Preserver Partners, LLC

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Form ADV, Part 2A - Firm Brochure

March 23, 2026

This Brochure provides information about the qualifications and business practices of Preserver Partners, LLC (the "Firm"). If you have any questions about the contents of this Brochure, please contact us by telephone at (901) 755-4737 or by e-mail at ir@preserverpartners.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority. The Firm is a registered investment adviser. The term "registered investment adviser" reflects the Firm's registration with the SEC and does not imply a certain level of skill or training.

Additional information about Preserver Partners, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2. Material Changes

No material changes have occurred since the Firm's last Brochure filed on March 25, 2025. However, non-material updates have been included in this Brochure, including updates to assets under management, the liquidation of one private fund, and other administrative and disclosure refinements.

Item 3. Table of Contents

Item 4. Advisory Business

The Company

Preserver Partners, LLC ("Preserver" or the "Firm") is an independent investment management firm based in Memphis, Tennessee. Preserver is a Tennessee limited liability corporation that was organized in July 2009 and has been providing investment management services since January 2010. Preserver is registered as an investment adviser under the Investment Adviser's Act of 1940, as amended (the "Adviser's Act") with the U.S. Securities and Exchange Commission ("SEC"). Preserver's principal owner is Dana Pointer, who also serves as Chief Executive Officer.

Advisory Services

Preserver provides discretionary advisory services to privately offered pooled investment vehicles ("private funds") and separately managed accounts ("SMAs"). As of the date of this Brochure, the Firm advises one private fund and one separately managed account; the private fund and SMA are collectively referred to herein as "Clients", "Client Accounts", or "Funds" and individually as "Fund" or "Portfolio". Preserver serves as General Partner to the private fund and as adviser to the separately managed account.

The Firm's private fund offers strategies that seek to preserve capital and generate long-term absolute returns across market cycles, while providing downside protection through investment selection and risk-based portfolio construction.

This Brochure should not be considered an offering document for the private fund and investors should refer to the private fund's offering memorandum for complete descriptions of the Fund, including its strategy, risks, conflicts of interest, and expenses.

Preserver tailors its investment advisory services for the private fund to its overall investment strategy program, and not to the needs of any underlying investor. Investment objectives, guidelines and fee arrangements for the separately managed account are individually negotiated and set forth in the applicable advisory agreement. Separately managed account clients may impose restrictions on investing in certain securities or types of securities. SMAs generally require significant account minimums.

Portfolios for the private fund managed by Preserver may include but are not limited to investments (domestic and foreign) in common stock, preferred stock, convertible securities, real estate investment trusts, alternative investments, private placement securities, private funds, registered investment companies, and structured products.

The private fund is exempt from registration as an investment company under Section 3(c)(1) of the Investment Company Act of 1940, as amended (the "Company Act").

Preserver does not participate in any wrap fee programs.

Assets Under Management

As of February 28, 2026, Preserver's managed regulatory assets under management were approximately $175,729,180 on a discretionary basis. Preserver does not manage assets on a non-discretionary basis.

Item 5. Fees and Compensation

Preserver receives an asset-based management fee for its advisory services. The fees vary across the client accounts.

<u>Private Fund Fees</u>

The fees applicable to Preserver's private fund are set forth, in detail, in the Fund's governing documents (Private Offering Memorandum). Fund investors generally pay a management fee to Preserver (the "Management Fee") that accrues monthly in the Fund, equal to an annual rate ranging between 0.50% and

1.00% of net assets. Management Fees are accrued monthly, payable quarterly in arrears and deducted directly from the investors' assets then paid to the Firm. Investors in the private fund pay no Incentive Fee to Preserver.

<u>SMA Fees</u>
The fees applicable to SMAs are set forth, in detail, in the Advisory Agreement. The Management Fee for Preserver's current SMA is equal to an annual rate of 0.50% of net assets. Fees are billed and deducted by Preserver from the client's brokerage account quarterly. The SMA client pays no Incentive Fee.

Preserver may, in its sole discretion reduce, waive, or calculate differently the Management Fee for a given period for a particular investor in the SMA and the private fund. For example, Preserver may negotiate its Management Fee because of a client's asset level in a portfolio or a client's specific situation. Preserver may enter into side letters or similar agreements with certain investors in the private fund, granting such investor specific rights, benefits, or privileges. Management Fees are not paid in advance.

Management fees are exclusive of brokerage commissions, custodial fees, transaction fees, and other investment related costs and expenses. Broker-dealers executing trades generally charge a brokerage commission on equity securities and a markup or markdown on fixed income securities. Although there is no formal brokerage expense on fixed income securities, the Funds will incur the implicit trading costs reflected in the broker-dealer spreads. In addition to brokerage commissions, client accounts may be subject to costs and expenses that include, but are not limited to, custodial fees, trading costs, acquired fund fees, research related expenses, legal expenses, tax and audit fees, and administrative fees, as described in greater detail in each client's governing documents. Additional information regarding the factors that Preserver considers in selecting or recommending broker-dealers and determining the reasonableness of their compensation is described below in Item 12 - Brokerage Practices.

