

Zenithal Capital, LLC

14205 SE 36th Street, Suite 206

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This “**Brochure**” provides information about the qualifications and business practices of Zenithal Capital, LLC (hereinafter “**Zenithal**”, “**we**”, “**us**”, “**our**” or the “**Firm**”). If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer (“**CCO**”), Jim Larsen, by email at jim@zenithal.com. Information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

Zenithal has applied as an “Investment Adviser Expecting to be Eligible for Commission Registration within 120 Days” with the SEC. Registration as an investment adviser does not imply that Zenithal or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

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

Item 2: Material Changes

This Brochure is Zenithal's initial Form ADV Part 2A which has been submitted with our application for registration with the SEC; therefore, there are no material changes to report. In the future, if the Brochure contains material changes from our last update, we will identify and discuss those changes in this section.

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Item 4: Advisory Business

Zenithal Capital, LLC (hereinafter “**Zenithal**”, “**we**”, “**us**”, “**our**” or the “**Firm**”) is organized as a Delaware limited partnership with a principal place of business New York, New York.

Zenithal will provide discretionary investment management services to qualified investors through its private funds

We serve as the investment adviser, with discretionary trading authority, to private, pooled investment vehicles, the securities of which are offered through a private placement memorandum to accredited investors, as defined under the Securities Act of 1933, as amended, and qualified purchasers, as defined under the Investment Company Act of 1940, as amended. We do not tailor our advisory services to the individual needs of any particular investor.

Zenithal intends to manage its private, pooled investment vehicles following registration with the SEC, each of which are herein each referred to as a “**Fund**” or “**Client**”, and collectively referred to as the “**Funds**” or the “**Clients**”.

The Onshore Fund’s “**Limited Partners**” and the Offshore Fund’s “**Shareholders**” are hereafter collectively referred to as the “**Investors**” where appropriate.

Our investment decisions and advice with respect to the Funds are subject to each Fund’s investment objectives and guidelines, as set forth in its respective “**Offering Documents**.”

The Firm expects to enter into side letters or similar agreements with certain investors that may waive or modify the application of, or grant special or more favorable rights with respect to the Governing Documents to the extent permitted by applicable law.

We do not currently participate in any Wrap Fee Programs.

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

Note, all capitalized or defined terms below are described in further detail in the relevant Fund’s Offering Documents.

Item 5: Fees and Compensation

The fees applicable to each of the Funds are set forth in detail in the corresponding Offering Documents. A brief summary of such fees is provided below.

Management Fee

Zenithal is paid an investment management fee (“**Management Fee**”) per annum of the net asset value of the Funds. The Fee is 2.5%.

The Investment Manager, in its sole discretion, may waive or modify the Management Fee for any Investor.

Other Types of Fees or Expenses

Zenithal is authorized to incur and pay in the name and on behalf of the Funds all expenses which they deem necessary or advisable.

In consideration for the Management Fee, the Investment Manager provides office space and utilities and professional and other personnel to the Fund. The Investment Manager also bears all marketing-related travel and entertainment expenses. The Investment Manager bears the costs of providing such goods and services, and all of its own overhead costs and expenses except as described below. The Management Fee may exceed the expenses borne by the Investment Manager on behalf of the Fund.

The Fund bears its own operating and other expenses, including, but not limited to: (i) investment-related expenses (e.g., brokerage commissions and transaction costs, clearing and settlement charges, custodial fees, interest expense, commitment fees payable to lenders, borrowing charges on securities sold short, research-related expenses (including, without limitation, consulting, legal and other professional fees and expenses), third-party research, news and quotation equipment and services (including fees for data, pricing and software providers)), (ii) third-party trading-, risk-management- and portfolio-management related systems and software, including trade order management software (i.e., software used to transmit and receive trades and orders) and any programming, server and cloud computing expenses associated with the development, testing, maintenance, implementation and operation of algorithmic trading models utilized for the Fund, (iii) investment-related travel (including meals, lodging and transportation), (iv) legal and compliance expenses (which include, without limitation, responding to formal and informal examinations, inquiries, indemnification expenses and expenses associated with regulatory filings relating to the Fund and for its portfolio), (v) insurance costs incurred in connection with the Fund’s business (including, without limitation, acquiring and maintaining D&O and/or E&O insurance for the members of the Advisory Board and for the Investment Manager, the General Partner and their respective affiliates), (vi) valuation expenses (including, without limitation, costs of third-party valuation agents), accounting fees and expenses (including, without limitation, auditor fees), and tax preparation expenses, (vii) expenses relating to the offer and sale of the Interests, (viii) investor reporting costs, (ix) taxes, (x) fees and expenses of the Administrator and the members of the Advisory Board, (xi) corporate licensing, (xii) extraordinary expenses and (xiii) other similar expenses. Expenses of the Fund, other than the Management Fee, Investor-Related Taxes (as defined below) and any expenses which the General Partner determines in its sole discretion should be allocated to a particular Limited Partner or Limited

