incurred in connection with the collection of monies owed to a client or Transaction Vehicle; (viii) the costs of any reporting to the client and meetings with the client; (ix) maintenance of the client's and applicable Transaction Vehicles' books and records by third party service providers; (x) expenses incurred in connection with the formation, dissolution, liquidation and termination of the client and/or the Transaction Vehicles; (xi) regulatory costs incurred by the applicable Adviser in connection with its filing a Form PF pursuant to Rule 204(b)-1 under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), if applicable; (xii) expenses incurred in connection with compliance with investment management agreements or other offering or partnership documents between the applicable Adviser and the clients; (xiii) extraordinary expenses (e.g., litigation costs, indemnification obligations and costs incurred in connection with a reorganization or restructuring of Transaction Vehicles), if any; and (xiv) any expenses incidental to establishing client accounts and any Transaction Vehicles associated therewith. The exact expenses to be borne by a client, including specific qualifications or limitations thereon, have been specifically negotiated between the Advisers and the applicable client in such client's investment management agreement.

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## **Item 6. Performance-Based Compensation and Side-By-Side Management**

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The Advisers or, in the case of OBM, an affiliate of OBM (in its capacity as the general partner of the LP Investor), receive performance-based compensation from clients upon distribution of the proceeds from realized investments, as described in greater detail in the investment management agreements or partnership documents between the Advisers and such clients. The types and amounts of fees payable in respect of a client of an Adviser are set forth in an investment advisory agreement or other controlling agreement between the Adviser and the applicable client and have been negotiated based on a variety of factors, including, but not limited to, the size, composition and complexity of the client's account, length and nature of the Adviser's relationship with the client, special services agreed upon with the client or other factors deemed relevant by the applicable Adviser. As this brochure is intended to be delivered solely to "qualified

purchasers,” as such term is defined in Section 2(a)(51)(A) of the Investment Company Act of 1940, the Advisers are not required to publish a fee schedule in this brochure.

**Conflicts of Interest Related to Performance-Based Compensation.** A significant percentage of revenue that would otherwise be allocated to clients is paid or made, as applicable, to the Advisers and/or their affiliates. Performance-based compensation may create an incentive for the Advisers to make investments that are riskier or more speculative than they might otherwise select and may create an incentive for the Advisers to realize certain investments sooner than is optimal and not sell or write down certain investments that will produce a realized loss. The Advisers, acting through OBL management, believe this risk is mitigated in part by its affiliate’s obligation to invest its own assets alongside those of clients participating in the investment program.

In addition, certain co-investor clients may not pay performance-based compensation to the Advisers and/or its affiliates. This gives rise to a potential conflict of interest, as the Advisers may be viewed to have an incentive to favor clients that pay performance-based compensation over such co-investors by, for example, seeking to allocate more profitable opportunities to such clients. However, the Advisers, acting through OBL management, believe that this risk is mitigated by the limited nature of its advisory relationship with the co-investors and the Advisers’ allocation policies (as set out in the various investment management agreements or other operative agreements). See “*Types of Clients*” below.

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## **Item 7. Types of Clients**

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The Advisers currently offer discretionary investment advisory services to insurance companies, charitable organizations and other institutional investors, including private fund vehicles, in Fund 1, Fund 4, and Fund 5. In the future, the Advisers may determine to offer investment advisory services to various other types of clients, including, but not limited to, high-net worth individuals, trusts and estates, corporations, other private funds operated by the Advisers, its and their affiliates or other third parties, registered investment companies and other business entities. Clients generally must be “qualified clients” within the meaning of Rule 205-3 under the Advisers Act and/or “qualified purchasers” as defined in Section 2(a)(51)(A) of the Investment Company Act of 1940, as amended.

The Advisers may enter into separate agreements, commonly referred to as “side letters,” for the benefit of certain clients, which would have the effect of establishing rights under, altering, or supplementing the terms (including the economic terms) applicable to such client in a manner more favorable than those applicable to other similarly situated clients. Such rights or terms pursuant to such agreements may include, without limitation, access to additional information, more favorable liquidity terms and rights to co-investment opportunities, or other rights or terms deemed appropriate in light of particular legal, regulatory or tax characteristics of a client.

**Co-Investments.** Where deemed appropriate by an Adviser, such Adviser provides co-investment opportunities (including, without limitation, any investment that would exceed or breach certain concentration limits and/or other guidelines and restrictions applicable to other clients’ accounts) for the benefit of one or more clients or beneficial owners thereof, or their affiliates (but not necessarily all such investors) and/or other persons. Subject to certain exclusivity rights in favor of such Adviser’s current clients with respect to investments within their investment mandate that they are able to fund, such Adviser may allocate such available investments among its current clients, its beneficial investors, and/or such other persons as such Adviser may determine pursuant to its allocation policies.