Neither the Firm nor its officers, directors, or employees ("supervised persons") accept compensation for the sale of securities or other investment products.

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

Neither Preserver nor any of its supervised persons receive performance-based fees. None of Preserver's client accounts are subject to performance-based fees.

Item 7. Types of Clients

Preserver provides investment management services to pooled investment vehicles and SMAs. The limited partners of the private fund and the SMA client include, but are not limited to, the following categories: accredited individual investors, foundations and endowments, retirement and pension plans, IRAs, family offices, and corporations.

Preserver's private fund is offered in the United States and limited to "accredited investors" as defined under Regulation D under the Securities Act of 1933, as amended (the "Securities Act"), and therefore not required to register as investment companies under the Investment Company Act in reliance upon the exemption under Section 3(c)(1) for funds whose securities are not publicly offered. Investments in Preserver's private fund generally require a minimum investment of $250,000. The execution of SMA Advisory Agreements depends upon the prospective client's investment objectives and portfolio size. The Adviser may accept lesser amounts, in its sole discretion.

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

Preserver's investment philosophy is to preserve capital and generate long-term absolute returns across market cycles. The strategy seeks to generate high gross portfolio yield and capital appreciation, where appropriate, while providing downside protection through investment selection and risk-based portfolio construction.

Preserver's investment process is primarily based on extensive research and focused on investing opportunistically across a variety of asset classes, strategies and capital structures primarily through private funds and separately managed accounts.

Methods of Analysis

Preserver's investment process is an analytical and fundamental framework which includes Qualitative, Valuation and Risk Assessments, as appropriate.

Qualitative Assessment

- Fact-finding review of the opportunity by researching articles, presentations, white papers, interviews, webinars, etc.;
- Determine 1) Why does the opportunity exist, 2) What makes the opportunity attractive, 3) What risks are associated with the opportunity, and 4) What is the most efficient way to access the opportunity; and
- Determine upside and downside cases.

Valuation Assessment

- Compare absolute and relative valuations to similar opportunities and to historical valuations;
- Determine if other factors may be affecting valuations;
- Review fund flow data;
- Determine key metrics driving valuation changes such as declining default rates, price multiple expansion or yield volatility;
- Quantitative and statistical review of historical performance, downside and attribution analysis; and
- Determine expected return profile including skewness, kurtosis and frequency and size of both positive and negative returns.

Risk Assessment

- Evaluate exposure to key risk factors such as interest rate risk, credit risk, equity risk, prepayment risk, and exposure to the broad economy and specific sectors;
- Identify and evaluate any unique exposure to idiosyncratic risks;
- Identify potential sources of risk mitigation; and
- Using covariance and scenario analyses, estimate diversification benefits.

Investment Strategies

While comprehensive descriptions of the Fund's investment objectives and strategies are set forth in the Fund's governing documents and Advisory Agreements, a brief description of the investment strategy offered by the Firm is set forth below:

Opportunistic Multi-Strategy

The strategy offers a unique multi-strategy approach to investing across asset classes by targeting niche opportunities which may be thematic or event-driven, where there are structural inefficiencies or that exploit temporary market dislocations. This strategy seeks to generate superior risk-adjusted returns while minimizing the risk of loss. The strategy pursues its investment objectives by principally investing in five major asset groupings: Private Credit, Structured Credit, Real Assets, Opportunistic Fixed Income, and Equity. Risk is minimized through investment selection, risk-based portfolio construction and low correlation between investments and market indices.

Preserver employs its opportunistic strategy through the private fund and the SMA with focused portfolios where returns are generated through high current yield and moderate capital appreciation. Preserver invests directly in individual securities and employs external investment managers ("Managers"), who may use some leverage, to execute the investment objectives of the client accounts. Preserver itself determines the portion of the assets to be allocated internally and to other Managers for investment. In selecting Managers and their capital allocation, Preserver considers several factors; the investment strategies employed by a particular Manager, including any regional, sector or style focus, the securities utilized to implement these strategies, strategy and security liquidity, and the investment risks associated with these strategies and underlying holdings. The effect of existing and developing market conditions, economic and/or financial trends on the success of a Manager's investment strategies are also factors in determining whether to allocate to a particular Manager as well as the size of that Manager's allocation.