Partners, generally will be shared by all of the Partners (including the Offshore Fund and the General Partner) pro rata in accordance with their Capital Account balances.

If any of the above expenses are incurred jointly for the account of the Fund, the Offshore Fund and/or any other investment funds, client accounts and proprietary accounts sponsored by the General Partner, the Investment Manager or their affiliates (each, an "Other Account"), such expenses will be allocated among the Fund, the Offshore Fund and/or such Other Accounts in proportion to the size of the investment made by each in the activity or entity to which the expense relates, or in such other manner as the General Partner considers fair and reasonable.

To the extent that any Fund expenses are provided or paid for by the General Partner (in excess of its ratable share) or the Investment Manager, the Fund will reimburse the General Partner and/or the Investment Manager, as the case may be, for such expenses. However, the Investment Manager may, in its sole and absolute discretion, bear any of the Fund's expenses; provided that if the Investment Manager bears any such expenses, it will not be required to continue to bear such expenses and may thereafter cause the Fund to bear such expenses.

The Fund's organizational and initial offering expenses will be borne by the Fund as of the initial closing of the Fund. Such expenses are being amortized for up to a 60-month period, but the General Partner has the discretion to amortize such expenses over a shorter period. Amortization of such expenses over a period that is up to 60 months is a divergence from the GAAP which may, in certain circumstances, result in a qualification of the Fund's annual audited financial statements. If the Fund terminates before such expenses are fully amortized, the unamortized portion of the organizational expenses will be debited against the Fund's assets at that time. If a Limited Partner withdraws all or any portion of the balance in its Capital Account(s) prior to the end of the 60-month period during which the Fund is amortizing expenses, the General Partner may, but is not required to, accelerate a proportionate share of the unamortized expenses based upon the amount being withdrawn and reduce withdrawal proceeds by the amount of such accelerated expenses.

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

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

We and our affiliates are entitled to a performance-based compensation. As a result, we and our affiliates do not face certain conflicts of interest that may arise when an investment adviser accepts performance-based fees from some clients, but not from other clients.

Performance-based allocation arrangements may create an incentive for us to recommend investments which may be riskier or more speculative than those which we would recommend under a different arrangement.

Item 7: Types of Clients

Our clients are the Funds, as described in Item 4 above, and the Funds are generally open to, among others, institutions, pension plans, endowments, high net-worth individuals, financially sophisticated individuals, and other sophisticated investors.

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

The descriptions set forth in this Brochure of specific advisory services that we offer to Clients, and investment strategies pursued and investments made by us on behalf of our Clients, should not be understood to limit in any way our investment activities. We may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that we consider appropriate, subject to each Client's investment objectives and guidelines as set forth in the Offering Documents. The investment strategies we pursue are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any Client will be achieved.

Investment Objective

The Fund's investment objective is to maximize absolute returns on capital through a combination of algorithmic and opportunistic investments, long and short, in securities and other financial instruments (including senior, secured and unsecured bank debt and public debt, private debt, junior debt, trade claims, equities, convertible securities, debt and equity indices, asset-backed and structured credit securities, futures, options, swaps (including credit default swaps) and other derivatives) identified across the full spectrum of global fixed income and equities (including all types of performing, distressed and non-performing corporate debt and credit-sensitive equity in developed and emerging markets; sovereign, quasi-sovereign, and municipal debt).