The Advisers are under no obligation to provide co-investment opportunities, and subject to its obligations described above, may offer a co-investment opportunity to one or more of the categories of co-investors described above without offering such opportunity to the other categories. Co-investments will generally be made, at the investment level, on economic terms substantially no more favorable to co-investors than those on which the Advisers' other clients invest.

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

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The Advisers' principal investment objectives on behalf of its clients in each of Fund 1, Fund 4, and Fund 5 are to generate attractive, risk-adjusted returns through investing in "Litigation Finance Investments". Some of the Litigation Finance Investments made by Fund 4 or Fund 5 through the advisory services of OBM will constitute "Distressed Debt", which includes investments in debt instruments, such as bonds, loans, instruments, or claims, issued by distressed companies or sovereign entities in emerging / frontier markets. Litigation Finance Investments include investments secured by, or which finance indemnifying against, one or more legal claims and causes of action, legal fees or other legal or regulatory processes wholly (or, subject to certain conditions, primarily), or which purchases or finances debt, legal fees, judgments and settlements after the resolution of such proceedings, or acquires a right or interest in a right to make a claim in such a proceeding, as well as certain other investments the value of which is derived from the performance or outcome of such an underlying legal claim or series of legal claims, or other legal or regulatory processes. Generally, Fund 1 and Fund 4 invest in Litigation Finance Investments germane to the United States (e.g., U.S. Litigation Finance Investments) and Fund 5 invests in non-US Litigation Finance Investments (e.g., Rest of the World, or RoW Litigation Finance Investments).

### **Certain Risk Factors.**

The identification and management of attractive investment opportunities is difficult and involves a significant degree of uncertainty. Potential clients should consider the following risks before investing in any account, fund or other investment vehicle managed by either Adviser.

### **Risks of Litigation Finance**

***Lack of Liquidity of Investments.*** Many of the Litigation Finance Investments to be made at the direction of the Adviser are likely to be illiquid. Such investments may not provide any current income to the Adviser's clients, and any return of capital or other proceeds of the investment may occur only after the final disposition of the matter(s) to which such Litigation Finance Investment relates (and, even then, may remain subject to collection delays or other risks). For many of the Litigation Finance Investments to be made at the direction of each of the Advisers, there is currently no developed secondary market available for the investment, and therefore there is no expectation that clients will be able to dispose of or liquidate such investments.

***Regulation and Compliance.*** Various federal, state, and local legal and regulatory requirements applicable to litigation and litigation finance are expected to apply to the Adviser and its respective clients in connection with Litigation Finance Investments. Such laws may change, with or without notice, in ways adverse to each the Adviser and/or its counterparties, and they will be required to comply with such requirements or risk jeopardizing the ability to protect and enforce their rights with respect to their investments, as well as potentially incurring fines or other penalties. Compliance with such laws and regulations may be costly and any changes thereto could have a material adverse effect on each the Adviser's ability to continue to pursue its investments on behalf of its clients, or even to continue doing



business consistent with its current practice in the litigation finance market. Clients must be aware of and willing to bear this risk.

***Ethical Duties and Restrictions.*** Without limiting the generality of the foregoing, legal and ethical duties related to litigation and the rights of litigants will impose certain limitations on the Adviser's ability to manage and direct investments on behalf of its clients. Champerty and maintenance laws, for example, vary from jurisdiction to jurisdiction and may render litigation finance arrangements unenforceable. In addition, the Adviser's clients generally will not themselves be litigants in the matter or have control over the decision-making of the actual litigants, despite having an economic stake in the outcome of a particular legal proceeding associated with a Litigation Finance Investment. Ethical rules generally require the lawyers litigating the matter to follow the instructions of their clients (the actual litigants in the matter) or subject to other duties to the court, which may result in a matter being pursued and resolved in a manner that is contrary to the interests of the Adviser and its clients, potentially resulting in material or even total losses on any associated Litigation Finance Investment. The Adviser generally does not control the claimant's decision-making with respect to litigation strategy and settlement and therefore has no certainty that a claimant will act in accordance with the Adviser's best interests. There may also be legal restrictions on the ability of litigants or prospective litigants to assign rights in their claims to third parties or for third parties to extend financing to or participate in fees or collections to be received by litigants and/or their lawyers. These requirements may vary significantly in their development, content and enforcement from jurisdiction to jurisdiction. Such requirements may limit the availability of investment opportunities for the Adviser and its clients or make the terms of such investment opportunities less desirable. Moreover, changes in such requirements during the life of an investment could reduce the potential revenues to be received from investments made on behalf of the Adviser's clients, or potentially render such investments unenforceable and potentially uncollectable, which could have a material adverse effect on the investment results of the Adviser's clients.