Risk of Loss

Although Preserver manages its client accounts to maximize returns and reduce the risk of loss, based on the Firm's experience and research, the value of client accounts will depend on the performance of underlying investments and securities in which they are invested. Investing in funds and securities involves risk of loss. Preserver does not represent or guarantee that its services or methods of analysis can or will predict future results, successfully identify market tops or bottoms or insulate clients from losses due to market corrections or declines. Preserver cannot offer any guarantees or promises that a client's financial goals and objectives will be met.

The material risks set forth below are qualified in their entirety by more detailed risk disclosures in the applicable private fund's offering documents and advisory agreements.

Undervalued Securities

Preserver's investment strategies seek to invest in undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task and there is no assurance that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer the opportunities for above average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from such investments may not adequately compensate for the business and financial risks assumed. Preserver may make certain speculative investments in securities, which it believes to be undervalued; however, there are no assurances that the securities purchased will in fact be undervalued. In addition, a Fund may be required to hold such securities for a substantial period of time before realizing their anticipated value. During this period, a portion of a Fund's capital may be committed to the securities purchased, thus possibly preventing the Fund from investing in other opportunities.

Equity and Equity Related Securities

Preserver may invest in equity and other equity related securities, which are subject to various types of risks, including market risk, liquidity risk, counterparty credit risk, legal risk, and operations risk. In addition, equity-related instruments can involve significant economic leverage and may, in some cases, involve significant risk of loss. Equity securities include common stocks, preferred stocks, interests in real estate investment trusts, convertible securities of U.S. and foreign corporate issuers including equity securities of smaller companies, equity interests of trusts, partnerships, joint ventures, and stock purchase rights. The value of equity securities depends on business, economic and other factors affecting those issuers. Equity securities fluctuate in value, often based on factors unrelated to the value of the issuer of the securities, and such fluctuations may be pronounced. In general, stock values fluctuate in response to the activities of individual companies and in response to general market and economic conditions. Accordingly, the value of the stocks and other securities and instruments may decline over short or extended periods.

Fixed Income Securities

Preserver may invest in fixed income securities including mortgage-backed securities (including collateralized mortgage obligations of U.S. and foreign issuers), asset-backed securities, municipal securities, and corporate debt securities of U.S. and foreign issuers; commercial paper, zero coupon securities, loan participations, and inflation-protected securities of U.S. issuers, U.S. Government Securities, foreign government securities, and U.S. short-term money market instruments.

<u>Risks of fixed income securities</u>

> <u>Credit Risk</u> Changes in the ability of an issuer to make payments of interest and principal and the markets' perception of an issuer's creditworthiness, may also affect the market value of that issuer's debt securities. The financial condition of an issuer of a fixed income security held in the Fund may

cause it to default on interest and/or principal payments due on a security. This risk generally increases as security credit ratings fall.

Interest Rate Risk The market value of the interest-bearing debt securities held in the Fund will be affected by changes in interest rates. There is normally an inverse relationship between the market value of securities sensitive to prevailing interest rates and actual changes in interest rates. The longer the remaining maturity (and duration) of a security, the more sensitive the security is to changes in interest rates. All fixed income securities, including U.S. Government Securities, can change in value when there is a change in interest rates. As a result, an investment in the Fund is subject to price risk even if all fixed income securities in the Fund are paid in full at maturity.

Prepayment and Extension Risk Certain fixed income securities may be subject to extension risk, which refers to the change in total return on a security resulting from an extension of the security's maturity. Issuers may prepay fixed rate securities when interest rates fall, forcing the account to invest in securities with lower interest rates. Issuers' fixed income securities are also subject to the provisions of bankruptcy, insolvency and other laws affecting the rights and remedies of creditors that may restrict the ability of the issuer to pay, when due, the principal and interest on its debt securities. The possibility exists therefore, that, as a result of bankruptcy, litigation or other conditions, the ability of an issuer to pay, when due, the principal and interest on its debt securities may become impaired.

Credit Quality Risk Preserver generally invests in investment grade and non-investment grade fixed income securities. Fixed income securities are considered to be of investment grade quality if they are rated "Baa" or higher by Moody's Investor Service, Inc. ("Moody's") or "BBB" or higher by Standard & Poor's Corporation ("S&P") or are unrated and are deemed to be of comparable quality by Preserver or a Manager ("Investment Grade Securities"), at the time of purchase.

Preserver may retain securities whose rating has been lowered (or that are unrated and determined by Preserver or a Manager to be of comparable quality to securities whose rating has been lowered below investment grade) if Preserver or a Manager determines that retaining such security is in the best interests of the Fund. Because a downgrade often results in a reduction in the market price of the security, the sale of a downgraded security may result in a loss.