The Fund aims to capture market opportunities by identifying and capitalizing on statistical arbitrage opportunities and other dislocations at the market, asset class, sector and security levels that result from over-bought or over-sold market conditions or other factors that the Investment Manager (defined below) identifies from time to time. The Investment Manager also develops various algorithmic inputs and investment themes based on its analysis of global macro-economic conditions (including, but not limited to, currency, interest rate, commodity and other market conditions, and the fiscal and central bank policies of governments) and seeks to utilize the perspective gained from these investment themes to inform top-down portfolio capital allocations as well as integrate these views into its research process for individual positions. Algorithmic trading systems will represent significant exposure in the portfolio.

The Fund typically employs leverage, and such leverage may be substantial. The Investment Manager may utilize both trading and long-term investment opportunities.

The Fund's investment program is speculative and entails substantial risks. There can be no assurance that the Fund's investment objective will be achieved or that significant losses will not be incurred. Investment results may vary substantially on a monthly, quarterly or annual basis.

Risk Management

The investment program of the Fund is speculative and entails substantial risks. The Incentive Allocation to the General Partner may create an incentive for the Investment Manager, which is an affiliate of the General Partner, to make investments that are riskier than it would

otherwise make. There can be no assurance that the investment objective of the Fund will be achieved and that investors will not incur losses.

Risk of Loss Factors

The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in the clients advised by us. These risk factors include only those risks we believe to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis employed by us.

An investment involves significant risks, and is suitable only for those persons who can bear the economic risk of the loss of their entire investment, who have limited need for liquidity in their investment, and who have met the conditions set forth in the Offering Documents. There can be no assurances that we will achieve our investment objectives. An investment carries with it the inherent risks associated with investments in publicly-traded stocks and bonds, options, and related instruments, including, without limitation, the risks described below. Each prospective investor should carefully review the Offering Documents and the documents referred to herein before deciding to invest with Zenithal.

The investment program of the Fund is speculative and entails substantial risks. The Incentive Allocation to the General Partner may create an incentive for the Investment Manager, which is an affiliate of the General Partner, to make investments that are riskier than it would otherwise make. There can be no assurance that the investment objective of the Fund will be achieved and that investors will not incur losses.

Risk Factors

Risks Associated with Short-Term Trading of Equities and Short-Term Options on Large Cap Equities and Index Funds

The strategy involving short-term trading of equities and short-term options on large-cap equities and index funds encompasses a combination of both stock trading and options trading. This approach carries various risks that potential investors should be aware of. These risks are inherent to both equity and options markets and can result in financial losses. It is imperative to thoroughly understand these risks before engaging in this strategy.

Material Risks Associated with the Adviser's Methods of Analysis and Investment Strategies:

- The investment programs of the Funds are speculative and involve a high degree of risk. Certain Funds' trading can be highly leveraged, and performance can be, and currently is, volatile. There is no assurance that the Adviser's computational and risk management techniques and investment decisions will protect a Fund from significant losses. In addition, there is no assurance that the Adviser's analytical techniques will protect a Fund from trading losses, which could be significant and extended, if the underlying patterns of market behavior studied by the Adviser (which provide the basis for its statistical models) change in ways the Adviser did not anticipate.
- The Adviser's strategies and trading systems make extensive use of computers. The use of a computer in collating information or in developing and operating a trading method does not assure the success of the method. A computer is merely an aid in compiling and organizing information and in executing algorithms developed by human beings. No assurance is given that the trading decisions based on computer-

generated information (and/or, in certain cases, human intervention) will produce profits for the Funds. In addition, while the Adviser monitors systems and markets continuously, on occasion it may intervene in its computer trading systems: (1) in rare circumstances, including during periods of market distress, as a form of risk management when, in its view, risk is substantially higher than that perceived by the trading models; (2) to manually input corrections or updates to the data or operational parameters used by the computer system; (3) to address regulatory-related matters; or (4) based on other exceptional or compelling circumstances that may arise. Notwithstanding the foregoing, the Adviser retains discretion not to intervene even if a Fund's performance diverges significantly from its investment objectives. An intervention or a decision not to intervene could each negatively affect a Fund's performance or its ability to meet its investment objectives.

- The Adviser's trading decisions for each Fund are based on a variety of statistical models, including forecast models, risk models, and cost models. The profitability of a Fund depends on the accuracy of the underlying forecast and cost models, and the risk control of a Fund relies on the accuracy of the risk models. No assurance can be given of the models' accuracy. Flaws in these models hinder the Funds in achieving their investment objectives.