***Investment Selection and Structuring.*** Clients are dependent for their investment returns upon the Adviser's ability to identify, negotiate, fund, manage and successfully realize on Litigation Finance Investments, including its ability to evaluate whether a particular litigation matter is likely to be resolved successfully within the desired timeframe and will lead to a successful and timely receipt of the projected return on investment. Accurately assessing the likelihood of success in litigation, as well as structuring a related financing transaction on advantageous terms, is complex and uncertain. Among other things, the Adviser may not have access to full information related to the litigation due to legal privileges, protective orders or court rules, which may impair its ability to fully analyze the likelihood of a successful resolution or other important factors related to the investment. Even if the Adviser has access to full information, legal proceedings remain subject to considerable uncertainty, including the ultimate resolution of the case, the size of the legal award ultimately awarded or agreed (if any), the ability of the liable party to pay that amount, the quality of the parties' legal counsel, the willingness of the parties to settle and on what terms, and various other factors (such as a change in law) that could impact the value of any associated Litigation Finance Investment. If a particular litigation is unsuccessful or is not resolved on the terms assumed by the Adviser in structuring a related Litigation Finance Investment, it could result in material losses to the Adviser's clients. There can be no assurance that the Adviser will be able to successfully source, identify and structure suitable Litigation Finance Investments on behalf of its clients.

***Counterparty and General Credit Risk.*** In connection with a Litigation Finance Investment, the Adviser's clients typically will be exposed to the risk of non-performance by either or both of the counterparty to that investment and/or ultimate payor of the amounts to which such clients are entitled under the terms of the investment (e.g., payment of an award by an unsuccessful opposing litigant). If a counterparty or ultimate payor (as applicable) defaults on its obligation to pay such amounts in whole or in part, including, without limitation, by virtue of the bankruptcy or insolvency of such counterparty or ultimate payor, the Adviser's clients may suffer a partial or complete loss on the associated Litigation Finance Investment. In such cases,

clients may not have access to any other assets of the defaulting party and there can be no assurance that any bankruptcy or creditor protection regime will apply to compensate the client for any portion of its investment return. Although the Adviser takes steps to evaluate and reduce its exposure to counterparty credit risk where possible, it cannot fully protect clients from this risk attendant to investment in Litigation Finance Investments.

***Termination or Rejection of Settlements.*** Some of the Litigation Finance Investments made by the Adviser on behalf of its clients may relate to proceedings or claims in which the parties have reached a settlement or other agreement regarding the disposition of the matter, but which must be approved by a court, tribunal, or other body prior to becoming effective. In the event that the settlement or disposition is not so approved or is modified or conditioned in a material way as part of the approval process, this could result in substantial or total losses to the Adviser's clients on the related Litigation Finance Investment.

***Competition.*** Heightened competition in the litigation finance market may make it more difficult for the Adviser to source investment opportunities at attractive investment yields to clients and may also lead to lower potential returns than expected from individual investments. Other competitors in the litigation finance field may have or may develop significantly greater financial resources as well as larger research and investment staff than the Adviser's.

## **Risks of Distressed Litigation Claims**

Litigation outcomes are risky and difficult to predict and an investor could lose all of its investment if there is a loss in a litigation matter. It is difficult to predict the outcome of litigation, particularly distressed litigation claims.

"Distressed" companies that are experiencing significant financial or business distress, including companies involved in bankruptcy or other reorganization and liquidation proceedings, involve a substantial degree of risk. Investments in litigation claims including distressed companies may not show any return for a considerable period of time, if ever.

There is no assurance that the Adviser will correctly evaluate the value of the assets underlying a litigation claim or the prospects for a successful judgment. In any proceeding involving a distressed company, the holder of a claim may lose its entire investment, may be required to accept cash or securities with a value less than the original investment and/or may be required to accept payment over an extended period of time. Under these circumstances, the returns generated from an investment in a litigation claim may not compensate the investor adequately for the risks assumed.

The Adviser may invest in four types of distressed litigation claims:

### ***1. Debt enforcement litigation claims.***

The Adviser may invest in debt enforcement litigation claims, whereby a creditor seeks to enforce and collect on a debt contract claim. A creditor can exert leverage to cause a debtor to pay, either voluntarily or by execution against assets in court following a judgment. Pending or potential enforcement litigation can lead to debt restructuring discussions.

If the creditor wins a judgment against the debtor, the owner of the litigation claim faces the risk that the debtor may not have enough assets to pay the judgment or will seek to pay the claim in assets that may be difficult to sell.