Mortgage-Backed Securities The value of mortgage-backed securities may be significantly affected by changes in interest rates, the markets' perception of issuers, the structure of the securities, and the creditworthiness of the parties involved. The ability of a Fund to successfully utilize mortgage-backed securities depends in part upon the ability to forecast interest rates and other economic factors correctly. Some mortgage-backed securities have structures that make their reaction to interest rate changes and other factors difficult to predict. Prepayments of principal of mortgage-backed securities by mortgagors or due to mortgage foreclosures affect the average life of the mortgage-backed securities. The occurrence of mortgage prepayments is affected by various factors, including the level of interest rates, general economic conditions, the location and age of the mortgages, and other social and demographic conditions. In periods of rising interest rates, the prepayment rate tends to decrease, lengthening the average life of a pool of mortgage-backed securities.

In periods of falling interest rates, the prepayment rate tends to increase, shortening the average life of a pool. The volume of prepayments of principal on the mortgages underlying a particular mortgage-backed security will influence the yield of that security, affecting a Fund's yield. Because prepayments of principal generally occur when interest rates are declining, it is likely that a Fund, to the extent it retains the same percentage of fixed income securities, may have to reinvest the proceeds of prepayments at lower interest rates than those of their previous investments. If this occurs, a Fund's yield will correspondingly decline. Thus, mortgage-backed securities may have less potential for capital appreciation in periods of falling interest rates (when prepayment of principal is more likely) than other fixed income securities of comparable duration. A decrease in the rate of prepayments may extend the effective maturities of mortgage-backed securities, reducing their sensitivity to changes in market interest rates. To the extent that a client account purchases mortgage-backed securities at a premium, unscheduled prepayments, which are made at par, result in a loss equal to an unamortized premium. To lessen the effect of the failures by obligors on mortgage assets to make payments, CMOs and other mortgage-backed securities may contain elements of credit enhancement, consisting of either (1) liquidity protection or (2) protection against losses resulting after default by an obligor on the underlying assets and allocation of all amounts recoverable directly from the obligor and through liquidation of the collateral. This protection may be provided through guarantees, insurance policies or letters of credit obtained by the issuer or sponsor from third parties, through various means of structuring the transaction or through a combination of these. A Portfolio will not incur any additional fees for credit enhancements for mortgage-backed securities, although the credit enhancement may increase the costs of the mortgage-backed securities.

<u>High Yield Securities</u> High yield bonds, commonly referred to as “junk” bonds, are highly speculative securities that are usually issued by smaller, less credit-worthy and/or highly leveraged (indebted) companies. Compared with investment-grade bonds, high yield bonds carry a greater degree of risk and are less likely to make payments of interest and principal. Market developments and the financial and business conditions of the corporation issuing these securities influence their price and liquidity more than changes in interest rates, when compared to investment-grade debt securities. Insufficient liquidity in the high yield bond market may make it more difficult to dispose of high yield bonds and may cause securities to experience sudden and substantial price declines. A lack of reliable, objective data or market quotations may make it more difficult to value high yield bonds accurately during periods of market stress.

<u>Asset-Backed Securities</u> Like mortgages-backed securities, the collateral underlying asset-backed securities are subject to prepayment, which may reduce the overall return to holders of asset-backed securities. Asset-backed securities present certain additional and unique risks. Asset-backed securities typically have no U.S. government backing. Additionally, the ability of an issuer of asset-backed securities to enforce its security interest in the underlying assets may be limited. Credit card receivables are generally unsecured, and the debtors are entitled to the protection of a number of state and Federal consumer credit laws, many of which give such debtors the right to set-off certain amounts owed on the credit cards, thereby reducing the balance due. Automobile receivables are generally secured by automobiles. Most issuers of automobile receivables permit the loan servicers to retain possession of the underlying obligations. If the servicer were to sell these obligations to another party, there is a risk that the purchaser would acquire an interest superior to that of the holders of the asset-backed securities. In addition, because of the large number of vehicles involved in a typical issuance and the technical requirements under state laws, the trustee for the holders of the automobile receivables may not have a proper security interest in the underlying automobiles. As a result, the risk that recovery on repossessed collateral might be unavailable or inadequate to support payments is greater for asset-backed securities than for mortgage-backed securities.