- A Fund's trading activities and, therefore, its profitability, are affected by the trading activities of other market participants. Other participants may develop (or have already developed) statistical models or trading strategies that have similarities to those used by the Adviser, which could lead to correlation in trading between the Fund and those other market participants. Any such correlation can have a negative impact on the profitability of the Fund's models, particularly when any of these market participants unwind, or partially unwind, their portfolios, as happens from time to time, including during periods of market turmoil.

- The success of a Fund's trading strategy depends on its ability to implement the trading signals generated by the Adviser's models through prompt executions of orders. If the Fund is unable to obtain prompt executions at desired prices, the Fund's performance may be adversely affected.

- U.S. and other financial markets around the world and their participants, including the financial intermediaries through which the Funds clear or execute their transactions or have contractual relationships with, can be adversely affected by unusual market turmoil such as during the COVID19 pandemic. A more recent example is Russia's military invasion of Ukraine in February 2022, which resulted in the United States and other countries imposing significant, wide-ranging economic sanctions against Russia, which could result in significant market disruptions and adversely affect the Funds' investment and trading activity and certain financial instruments in which the Funds invest. The occurrence of any market upheavals of the type described above and the ensuing market, legal, regulatory, reputational, or other consequences are unpredictable but can be expected to have an adverse effect on a Fund's business, trading, and profitability and restrict its ability to acquire, sell, or liquidate financial instruments at favorable times or prices (thereby also restricting the Fund's ability to generate cash to fulfill redemption requests) and therefore impede a Fund's ability to achieve its investment objectives.

- Trading in equity securities on securities markets outside of the U.S. exposes the Funds to additional risks. Non-U.S. securities markets may not be as developed, liquid, or efficient as those in the U.S., and equity securities of non-U.S. issuers may be less liquid and their prices more volatile than comparable securities of U.S. issuers that are

traded on U.S. exchanges. Additional risks include market closures for extended periods of time, trading halts, circuit breakers, freezing of accounts, or withholding of proceeds from dividends, corporate actions, or profits. Non-U.S. markets and non-U.S. issuers of securities may be subject to different regulations than are U.S. markets and issuers. Custodial and brokerage expenses for transactions in non-U.S. equity securities may be higher than for transactions in U.S. securities. Since non-U.S. securities are often purchased with and payable in foreign currencies, the value of these assets as measured in U.S. dollars may be affected by changes in currency rates and exchange control regulations.

- Securities, futures, forwards, and other derivatives thereon cannot always be liquidated at the desired price. In particular, it is difficult to execute a trade at a specific price when there is a relatively small volume of buy and sell orders in a market. Market disruptions, which may occur when governments take or are subject to political actions that disrupt the markets in their currency or their major exports or when exchanges impose trading halts, circuit breakers, or other trading limitations or restrictions, can also affect market liquidity. Periods of market illiquidity occur from time to time, and the events that trigger them are difficult to predict. The size of the positions acquired in any instruments, as well as the size of the trading accounts controlled by the Firm, may also increase the risk of illiquidity. There can be no assurance that market illiquidity will not cause losses for the Funds.

- The prices of securities and of futures, forwards, and other derivatives are subject to unpredictable changes, which can be rapid and substantial. Such changes may result from, among other things, changing supply and demand relationships; changes in national and international interest rates, rates of inflation and deflation, and currency controls; stock-loan availability; exchange requirements; currency fluctuations; U.S. and foreign political and economic events; changes in government trade, fiscal, economic, and monetary policies and programs; devaluations and revaluations of financial instruments; changing sentiments of the marketplace; and other world events, including without limitation the outbreak of epidemics or pandemics, natural disasters, terrorist attacks, or military conflicts. Governments and regulators from time to time intervene in certain markets, often with the intent to influence prices. For example, in response to market conditions resulting from the COVID-19 pandemic, various regulators imposed (and may in the future impose) limits or prohibitions on engaging in short sales, potentially impeding a Fund's ability to fully execute its trading strategy. Governments or applicable regulatory authorities can also, for example, close markets or limit their hours of trading.