If the debtor is in financial distress, it may file a bankruptcy petition or its creditors may file such a petition, which will stay the debt enforcement litigation and potentially prevent the creditor from obtaining any recovery in the litigation proceeding. The creditor may need to make a filing in the bankruptcy case, which will increase its costs of collecting on its claim. Assets in a bankruptcy proceeding are distributed first to certain creditors such as employee benefit plans and tax authorities. If the debtor's assets are insufficient, the holder of the litigation claim faces the risk that it may not receive anything in the proceeding. In addition, bankruptcy courts have the power to disallow, reduce, subordinate or disenfranchise particular claims.

## **2. *Debtor-owned litigation claims.***

A debtor may have a litigation claim against a third party, such as contract breach claims against trade counterparties, claims against governments for expropriation or discriminatory treatment, or, for insolvent debtors, claims for a claw-back or similar action.

These claims are subject to the risk that if the debtor prevails, the third party will not have assets sufficient to pay a claim, which means the litigation claim owners will risk the loss of some or all of their investment. If the third party is a government, it may claim immunity from lawsuits, or seek to prolong litigation in an effort to increase the debtor's costs and discourage the debtor from pursuing relief. This could raise the costs of pursuing the claim and diminish or even eliminate the holder's chance of recovering money on its investment.

## **3. *Debtor-owned litigation claims that creditors can control.***

A debtor may assign its rights in a litigation claim to its creditors, for the creditors' control or direct pursuit. The debtor may assign its rights in exchange for debt relief, or may establish a litigation trust as part of an insolvency restructuring plan.

Creditors face the risk that it may be difficult to obtain information as to the true condition of the debtor's claim or the financial condition of the counterparty. Further, if creditors incorrectly assess the likelihood of success, or do not agree on the litigation strategy, costs can increase, and the holders of these litigation claims face the risk that they will recover few if any assets in the proceeding.

## **4. *Creditor-owned litigation claims against third parties.***

The creditors of a distressed company may have their own direct litigation claims against third parties. These include litigation claims for fraud or defalcation, securities law violations, tortious interference, and governmental intervention.

## **Risks of Distressed Securities and Loans**

The Adviser may select investments in debt and loans of companies in weak financial condition. These companies can experience poor operating results, have substantial capital needs or negative net worth, face competitive or product obsolescence problems, and may be involved in bankruptcy or other reorganization and liquidation proceedings. It may be difficult to obtain information as to the true condition of these companies. These securities and loans are likely to be particularly risky investments but offer the potential for correspondingly high returns.

These debt instruments and loans may be considered speculative, and the ability of these companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general

economic climate (such as the effects of the COVID-19 pandemic), economic factors affecting a particular industry or specific developments within a company.

There is no minimum credit standard for debt or loans, or any requirement that they be rated at all. Sophisticated financial and legal skills are needed to invest successfully in debt or loans to experiencing significant business and financial difficulties, and there is no assurance that the Adviser will accurately evaluate the value of the assets underlying the debt or loans or the prospects for a successful reorganization or similar resolution. In any reorganization or liquidation proceeding relating to a company in which the Adviser selects an investment, the investor may lose its entire investment, may be required to accept cash or securities with a value less than the investor's original investment and/or may be required to accept payment over an extended period of time. The returns generated from the investments may not compensate the investor adequately for the risks assumed.

In liquidation (both in and out of bankruptcy) and other forms of corporate reorganization, there is a risk that the reorganization either will be unsuccessful, be delayed, or will result in a distribution of cash or a new security that is worth less than the original investment.

Some companies may be involved in bankruptcy or other reorganization proceedings. Investments in debt or loans of these companies involve a substantial degree of risk. Many of the events within a bankruptcy case are adversarial and often beyond the control of the creditors. A bankruptcy court may approve actions that are detrimental to an Account.

### **Risks of Emerging and Frontier Markets**

The Adviser may transact in Litigation Finance Investments that are debt securities and loans of distressed issuers in emerging and frontier markets. Emerging markets include countries that are in the process of becoming a developed economy; frontier markets are less advanced economies in the developing world. These markets present special risks compared to more developed markets.

***Political risk.*** Emerging and frontier markets may have unstable, even volatile, governments. Political unrest can cause serious consequences to the economy and investors. Nationalization of a company's assets may cause a significant or total investment loss.

***Economic risk.*** Emerging and frontier markets can have insufficient labor and raw materials, high inflation or deflation, unregulated markets and unsound monetary policies. All of these factors can present challenges to investors.

***Currency risk.*** The value of emerging market currencies compared to the dollar can be extremely volatile. Any investment gains can be threatened if a currency is devalued or drops significantly. Some countries impose exchange controls on the purchase and sale of currencies, which can limit in-flows and out-flows of currency and lead to exchange rate volatility.