<u>Loan Participations</u> When purchasing loan participations, the portfolio assumes the credit risk associated with the corporate borrower and may assume the credit risk associated with an interposed bank or other financial intermediary. The loan participations in which the portfolio may invest may not be Investment Grade Securities. A loan is often administered by an agent bank acting as agent for all holders. The agent bank administers the terms of the loan, as specified in the loan agreement. In addition, the agent bank is normally responsible for the collection of principal and interest payments from the corporate borrower and the apportionment of these payments to the credit of all institutions, which are parties to the loan agreement. Unless, under the terms of the loan or other indebtedness, the portfolio has direct recourse against the corporate borrower, the portfolio may have to rely on the agent bank or other financial intermediary to apply appropriate credit remedies against a corporate

borrower. If assets held by the agent bank for the benefit of the portfolio were determined to be subject to the claims of the agent bank's general creditors, the portfolio might incur certain costs and delays in realizing repayment and could suffer a loss of principal and/or interest. In situations involving other interposed financial institutions (e.g., an insurance company or governmental agency) similar risks may arise. Investors in loan participations depend primarily upon the creditworthiness of the corporate borrower for payment of principal and interest. If the portfolio does not receive scheduled interest or principal payments on such indebtedness, the net asset value of the portfolio may decline. Loans that are fully secured offer the portfolio more protection than an unsecured loan in the event of non-payment of scheduled interest or principal. However, there is no assurance that the liquidation of collateral from a secured loan would satisfy the corporate borrower's obligation, or that the collateral can be liquidated. In the event of the bankruptcy of a borrower, the portfolio could experience delays or limitations in its ability to realize the benefits of any collateral securing a loan. Loan participations may not be readily marketable and may be subject to restrictions on resale. In addition, valuation of illiquid indebtedness involves a greater degree of judgment in determining the portfolio's net asset value than if that value were based on available market quotations and could result in significant variations in the portfolio's daily share price.

Derivatives

Derivatives are used opportunistically and are not a primary component of the Firm's investment strategy. However, Preserver may engage in transactions involving derivatives including options, futures contracts, swaps, and other derivative securities (collectively, "Financial Instruments"). Derivatives are financial contracts, whose value depend on, or is derived from, the value of underlying assets, reference rate or index. Preserver may also engage in forward contracts, also derivatives, which are further discussed in "Foreign Currency Transactions," and acquire rights/warrants issued in connection with common/preferred stock or bonds that it may hold.

<u>Risks of Options, Futures and Other Strategies</u>

The use of Financial Instruments involves special considerations and risks, certain of which are described below.

Successful use of most Financial Instruments may depend upon the ability to predict movements of the overall securities markets, which requires different skills than predicting changes in the prices of individual securities. The ordinary spreads between prices in the cash and futures markets, due to the differences in the natures of those markets, are subject to distortion. Due to the possibility of distortion, a correct forecast of market trends may still not result in a successful transaction.

Options and futures prices can diverge from the prices of their underlying instruments. Options and futures prices are affected by such factors as current and anticipated short-term interest rates, changes in volatility of the underlying instrument and the time remaining until expiration of the contract, which may not affect security prices the same way. Imperfect or no correlation also may result from differing levels of demand in the options and futures markets and the securities markets, from structural differences in how options and futures and securities are traded, and from the imposition of daily price fluctuation limits or trading halts.

Client accounts may be required to maintain assets as cover, maintain segregated accounts or make margin payments when engaging in certain derivatives transactions. If the portfolio is unable to close out its positions in such Financial Instruments, it might be required to continue to maintain such assets or accounts or make such payments until the position expires or matures. These requirements might impair the portfolio's ability to sell a portfolio security or make an investment when it would otherwise be favorable to do so or require that the portfolio sell a portfolio security at a disadvantageous time. The portfolio's ability to close out a position in a Financial Instrument prior to expiration or maturity depends on the existence of a liquid secondary market or, in the absence of such a market, the ability and willingness of the other party to the transaction (the "counterparty") to enter into a transaction closing out the position. Therefore, there is no assurance that any position can be closed out at a time and price that is favorable to the portfolio.

Financial Instruments may entail investment exposures that are greater than their cost would suggest, meaning that a small position in a Financial Instrument could have a large potential impact on the portfolio's performance. Losses may arise due to unanticipated market price movements, lack of a liquid secondary market for any particular instrument at a particular time or due to losses from premiums paid by the portfolio.

Private Fund
An investment in a private fund involves risk. Accordingly, an investment in such product is suitable only for persons of adequate financial means who have need for limited liquidity with respect to their investment and who can bear the economic risk, including the possible complete loss of their investment. Preserver urges all prospective investors to discuss the risks described in a private fund's offering materials and other potential risks in detail with their professional advisors prior to making an investment decision.