- In addition, the Funds' financial intermediaries may encounter financial difficulties that could impair the Funds' operational capabilities or capital positions. If one of a Fund's financial intermediaries becomes insolvent, bankrupt, or unable to satisfy creditor claims, deliver securities in its custody, or execute transactions, the Fund will be subject to various risks of loss, the nature of which will vary depending on the financial intermediary's role, which may include without limitation, acting as a prime broker, a futures commission merchant (FCM), a securities lending counterparty, and/or a swap counterparty. The adverse consequences for a Fund of a financial intermediary's financial deterioration may be more severe if the Fund has multiple relationships with the financial intermediary acting in one or more of the capacities described above. This risk is magnified if the Fund deals with a financial intermediary and one or more of its affiliates, with multiple affiliates acting in different capacities. An additional layer of complexity is added if the various relationships involve multiple products with different insolvency treatments or service providers and counterparties

in non-U.S. jurisdictions. Funds that conduct business with non-U.S. counterparties may also not be afforded certain of the protective measures provided by U.S. laws and regulations. Multiple relationships can make it more difficult for the Fund to recover assets from or assert claims against the financial intermediary and its affiliates. The Funds rely on third parties to regularly assess counterparties' creditworthiness and generally do not have access to information to enable them to anticipate the financial deterioration of a particular financial intermediary. Any financial difficulties experienced by a financial intermediary can affect its creditworthiness and prevent it from performing services for a Fund, which can impair the Fund's ability to execute and settle transactions.

- Changes in existing law and government regulations can adversely affect the returns of the Funds or their ability to conduct business. Such changes are beyond the Funds' control and can occur relatively quickly. For example, in response to volatile markets, a number of regulators have imposed (and may in the future impose) limits or prohibitions on engaging in short sales, potentially impeding a Fund's ability to fully execute its trading strategy. New interpretations of existing laws and regulations might also make a Fund a target of regulatory suits or proceedings. A second example involves the London Interbank Offered Rate ("LIBOR"), which will no longer be published for any financial instrument after 2023. While the financial instruments in which the Funds trade and invest generally have not and do not use LIBOR as a reference rate, the discontinuation of LIBOR has the potential to, among other things, result in uncertainty as to the value of a reference rate or the functioning, liquidity, or value of certain financial contracts; regulatory actions that adversely affect certain markets or specific financial contracts; and/or adverse ramifications for a Fund's financial intermediaries, all of which could have a negative impact on a Fund's performance or profitability. While to date, none of those have occurred in a manner that has had an impact on the Funds, since the LIBOR transition is not yet complete, there is no assurance that this will continue to be the case. In recent years, new laws and regulations have provided additional oversight of financial markets around the globe. These include more stringent registration and disclosure requirements and other heightened oversight requirements for private investment funds and their advisers; additional or increased restrictions with respect to certain trading techniques and related financial instruments (e.g., short sale restrictions, clearing and trading of over-the-counter derivatives, and enhanced speculative position limits); potential changes in the tax treatment of U.S. and non-U.S. investment vehicles and their advisers; the creation of a single systemic risk regulator with oversight and authority over substantially all of the U.S. financial system; and other substantial changes in the broader legal and regulatory framework in which such funds operate. Many of these changes are found in the Dodd-Frank Act. While many provisions of the Dodd-Frank Act have become effective, some important implementing rules and regulations (including many relating to security-based derivatives) have not yet become effective, so their full impact is unknown. The regulation of private investment vehicles and their transactions is also subject to future modification by further legislative, executive, or regulatory action as well as judicial review. In addition, federal, state, local, or foreign regulations may impose reporting or other disclosure requirements relating to, among other things, type of security, position size, or issuers in particular industries. These requirements may impose an onerous administrative burden on a Fund or require the disclosure of confidential information. As a result, a Fund may initiate certain holding limits or reduce the size of certain positions, actions it would not take absent the need to comply with or address the impact of these regulations.