***Legal risk.*** The legal systems in emerging and frontier markets are less developed than in developed markets. Legal systems may not protect creditor rights, dispute resolution mechanisms can be slow or unbalanced, and regulatory and supervisory powers may be irregular. The lack of legal protections can limit the Adviser's ability to pursue actions to protect investments. Bankruptcy law and process may differ substantially from that in the US, resulting in greater uncertainty as to the rights of creditors, the enforceability of these rights, reorganization timing and the classification, seniority and treatment of claims. In some emerging and frontier markets, while bankruptcy laws have been enacted, the process for reorganization remains highly uncertain.

***Sovereign Debt Obligations of Emerging Market Countries.*** Investing in foreign government obligations and the sovereign debt of emerging market countries creates exposure to the direct or indirect consequences of political, social or economic changes in the countries that issue the securities or in which the issuers are located. The ability and willingness of sovereign obligors in emerging market countries or the governmental authorities that control repayment of their external debt to pay principal and interest when due may depend on general economic and political conditions within the relevant country. Certain countries have historically experienced, and may continue to experience, high rates of inflation, high interest rates, exchange rate trade difficulties and extreme poverty and unemployment. Many of these countries also are characterized by political uncertainty or instability. Additional factors that may influence the ability or willingness to service debt include a country's cash flow situation, the availability of sufficient foreign exchange on the date a payment is due, the relative size of its debt service burden to the economy as a whole and its government's policy towards the International Monetary Fund, the World Bank and other international agencies. The ability of a foreign sovereign obligor to make timely payments on its external debt obligations also will be strongly influenced by the obligor's balance of payments, including export performance, its access to international credits and investments, fluctuations in interest rates and the extent of its foreign reserves. A governmental obligor may default on its obligations and the Adviser may have limited legal recourse against the issuer and/or guarantor. In some cases, remedies must be pursued in the courts of the defaulting party itself. Sovereign obligors in emerging market countries are among the world's largest debtors to commercial banks, other governments, international financial organizations and other financial institutions. These obligors, in the past, have experienced substantial difficulties in servicing their external debt obligations, which led to defaults on and the restructuring of certain indebtedness. Holders of foreign sovereign debt securities may be asked to participate in the restructuring and to extend further loans to their issuers. There can be no assurance that the foreign sovereign debt securities in which the Adviser invests will not be subject to similar restructuring arrangements or to requests for new credit, which may adversely affect client holdings. Obligations of the World Bank and certain other supranational organizations are supported by subscribed but unpaid commitments of member countries. There is no assurance that these commitments will be undertaken or complied with in the future.

***No Secondary Market.*** No established secondary markets may exist for many of the sovereign debt obligations in which the Adviser may invest. Reduced secondary market liquidity may adversely affect the market price and the ability to dispose of particular instruments when necessary to meet liquidity requirements or in response to specific economic events such as a deterioration in the creditworthiness of the issuer. Market quotations are generally available on many sovereign debt obligations only from a limited number of dealers and may not necessarily represent firm bids of those dealers or prices of actual sales.

***Exchange Rates.*** Because the Adviser may select investments in securities and instruments denominated in non-U.S. currencies, clients are subject to the risk that the value of a particular currency will change in relation to the dollar. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in the relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. The Adviser may seek to hedge these risks by investing directly in non-US currencies and buying and selling options, futures or forward contracts thereon. The Adviser is not obligated to attempt to hedge all, or even most, of clients' exchange-rate risk, and even if it does, there can be no assurance that these strategies will be effective.

**The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved with OBM's investment programs. Prospective clients must consult their own advisers before deciding whether to make such an investment.**

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## Item 9. Disciplinary Information

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The Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be considered material to a client's evaluation of such Adviser or the integrity of the Advisers' management. Neither of the Advisers have any such matters to report.

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## Item 10. Other Financial Industry Activities and Affiliations

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Neither of the Advisers nor their management persons are registered, nor have any application pending to register, as a broker-dealer or registered representative thereof, or as a futures commission merchant, commodity pool operator, commodity trading advisor, or associated person thereof. Except as described herein with respect to OBM's affiliate that acts as the general partner of the LP Investor (and will receive performance-based compensation therefrom) and any co-investors, the Advisers do not have any material relationships with related persons listed in any of the specified categories of financial affiliates required to be disclosed by the SEC, nor do the Advisers recommend or refer its clients to other investment advisers.