Emerging Markets
Preserver's Funds may invest in markets worldwide, including emerging markets. Investments in emerging market securities involve a greater degree of risk than an investment in securities of issuers based in developed countries. Among other things, emerging market securities investments may be subject to the following risks: less publicly available information, more volatile markets, less liquidity, or available credit, political or economic instability, less market regulation, less favorable tax or legal provisions, price controls and other restrictive governmental actions, a greater likelihood of severe inflation, unstable currency, and war and expropriation of personal and corporate property. Emerging markets generally are not as efficient as those in developed countries. In some cases, a market for the security may not exist locally and transactions will need to be made on a neighboring exchange. Volume and liquidity levels in emerging markets are lower than in developed countries. When seeking to sell emerging market securities, little or no market may exist for the securities. In addition, issuers based in emerging markets are not generally subject to uniform accounting and financial reporting standards, practices and requirements comparable to those applicable to issuers based in developed countries, thereby potentially increasing the risk of fraud or other deceptive practices. The quality and reliability of official data published by the government or securities exchanges in emerging markets may not accurately reflect the actual circumstances being reported. The issuers of some non-U.S. securities, such as banks and other financial institutions, may be subject to less stringent regulations than would be the case for issuers in developed countries and, therefore, potentially carry greater risk. In addition, a private fund's investment opportunities in certain emerging markets may be restricted by legal limits on foreign investment in local securities or restrictions on the ability to convert currency or to take currencies out of certain countries.

Illiquid Positions
As part of Preserver's investment strategies, Preserver may invest in illiquid, private placement securities, restricted securities, other debt instruments, or securities with limited, if any, trading volume. Illiquid securities carry the risk that a buyer may not be found for such securities. In addition, the lack of an established, liquid secondary market for such investments may have an adverse effect on the market value of the investments and on the ability to dispose of them. No assurance can be given that, if Preserver were to dispose of a particular investment, it could dispose of such investment at the previously prevailing market price. In addition, certain investments may have to be held for a substantial period of time before they can be liquidated at a reasonable price or, in some cases, at all.

Even in the case of more liquid securities, it may not always be possible for Preserver to execute a buy or sell order at the desired price or to liquidate a position, either due to market conditions on exchanges and/or daily price fluctuation limits (in the case of futures, forward or options contracts). In addition, Preserver may not be able to execute trades at favorable prices if there is limited liquidity.

Tax Implications
Preserver's strategies and investments may have unique and significant tax implications, including tax consequences specific to investments in non-U.S. investments. Tax efficiency is not the Firm's primary consideration in the management of the Funds' assets. Regardless of a client's investment size or any other

factors, Preserver strongly recommends that clients regularly consult with a tax professional prior to and throughout the term of their investments.

Item 9. Disciplinary Information

Preserver has no legal or disciplinary events to disclose with respect to the Firm or its management persons.

Item 10. Other Financial Industry Activities and Affiliations

Broker-Dealer Registration

Neither Preserver nor its management persons are a registered broker-dealer or registered representative of a broker-dealer, nor do either have any pending application to register as such. Neither Preserver nor its management persons are registered as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities. There are no pending applications to register as such.

Related Persons

Preserver is the General Partner to one private fund: Preserver, L.P., a Delaware limited partnership. The fund is exempt from registration pursuant to Section 3(c)(1) of Regulation D.

Channing Alternatives, LLC is a passive minority equity owner of Preserver. The principal owners of Channing are also principals of its affiliates, Channing Capital Management, LLC, and Channing Global Advisors, LLC, both of which are SEC-registered investment advisers. Neither Channing, its principals or any of its affiliated firms have access to or are involved in the investment decisions Preserver makes on behalf of its clients or in the day-to-day decision making of the Firm's operations. Therefore, Preserver does not believe that the relationship with Channing and its principals cause a conflict of interest with its clients.

Recommendation of Other Advisers

Preserver does not recommend or select other advisers for its clients. Preserver does not receive direct or indirect compensation from advisers. Preserver does however make investments in funds managed by external investment managers as part of the Firm's investment approach and asset allocation within its advised portfolios. Preserver does not receive any compensation from external investment managers and thus these investments do not create a conflict of interest to clients.

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

Preserver has adopted a Code of Ethics (the "Code") pursuant to SEC Rule 204A-1 for certain Supervised Persons called "Access Persons". An Access Person is a person who (i) has access to non-public client information and information regarding client securities transactions, (ii) is involved in making securities recommendations to clients or have access to client recommendations, or (iii) are partners, officers, directors, or any natural person in a control relationship to the Firm, who obtains information concerning recommendations made to clients.

The Code describes the Firm's high standard of business conduct and fiduciary duty to its clients. The Code is designed to ensure that personal securities transactions, activities and interests of the employees of the Firm do not interfere with (i) making decisions in the best interest of clients and (ii) implementing such decisions while allowing employees to invest for their own accounts. All supervised persons at the Firm must acknowledge the terms of the Code annually, or as amended.

The Code addresses many areas, including but not limited to the Firm's expectations regarding appropriate business conduct, confidentiality obligations, prohibition on insider trading, gifts and entertainment policies, restrictions on outside business activities, personal securities trading procedures, and procedures for political contributions.

A copy of this Code will be provided to any Client or prospective client upon request.