- Most of the Funds' positions are expected to have or be based on publicly available prices; however, in certain circumstances, there may be no independent valuation source available, in which case the Adviser will apply a different valuation with a view towards reaching a commercially reasonable result. There is no assurance that all such valuations will be correct or even available at any given time.
- The Adviser uses various risk control measures – including adjustments to reserves and regular monitoring of financial intermediaries – to attempt to reduce market, counterparty, and other risks. There is no assurance that these risk control measures will be successful. In addition, the Adviser may engage in hedging activities to attempt to reduce various risks, and the Funds may from time to time use stock index options for the purpose of risk reduction as well as investment. There is a substantial risk, however, that such hedges will not be effective in limiting losses. In fact, such hedges could result in a substantial loss, notwithstanding the fact that they were intended to reduce risk. Many hedging instruments can encumber a small amount of cash relative to the magnitude of the risk assumed. Furthermore, many hedging instruments may result in a loss if the other party to the transaction does not perform as promised. Moreover, governmental actions that inhibit a Fund's ability to engage in certain transactions can impede a Fund's ability to hedge its investments.
- The Funds' relationships with their financial intermediaries are governed by negotiated agreements that can be amended or terminated, including upon the occurrence of a variety of events such as the Fund's bankruptcy, failure to maintain required regulatory licenses or registrations, failure to deliver specified reports, or failure to meet certain tests related to net asset value. If such an event occurs, the counterparty may have the ability to immediately terminate the relationship or change certain terms of the agreement, such as applicable financing rates. Any such termination or amendment can have an adverse effect on the Fund's ability to continue to trade with that financial intermediary and on the profitability of the Fund.
- The Funds rely on the Adviser's information technology and data management systems and those of their service providers. These systems can fail or be subject to interruption, damage, or destruction caused by natural or man-made occurrences, such as extreme weather, fires, or earthquakes; quarantines and other mobility or access restrictions; widespread or prolonged loss of access to key personnel; power loss or computer, network, or telecommunications failures; usage errors by personnel; infiltration by unauthorized persons, including cyberattacks (some of which may not be detected for an extended period of time and some of which could be massive attacks aimed at a country's critical infrastructure and economic systems); and terrorist attacks and other intentional acts of destruction. Any failure, interruption, or destruction of or damage to the Adviser's or a service provider's information technology or data management systems could have a material adverse impact on the Funds' operations and result in the theft, disclosure, or loss of proprietary, confidential, or other sensitive information.
- If certain hardships or other extraordinary circumstances exist, including but not limited to substantial redemptions that the Adviser believes would have a significant adverse and/or a significant and disproportionately unfair effect on non-redeeming investors or the Funds, the Adviser may, in whole or in part, suspend or delay redemptions or delay redemption payments until such time as the Adviser determines that such hardships or other extraordinary circumstances no longer exist.
- Under extraordinary circumstances, the Funds may find it necessary to establish a reserve for liabilities (contingent or otherwise) or withhold a portion of an investor's

proceeds at the time of redemption from the Fund, in which case the reserved or withheld portion would remain at the risk of the Fund's activities. Such reserved or withheld amounts may be required to be maintained for a substantial period of time until the Adviser determines that they are needed to cover liabilities or that removal of those reserves or withheld amounts (in whole or in part) is appropriate and in the best interest of the non-redeeming investors.

- **High Portfolio Turnover** – The Funds may be subject to a high portfolio turnover rate, which can be expected to result in high transaction costs, which in turn can be expected to adversely affect the Funds' performance. In addition, the Funds' trading activities can generate taxable income for investors that is significantly greater or less than the investor's share of the net economic gain or loss in a Fund.

- **High Leverage** – The Funds may borrow, either directly or indirectly, to finance the acquisition of securities and will secure such borrowings with its assets. The amount of borrowing will vary and cannot be estimated. Leveraging enhances the ability of the Funds to acquire securities but also increases their potential exposure to losses.

- **ETPs** – The Funds may trade ETFs, ETNs, and ETCs ("ETPs"), and derivatives or options that reference ETPs as an underlying. ETFs represent shares of ownership in either funds or unit investment trusts that hold portfolios of common stocks, bonds, or other instruments and are generally designed to correspond to the return of the relevant benchmark index. In contrast, ETNs do not constitute an actual investment portfolio or actual assets and are unsecured debt obligations issued by financial institutions that are designed to track the return of an index or underlying asset such as a commodity or currency. ETNs intended to track individual commodities or commodity indices are known as ETCs (hereinafter, references to "ETNs" include ETCs). The primary risks associated with ETPs are as follows: (1) ETPs may be unable to precisely replicate the performance of the index or assets to which they are linked as a result of expenses and other factors; (2) ETPs are subject to market risk due to unfavorable fluctuations in the market price of the underlying assets or index components; and (3) ETPs that are exposed to non-U.S. markets or instruments involve the risk of capital loss from unfavorable fluctuations in currency values, differences in generally accepted accounting principles, or economic or political instability in other nations. ETNs are exposed to certain additional risks as follows: (1) unlike ETFs, ETNs are unsecured debt obligations and are subject to the risk of the issuer's insolvency; (2) ETNs are generally less liquid than ETFs, may have wider bid-ask spreads, and may be more vulnerable to market volatility; (3) substantial discrepancies between an ETN's market price and its indicative value (based on underlying reference net asset values) could result in losses to investors that purchase at a substantial premium to the indicative value; and (4) ETNs may be mandatorily redeemed at a price below an investor's original purchase price upon the issuer's (or a counterparty's) insolvency.