**Other Clients.** Currently, the Advisers do not have additional clients other than that described above. However, this may change in the future. If either of the Advisers bring on other clients in the future, certain inherent conflicts of interest may arise from the fact that such Adviser and its affiliated entities carry on substantial investment activities for multiple clients simultaneously. The Advisers may give advice and recommend investments to, or engage in investment transactions for, certain of its clients which advice or investments may differ from advice given to, or investments made for, other clients, even though such clients may have the same or similar investment objectives. The investment methods and strategies that an Adviser uses to manage a particular client's investments may be used such the Adviser when managing another client's investments, which may result in multiple clients "competing" for limited investment opportunities in certain cases. The Advisers and/or their affiliates may have a conflict of interest in rendering advice to a particular client because the financial benefit from managing another client's investments may be greater, which could provide an incentive to favor such other client's investments. Currently, this conflict is mitigated in part because the Advisers' clients are all expected to invest proportionately through the Transaction Vehicles in the same underlying Litigation Finance Investments. In the event that either or each of the Advisers proposes to manage assets for additional clients, it will seek to mitigate this potential conflict by supplementing its methodology for allocating investment opportunities and positions among its clients on an equitable basis.

**Other Activities of OBM and Related Persons.** Each of the Advisers and its and their principals and affiliates devote time and attention to the business and affairs of their clients as they, in their sole discretion, deem reasonably necessary. Each of the Advisers and its and their principals and affiliates are not required to devote a specific amount of time to the business and affairs of any client and are entitled to engage in various other activities. Each of the Advisers and its and their principals and affiliates may engage in,

invest in, participate in or otherwise enter into other business ventures of any kind, nature or description, alone or with others.

Each of the Advisers and its and their principals and respective affiliates invest and trade for their own accounts, including in financial instruments in which a client takes a position, and may trade and invest simultaneously with a client and/or take investment positions that are different from the positions taken by a client. In particular, OBM is a wholly-owned subsidiary of Omni Bridgeway Holdings (USA) Inc. ("Omni Bridgeway Holdings") and an indirectly wholly-owned subsidiary of OBL (together with their affiliates and other subsidiaries, "Omni"), a litigation funding group providing funding to plaintiffs, law firms and corporations for legal disputes in Australia, New Zealand, Hong Kong, Singapore, Europe, United States and Canada. Omni Cayman is a wholly owned subsidiary of OBL. Accordingly, Omni sources and effects Litigation Finance Investments for its own account and for the accounts of other related persons and entities at the same time that the Advisers are doing so on behalf of its respective clients. As a result, conflicts of interest may arise between one or more clients, on the one hand, and each or both of the Advisers, Omni and its and their respective principals and affiliates, on the other hand, with respect to matters such as the allocation of investment opportunities, purchases and sales of Litigation Finance Investments and allocation of personnel, resources and expenses. The records of trading by each of the Advisers and its and their principals and affiliates will not be made available to clients, except to the extent required by law. However, trading by principals and personnel of each of the Advisers is subject to OBM's Code of Ethics and personal trading policy, as described below in "*Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*," which seeks to further mitigate the conflicts described above. Moreover, as described above in "*Types of Clients*," each of the Adviser's clients are currently entitled to exclusivity rights with respect to Litigation Finance Investments, subject to certain additional terms and conditions, which mitigates the potential conflict in allocating such investments.

**Co-Investments.** As noted above in "*Types of Clients*," each of the Adviser's and its and their affiliates may manage and invest assets on behalf of co-investors, including other funds and investment vehicles, and the existence of, and participation by such Adviser and its affiliates in managing such co-investors' assets may create certain conflicts of interest between the interests of OBM's clients. These are addressed as described in "*Types of Clients*" above.

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

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OBM has adopted a Code of Ethics that subjects access persons of each of the Advisers to specific obligations associated with the primary jurisdictions in which they each operate. The Code of Ethics describes high standard of business conduct and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, and personal securities trading procedures, among other things. Because some employees of OBL provide services for OBM, many individuals within OBL are considered access persons and subject to the Code of Ethics. All supervised persons with Omni must acknowledge the terms of the Code of Ethics annually, or as amended. Clients or prospective clients may request a copy of the Code of Ethics by contacting OBM's Chief Compliance Officer at the number set forth on the cover page.

As a matter of policy, the Advisers do not knowingly cause clients to effect transactions in which such client purchases securities or other instruments from, or sells securities or other instruments to, such Adviser or its principals or affiliates (e.g., principal trades), or in which an affiliate of an Adviser acts as broker for both the applicable Adviser's client and the other party to the transaction (e.g., agency cross transactions).

Currently, the Advisers do not cause clients to enter into “cross trades” (e.g., transactions in which such client purchases securities or other instruments from, or sells securities or other instruments to, another Adviser client). However, should an Adviser choose to engage in cross trades in the future, in any cross trade, such Adviser will have a potentially conflicting division of loyalties and responsibilities regarding the client accounts that are parties to such transaction. An Adviser can effectuate a cross trade if such Adviser believes that such transaction is appropriate and in the best interest of all client accounts participating in such transaction. For example, circumstances may arise where an Adviser wishes to reduce (or increase) the investment of one client account in certain assets and increase (or reduce) another client account’s investment in the same assets, in which case such Adviser may effectuate a cross trade by directing the transfer of such assets between such client accounts. An Adviser also may effectuate cross trades in order to re-balance portfolios or provide better liquidity to relevant client accounts. Neither the Advisers nor any related person will receive a commission or similar compensation in connection with any such cross trade. Any such cross trade generally will be effectuated at a purchase price equal to such securities’ or other assets’ fair market value at the time of the transaction. Each client account participating in a cross trade will bear the costs and expenses associated with such transaction on a pro rata basis.