Participation or Interest in Client Transaction

Preserver, as adviser to separately managed account clients, may make investments for such account in a private fund in which the Adviser acts as General Partner. Such investment recommendations are part of the Adviser's asset allocation and investment approach per the SMA's Advisory Agreement. No additional management fees are received by the Adviser from these investments. Therefore, such investments do not pose a conflict of interest with client.

Personal Trading

The Firm's Access Persons are generally prohibited from investing for their own accounts in individual private funds or other investments that are pending or under consideration for client accounts, as well as related securities (e.g., warrants, options, or futures) (collectively, "Restricted Securities"). Notwithstanding the foregoing, Access Persons are permitted to invest in funds managed by Preserver. Where an Access Person already holds a position in a restricted security, the Firm may, in appropriate circumstances and consistent with clients' investment objectives, recommend to advisory clients or prospective clients, the purchase or sale of such security in one of its Funds.

To manage any potential conflicts of interest, Access Persons may only sell existing positions in securities that are not currently held in any Fund and have not been held in any Fund within the past seven days and with pre-clearance from the CCO. The CCO or its designee also monitors the Firm's investment transactions to ensure that no Fund acquires any security recently sold by an Access Person within the following seven days.

Access Persons subject to the Code are subject to, among other things, various restrictions relating to the acquisition of securities. These restrictions include pre-clearance, as described below and disclosure requirements of transactions in their personal accounts, restrictions on short term trading and general prohibitions on transactions in securities in certain circumstances, including:

- when in possession of inside information;
- transactions in securities of issuers on the Firm's restricted list or during specified blackout periods;
- transactions in securities at a time when the employee intends, or knows of another employee's intention, to purchase or sell that security or an equivalent security on behalf of the Funds;
- transactions in securities in which Preserver is placing a transaction on behalf of a Fund within a certain number of business days of such order being placed by Preserver for the Funds; and
- acquisition of securities in initial public offerings.

Access Persons must obtain pre-clearance for all personal transactions (buys and sells) by the CCO prior to executing the transaction. Transactions by the CCO must receive pre-clearance from the Director of Operational Risk Management; the CCO and the Director of Operational Risk Management, collectively are referred to herein as the "Approver". Such pre-clearance must be obtained for all transactions for themselves and their immediate family members. During the pre-clearance process, the Approver compares the proposed security transaction against investments considered and/or executed for the Firm's Clients to prevent Access Persons from front-running Client securities. Requests for pre-clearance of any transaction involving a restricted security will be automatically denied by the Approver. If an Access Person already holds a restricted security on the date hereof, the Access Person may request pre-clearance from the Approver to sell that restricted security, but no additional purchases are permitted.

Item 12. Brokerage Practices

Preserver has discretionary trading authority over all client accounts. In trading, Preserver seeks "best execution", which is a combination of price and execution, as well as other factors.

Selection of Broker-Dealers

Preserver will generally, in selecting brokers and dealers to effect transactions on behalf of its Funds, seek to obtain the best execution for the transactions, considering factors such as price, size of order, difficulty of execution and operational facilities of a brokerage firm, and the brokerage firm's risk in positioning a block of securities.

Research and Other Soft Dollar Benefits

Preserver does not currently participate in any Soft Dollar arrangement. If Preserver were to engage in Soft Dollar transactions in the future, the Firm would adopt appropriate policies and procedures.

Brokerage for Client Referrals

Preserver does not consider, in selecting or recommending broker-dealers, whether the Firm or a Supervised Person received client referrals from the broker.

Directed Brokerage

Preserver does not permit its clients to direct brokerage.

Aggregation of Orders

In carrying out its fiduciary responsibilities for the best execution and appropriate allocation for each client account, the Firm utilizes trade aggregation when the same security is being purchased or sold on the same day for more than one client account at the prime broker. The Firm aggregates the purchase or sale of securities by placing one block trade then allocates to each account, at the average price with all other transaction costs and commissions shared on a pro rata basis. Such aggregation achieves administrative convenience and lower overall execution costs/commission rates typically associated with larger orders.

To the extent that the Firm does not aggregate trades but could do so, higher brokerage costs may incur. In instances when the same security is purchased or sold on the same day in more than one client aAccount but not executed through a block trade, the Firm's trader shall document the reason that trade aggregation was not utilized.

Preserver does not utilize cross trades between client accounts or between any client account and the Firm's Supervised Persons.

Item 13. Review of Accounts

Review of Accounts

Preserver's CCO conducts ongoing regular reviews of the accounts, transactions, and security positions of its client accounts. The Chief Investment Officer (the "CIO") also monitors client accounts on an ongoing basis. These reviews are based on each Fund's investment strategy, guidelines, objectives, and other relevant factors.