Material Risks Associated with Investment Products by the Funds

Risks to trading in equities include but are not limited to the following:

- **Securities Lending Agreements** – These arrangements present counterparty credit risk, including insolvency, and the risk of counterparty default. In addition, the Funds have no control over how counterparties process and allocate fulfillment of requests to borrow securities.

- **Currency Fluctuations and U.S. Dollar-Denominated Securities** – Issuers of U.S. dollar denominated securities are subject to currency fluctuations between the value of the U.S. dollar and the other currencies in which they transact business.
- **Short Sales** – A short sale involves a theoretically unlimited risk of an increase in the market price of securities sold short. Limitations or bans on short selling impede the Funds’ ability to fully execute their trading strategies. The risks of short selling are also increased by lenders’ ability to “re-call” securities borrowed by the Funds, as well as actions aimed at creating a “short squeeze” by increasing the price of specific securities for which there are known or perceived substantial short positions across the market.
- **Effect of Redemptions** – Significant redemptions necessitating a substantial reduction of portfolio positions in equity securities could make the remaining portfolio less liquid and more expensive to liquidate.
- **Options** – Sellers of uncovered call options assume the risk of a theoretically unlimited increase in the market price of the underlying security while sellers of uncovered put options assume the risk of a decrease in the market price of the underlying security possibly to zero. Buyers of options risk losing their entire investment.

Item 9: Disciplinary Information

To the best of our knowledge, there are no legal or disciplinary events that are material to an Investor's or prospective investor's evaluation of our advisory business or the integrity of our management.

Item 10: Other Financial Industry Activities and Affiliations

Neither we nor our management persons are registered as broker-dealers, and neither of us has any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer, respectively.

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

Code of Ethics

Zenithal has adopted a “**Code of Ethics**” that establishes the high standard of conduct that we expect of our employees and procedures regarding our employees’ personal trading of securities. Our employees are required to certify their adherence to the terms set forth in the Code of Ethics upon commencement of employment and annually thereafter. Employees also are required to provide quarterly certifications of compliance with certain Code of Ethics provisions.

The foundation of our Code of Ethics is based upon the following underlying fiduciary principles:

- Employees must at all times place the interests of the Funds and Investors first;

- Employees must ensure that all personal securities transactions are conducted consistent with the Code of Ethics' Employee Personal Investment Policy (described below); and
- Employees should not take inappropriate advantage of their position at the Firm.

Employees are not permitted to maintain personal brokerage accounts for the purpose of trading "**Reportable Securities**" (as defined in the Code of Ethics, and which includes a wide variety of investments such as stocks, bonds, fixed income, options, warrants, futures, and derivatives) except for the purpose of holding or liquidating any such holdings after the commencement of employment. Employees are permitted to liquidate positions held at the time of employment in Reportable Securities (a "**Liquidating Trade**") subject to pre-clearance by the CCO. Employees are prohibited from participating in Initial Public Offerings ("**IPOs**"). Employees are also prohibited from personally, or on behalf of a Client, purchasing or selling securities that appear on the Firm's Restricted List.

Employees must obtain pre-approval from the CCO before: (i) engaging in any outside business activities; or (ii) making any private investments.

We will provide a copy of our Code of Ethics to our Investors, or any prospective investor, upon request, to be viewed on the premises.

Item 12: Brokerage Practices

Zenithal is authorized to determine the broker-dealer to be used for executing securities transaction for the Funds. In selecting broker-dealers to execute transactions, we do not need to solicit competitive bids and do not have an obligation to seek the lowest available commission cost. It is not our practice to negotiate "execution only" commission rates; therefore, the Funds may be deemed to be paying for research, brokerage or other services provided by the broker which are included in the commission rate.