In addition, in appropriate circumstances when deemed consistent with a client’s investment objectives, an Adviser will cause client accounts to purchase or sell securities in which such Adviser, its affiliates and/or clients, directly or indirectly, have a position or interest. See “*Other Financial Industry Activities and Affiliations*.”

OBM’s employees and persons associated with OBM, defined above as access persons, that provide services for Fund 1, Fund 4, and Fund 5, are required to follow OBM’s Code of Ethics. Officers, directors, and employees of the Advisers and its and their affiliates generally are not permitted to trade for their own accounts in securities which are recommended to and/or purchased for clients, as described above in “*Other Financial Industry Activities and Affiliations*.” The Code of Ethics is designed to assure that the personal transactions, activities and interests of the employees of the Advisers will not interfere with (i) making decisions in the best interest of clients and (ii) implementing such decisions while at the same time allowing employees to invest for their own accounts. The Code of Ethics requires that the interests of the clients be placed ahead of those of the Advisers’ employees in their personal trading. Employee trading is regularly reviewed under the Code of Ethics, in an effort to prevent conflicts of interest between the Advisers and its and their clients.

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## **Item 12. Brokerage Practices**

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The investment transactions entered into by the Advisers on behalf of their clients are generally privately negotiated financing transactions, as well as over-the-counter (OTC) securities transactions, such as the trading of bonds, loans, or other instruments issued by distressed issuers and sovereign parties. However, the Advisers also, from time to time, may use intermediaries or referral sources in identifying and effecting such private financing transactions.

Each of the Advisers has discretion to select different brokers to be used for each transaction for its clients and to negotiate the rates and commissions its clients pays. When engaging the services of brokers, an Adviser may, subject to best execution, if applicable, take into consideration a variety of factors, including, to the extent applicable, competitive pricing, transaction costs, operational efficiency with which transactions are effected, access to deal flow and precedent transactions, and the financial stability and reputation of the particular broker, as well as other factors that such Adviser deems appropriate to consider under the circumstances. Brokers may provide other services that are beneficial to the Advisers and their affiliates, but that are not necessarily beneficial to clients, including capital introductions, other marketing



assistance, client and personnel referrals, consulting services, and research-related services. These other services and items may influence the Advisers' selection of brokers.

**Research and Other Soft Dollar Benefits.** Neither of the Advisers currently has no soft dollar arrangements with any broker in connection with securities transactions undertaken on behalf of its clients and does not expect to utilize any soft dollars. However, an Adviser may receive proprietary research from broker-dealers used to execute securities transactions. To the best of each Adviser's knowledge, these services are generally made available to all institutional investors doing business with such broker-dealers. Neither Adviser will separately compensate such broker-dealers for the research.

**Aggregation and Allocation of Client Orders/Investments.** The Advisers' policy, where an opportunity to purchase or sell an investment is appropriate for more than one Client, is generally to aggregate Client orders when doing so is likely to result in a better overall price or reduced cost for the trade. Each Client who participates in an aggregated order participates at the average price with all transaction costs shared on a pro rata basis pursuant to these written procedures.

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### **Item 13. Review of Accounts**

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**Account Reviews.** Each of the Advisers has engaged a third-party fund administrator to provide day-to-day administrative and bookkeeping services to the Advisers' respective clients. Each Adviser conducts quarterly reviews of the investment positions held by its clients (although the Advisers, acting through OBL's back office, monitor these investments on an informal basis regularly). These formal reviews are conducted by OBL's Chief Compliance Officer in conjunction with other key employees of the Advisers, including OBL's Managing Director and Chief Executive Officer, Chief Financial Officer, and Group Chief Investment Officer, and their respective designees.

**Client Reporting.** Each Adviser furnishes audited financial statements annually to all investors within the Fund1, Fund 4, and Fund 5 investment structures. Such investors and other clients are also provided with quarterly unaudited reports including information regarding the assets and performance of their respective investment vehicles or accounts.

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

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Neither of the Advisers currently has any arrangements whereby it receives an economic benefit from any person who is not a client for providing investment advice or other advisory services to clients, and neither of the Advisers directly or indirectly compensates any third parties for client referrals. However, the Advisers may in the future engage duly qualified solicitors to solicit prospective investment advisory clients.