In addition, the Administrator, Opus Fund Services, LLC ("Opus"), prepares reconciliation and financial reports and completes month-end NAV packages for the Firm's private fund. As part of this month-end review, the CCO reviews and signs off on the Administrator's independent net asset value calculation prior to the Administrator's release of the net asset value statements to investors in the private fund.

Reports to Clients

<u>Preserver, L.P.</u>

Clients invested in Preserver, L.P. receive a monthly email notification of the statement upload to the investor portal directly from Opus. Preserver may also distribute periodic written updates of the Firm and Fund's activity and performance to investors. In addition, clients receive an early estimate of the information necessary to complete their personal federal income tax returns (Schedule K-1) in early April of each year and the final will generally be delivered in or around July. Audited financial statements are delivered to clients within 180 days after the end of each fiscal year. Preserver distributes audited financial statements and K-1s directly to clients.

Separately Managed Account
The SMA client receives consolidated monthly statements directly from Preserver. In addition, monthly statements for each custodial account held by the SMA are sent directly to the client by the custodian. All tax related documents necessary to complete personal federal income tax returns are delivered directly to the client by the brokerage firm, financial institution, and underlying investment managers.

All reports and updates delivered to Clients are sent electronically.

Item 14. Client Referrals and Other Compensation

Client Referrals

Preserver currently maintains a Placement Agent Agreement with Old City Securities LLC ("Old City"), a registered broker-dealer (CRD# 171910), to distribute Preserver, L.P. Preserver will pay Old City an asset-based referral fee on each new account obtained as a result of Old City's referral. The referral fee is subject to certain conditions and future contingencies.

Other Compensation

No persons, other than clients, provide an economic benefit to Preserver for providing investment advice or other advisory services to the Firm's clients.

Item 15. Custody

As investment manager to a private fund and a separately managed account, Preserver is deemed to have custody of such client assets. The Firm maintains the clients' cash and securities with "qualified custodians". The private fund's financial statements are audited by a PCAOB registered accounting firm, in accordance with U.S. generally accepted accounting principles. Such audited financial statements are distributed to the limited partners of the private funds within 180 days of the Fund's fiscal year-end. Limited partners are urged to carefully review these statements.

SMA assets are held with qualified custodians, which sends monthly account statements directly to the client. The client also receives a consolidated statement from Preserver and encouraged to carefully review and compare such statements with the individual statements received from qualified custodians. A surprise exam is conducted by a PCAOB registered accounting firm on an annual basis on these assets.

Item 16. Investment Discretion

Preserver manages its client accounts on a discretionary basis. Discretionary authority is established through the applicable subscription and advisory agreements executed by each client. When selecting investments, Preserver observes the investment guidelines, limitations and restrictions placed on the management of the portfolio described in the account's governing documents.

Item 17. Voting Client Securities

Preserver has been granted authorization to vote proxies for client accounts. With respect to securities the Firm manages for the private fund and the SMA, pursuant to SEC rule 206(4)-6, Preserver has adopted proxy voting policies and procedures designed to satisfy its duties relating to proxy voting. Proxy voting decisions will be made considering the anticipated impact of the vote on the desirability of maintaining an investment in a company, from the viewpoint of the best interests of the client accounts, without regard to any other interests. Neither the private fund, nor the investors in the private fund or SMA, may direct any vote in a particular proxy.

Preserver's policies and procedures outline the general guidelines for voting proxy statements. However, Preserver may vote a proxy in a manner different from the established guidelines or management's recommendation if circumstances warrant.

Preserver and its employees have a fiduciary duty to its clients to act in their best interest; therefore, should avoid conflicts of interests if possible. Persons involved with voting proxies should avoid discussing the proxy vote with anyone who may have conflicting interests to those of the Fund (e.g., management personnel of the issuer, Preserver affiliates with conflicting interests, etc.). If any Preserver employee determines that a material conflict of interests may exist with respect to the voting of proxies, such employee shall inform the CCO and the appropriate course of action to minimize the influence of any conflict will be implemented. In the event that Preserver votes a proxy for a security in which it has a conflict of interest, it will generally vote in accordance with its pre-established guidelines.

Preserver maintains records relating to the voting of proxies as required by applicable law and regulations.

Clients may request a copy of Preserver's proxy voting policy and procedures, as well as relevant information concerning how the Firm has voted securities, by e-mail request to ir@preserverpartners.com.

Item 18. Financial Information

Preserver does not receive, require, or solicit prepayment of any fees from its clients.

No financial condition exist that is likely to impair Preserver's ability to meet its contractual obligations to clients.

Preserver has not been the subject of a bankruptcy proceeding since its inception in 2009.

Requests for financial information should be directed to Investor Relations by phone at (901) 755-4737 or via email at ir@preserverpartners.com.