We shall also have the authority to select and appoint custodians of the assets of the Funds. The Firm's authority is limited by its own internal policies and procedures and each Fund's investment guidelines.

Best Execution

In selecting an appropriate broker-dealer to effect a client trade, we seek to obtain "**Best Execution**," meaning generally the execution of a securities transaction for a client in such a manner that a client's total costs or proceeds in the transaction are most favorable under the circumstances. Accordingly, in seeking Best Execution, we will take into consideration the price of a security offered by the broker-dealer, as well as a broker-dealers' full range and quality of their services including, among other things, their facilities, reliability and financial responsibility, execution capability, commission rates, responsiveness to us, brokerage and research services provided to us (for example, research ideas, analysis, and investment strategies), special execution and block positioning capabilities, clearance, and settlement and custodial services.

Soft Dollars

The Firm may use “**Soft Dollars**”. In such cases, Soft Dollar credits, generated by the Fund’s trading activities, would be used to purchase brokerage and research services or products that would otherwise have been Fund expense. We intend to keep any such arrangements within the parameters of the safe harbor of Section 28(e) of the Exchange Act.

Neither Zenithal nor any related person receives client referrals from any broker-dealer or third party. However, subject to best execution, we may consider, among other things, capital introduction and marketing assistance with respect to Investors in the Funds in selecting or recommending broker-dealers for the Funds.

The provision by a broker of research and other services and property to us creates an incentive for us to select such broker since we would not have to pay for such research and other services and property as opposed to solely seeking the most favorable execution for a client. Any research, services or property provided by a broker may benefit any client and such benefits may not be proportionate to commission dollars related to the provision of such research, services or property.

Item 13: Review of Accounts

Our Portfolio Manager and investment professionals continuously monitor and analyze the transactions, positions, and investment levels of the Fund to ensure that they conform with the investment objectives and guidelines that are stated in the Fund’s Offering Documents. In these reviews, the Firm pays particular attention to any changes in the investment’s fundamentals, overall risk management and changes in the markets that may affect price levels.

Account Reporting

We perform various periodic reviews of each client’s portfolio. Such reviews are conducted by our officers.

We will distribute an audited financial report with respect to the previous fiscal year to all Investors within 120 days of fiscal year end. We may also distribute quarterly unaudited net asset value statements, quarter-end performance reports, and a quarterly investor letter to all Investors.

Item 14: Client Referrals and Other Compensation

We do not receive economic benefits from non-clients for providing investment advice and other advisory services. Neither we nor any of our related persons, directly or indirectly, compensate any person who is not a supervised person for client referrals.

Item 15: Custody

We will be deemed to have custody of Client funds and securities because we have the authority to obtain Client funds or securities, for example, by deducting advisory fees from a

Client's account or otherwise withdrawing funds from a Client's account. Account statements related to the Clients are sent by qualified custodians to Zenithal.

We will comply with Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”) (i.e., the “custody rule”) by meeting the conditions of the pooled vehicle annual audit approach. Upon completion of the relevant Fund’s annual audit by an independent auditor that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board (PCAOB), we will distribute the Fund’s audited financials to Investors within 120 days of such Fund’s fiscal year end.

Item 16: Investment Discretion

We will have full discretionary investment authority with respect to the Funds, including authority to make decisions with respect to which securities to be bought and sold, as well as the amount and price of those securities.

Item 17: Voting Client Securities

In compliance with Rule 206(4)-6 of the Advisers Act (i.e., the “proxy voting rule”), we have adopted proxy voting policies and procedures. The general policy is to vote all proxy proposals, amendments, consents or resolutions (collectively, “**Proxies**”) in a prudent and diligent manner that will serve the applicable Client’s best interests and is in line with the Client’s investment objectives.

We may take into account all relevant factors, as determined by us in our discretion, including, without limitation:

- the impact on the value of the securities or instruments owned by the relevant client and the returns on those securities;
- the anticipated associated costs and benefits;
- the continued or increased availability of portfolio information; and
- industry and business practices.

Generally, clients may not direct our vote in a particular solicitation.

Clients may obtain a copy of our Proxy voting policies and our Proxy voting record upon request.

Item 18: Financial Information

We are not required to include a balance sheet for our most recent fiscal year, are not aware of any financial condition reasonably likely to impair our ability to meet contractual commitments to Clients, and have not been the subject of a bankruptcy petition at any time during the past ten years.