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### **Item 15. Custody**

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Each of the Advisers is deemed to have "custody" of the funds and securities of the investors within Fund 1, Fund 4, and Fund 5 and the applicable Transaction Vehicles, respectively, and may be deemed to have "custody" of the funds and securities of its "co-investor" clients, within the meaning of Rule 206(4)-2 under the Advisers Act (the "Custody Rule"). In light of the Advisers' intended investment program and nature

of “co-investments,” a significant portion of the Advisers’ respective clients’ assets are and in the future will be invested either in assets other than securities and/or in “privately offered securities,” meaning securities that are acquired from the issuer in a transaction or chain of transactions not involving any public offering, and transferable only with prior consent of the issuer or holders of the outstanding securities of the issuer. In addition, such privately offered securities may be either (i) uncertificated, with ownership thereof recorded only on the books of the issuer or its transfer agent in the name of the client; or (ii) evidenced by a non-transferable note or other “certificated” interest (A) that cannot be used to effect a change in beneficial ownership of the underlying security, (B) the existence (or non-existence) of which does not impact the holder’s ownership interest in such security, and (C) that can be replaced by the issuer if lost or destroyed because the holder’s ownership of the relevant security is reflected on the books and records of the issuer or its transfer agent.

Privately offered securities of the type described above and investments other than securities generally are not required to be held with a “qualified custodian,” as defined under the Custody Rule. However, to the extent that a client holds other funds or securities (not otherwise exempt from such requirement) of which an Adviser is deemed to have “custody” under the Custody Rule, such funds and securities will be maintained at one or more “qualified custodians.” A “qualified custodian” generally is a bank or savings association that has deposits insured by the U.S. Federal Deposit Insurance Corporation, an SEC-registered broker-dealer, a futures commission merchant or a foreign financial institution that holds segregated customer assets. An independent public accountant will audit the Transaction Vehicles and, solely with respect to Fund 4, the LP Investor (and, when an Adviser has custody of a co-investor’s funds or securities, the co-investment vehicle) on an annual basis, and copies of the audited financial statements will be sent to the investors in the applicable Transaction Vehicle (or co-investment vehicle, as applicable), or, solely with respect to Fund 4, the LP Investor, as described above in “Review of Accounts.”

With respect to client funds that are not held in the accounts of the Transaction Vehicles or, solely with respect to Fund 4, the LP Investor, from time to time, such funds will be maintained with a “qualified custodian” in an account in an Adviser’s name as agent or trustee for its clients. With respect to such accounts, clients will receive quarterly statements from the custodian identifying the amount of funds in the account at the end of the period and all transactions in the account during that period. Clients in each of Fund 4 and Fund 5 should carefully review these statements from the custodian, and compare them to the statements provided by an Adviser.

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## **Item 16. Investment Discretion**

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Each of the Advisers exercises discretionary authority over the assets of its clients. The Advisers receive discretionary authority from clients at the outset of the advisory relationship by means of investment advisory or similar agreement, granting a power of attorney in favor of such Adviser to select the identity and amount of any investments to be bought or sold for the client. In all cases, however, such discretion is exercised in a manner consistent with the stated investment objectives for the client. Each Adviser similarly exercises discretionary authority over the accounts of its co-investor clients, subject to such terms and objectives as may be agreed with each such client.

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## **Item 17. Voting Client Securities**

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Each Adviser generally controls any voting or consent rights included in the transaction documentation for the investments such Adviser makes on behalf of its clients (for example, in relation to modifications to loan terms and exercise of default rights).

Conflicts of interest may arise between the interests of the Clients on the one hand, and the interests of an Adviser on the other hand, when it comes to voting proxies. OBM has adopted and implemented policies and procedures which it believes are reasonably designed to ensure that each Adviser votes proxies in the best interests of its Clients in Fund 4 and Fund 5, respectively. In the event that a material conflict of interest is identified, OBM's Chief Compliance Officer or designee will take such steps as he or she deems necessary in order to determine how to vote the proxy in the best interests of the Clients, but not limited to, consulting with the legal department, outside counsel, a proxy consultant or the investment professionals responsible for the relevant portfolio company. In each instance, when exercising its voting discretion, each of the Advisers seek to avoid any direct or indirect conflict of interest between the Clients and its voting decision.

Each of the Advisers will provide Clients with a copy of the proxy voting policies and procedures, and the proxy voting record upon request from the Adviser at the address or telephone number listed on the first page of this Brochure.

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### **Item 18. Financial Information**

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The Advisers provide certain financial information and disclosures about their financial conditions. Neither of the Advisers have financial commitment that impairs its ability to meet contractual and fiduciary commitments to its clients and has not been the subject of a bankruptcy proceeding.

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