

FORM ADV PART 2
BROCHURE FOR SHAOLIN CAPITAL MANAGEMENT LLC

Shaolin Capital Management LLC

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This Brochure provides information about the qualifications and business practices of Shaolin Capital Management LLC. If you have any questions about the contents of this Brochure, please contact us at (212) 433-4315 or Jay.Mercurio@shaolincapital.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Shaolin Capital Management LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2. Material Changes

There are no material changes to report from the last brochure that was filed in August 2019..

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Item 4. Advisory Business

Shaolin Capital Management LLC (“SCM,” “we” or “us”) is a limited liability company formed in Delaware on November 30, 2018, which is 65% owned by David Puritz and 35% owned by Michael Jester. As described below, SCM is responsible for providing investment advisory services to certain private investment funds, generally structured as limited partnerships or exempted companies.

SCM advises Shaolin Capital Partners Master Fund, Ltd. (the “Master Fund”) and two feeder funds, Shaolin Capital Partners Onshore Fund, L.P. and Shaolin Capital Partners International Fund, Ltd. (each, a “Feeder Fund” and together with the Master Fund, the “Funds”), which invest all or substantially all of their assets into the Master Fund. In addition, SCM is a sub-advisor to a third-party private fund (the “Private Fund”; and together with the Funds, the “Advisory Clients”).

The investment objectives and strategy of each Feeder Fund are set forth in a confidential private offering memorandum provided to each investor. Any restrictions on investments are contained in the investment management agreement among SCM and the Funds, but no investor in a Feeder Fund may impose additional restrictions.

SCM does not participate in any wrap fee programs.

As of December 31, 2019, SCM manages approximately \$1,015,000,000 of regulatory assets under management on a discretionary basis.

Item 5. Fees and Compensation

The specific manner in which SCM will charge fees with respect to the Funds is set forth in the applicable Feeder Fund’s private offering memorandum. The Master Fund (and, indirectly, the Feeder Funds) will pay a management fee to SCM, calculated and payable monthly in arrears, equal to 1.5% per annum of the net assets of the Funds. In addition, the Funds make an incentive allocation to TigerStyle, LLC, the general partner or sponsor of the Funds (the “Sponsor”), as applicable, and an affiliate of SCM, equal to 20% of the net profit in each investor’s capital account, subject to a high-water mark.

As compensation for the services it will provide to the Private Fund, SCM will be entitled to an annual management fee that is typically calculated and paid monthly in arrears, subject to the terms of SCM’s agreement with the investor. In addition, SCM is generally entitled to performance-based compensation, which typically, is equal to a portion of the distributions of net profit attributable to the Private Fund, subject to the terms of SCM’s agreement with the investor.

SCM and the Sponsor reserve the right, in their sole discretion, to reduce or waive the management fee or incentive allocation, respectively, for current or prospective investors.

Each Fund will pay the costs of organizing such Fund, which costs will be amortized over 60 calendar months from the date such Fund commenced operations. Each Feeder Fund will bear its operating, offering and investment-related expenses and its *pro rata* share of the expenses of the Master Fund, including, without limitation, management fees, legal expenses, internal and external accounting, research fees and expenses (including subscription costs, quotation services, data fees,

and research related travel), audit and tax preparation expenses, any taxes, filing fees, Fund-related insurance costs (including D&O and E&O insurance), directors' fees and expenses, administrator and custody fees and expenses, brokerage commissions, borrowing charges (including interest on borrowings). In no event shall the Feeder Funds bear, or be responsible for, any expenses, excluding organizational expenses, management fee and investment expenses, in a fiscal year that exceed an annual rate of 0.50% of the average monthly trading level for the Feeder Funds during such fiscal year (the "Expense Cap").

Each Fund shall reimburse SCM and its affiliates for any such operating, offering and investment-related expenses incurred by SCM or its affiliates on behalf of such Fund.

Overall fees may vary by Advisory Client and are determined in accordance with the applicable governing documents of such Advisory Client.

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

As described in Item 5 above, we or our affiliate may receive performance-based compensation from Funds and the Private Fund. All Advisory Clients are subject to performance-based fees.

We (or our affiliate) have received, and will continue to receive, performance-based compensation. This creates a potential conflict of interest in that we may be incentivized to effectuate larger and more risky transactions than would be the case in the absence of such form of compensation. Performance-based fees are calculated on a basis that includes both realized and unrealized appreciation of Advisory Client assets, and this may result in an allocation of performance fees which is greater than an allocation based solely on realized gains. Investors are provided with clear disclosure as to how performance-based compensation is charged with respect to a particular fund and the risks associated with such performance-based compensation prior to making an investment.

We recognize that we are a fiduciary and as such must act in the best interests of the Advisory Clients. Further, we recognize that we must treat all Advisory Clients fairly and must refrain from favoring one Advisory Client's interests over another's.

Item 7. Types of Clients

SCM provides investment advisory services to pooled investment vehicles. In the future, it may also provide such services to high net worth individuals and families, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, municipalities, registered mutual funds, private investment funds, trust programs, sovereign funds, foreign funds such as UCITs and SICAVs, and other U.S. and international institutions.

The minimum subscription amount for each Feeder Fund is \$1,000,000. The Sponsor, an affiliate of SCM, may waive the minimum account or subscription requirements at its sole discretion.

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

SCM will pursue the specific investment objectives and strategies of each Advisory Client as set out in the Advisory Client's governing documents.

Each Advisory Client's investment objective is to generate consistent, high quality risk-adjusted returns throughout the investment cycle on behalf of investors. The Advisory Clients seek to combine a value-oriented strategy with non-correlated, asymmetric return profiles. Each Advisory Client has a flexible mandate across asset classes and capital structures and may invest both long and short across a variety of public, private, and over-the-counter instruments. These include, but are not limited to, corporate and convertible bonds, preferreds, loans, credit derivatives, equity derivatives, equities (including "new issues"), exchange-traded funds ("ETFs"), asset-backed securities, swaps, futures, indices, interest rate products, municipals, real estate assets, and currencies, among others.

Convexity, the unifying characteristic of each Advisory Client's trade construction, supports both capital preservation and risk adjusted return. Each investment begins with a value-oriented thematic framework in concert with rigorous fundamental and technical research. Prudent security selection generates convex risk profiles. Time, duration, catalysts, liquidity, ownership, political risk, regulatory environment, and tax implications may be key investment considerations.

Each Advisory Client may make investments that are less liquid than readily marketable securities and/or may be long-term in nature. SCM will base its assessment of these investments on potential risk and return, considering differences in both liquidity and duration, amongst other variables.

Capital allocation may be highly dynamic and portfolio bias will change with market conditions. Each Advisory Client has a global mandate with a preference towards developed markets with strong corporate governance and rule of law. However, there are no limitations on geographic exposure or investment concentration. A Advisory Client may at times be concentrated in investments, companies, industries, asset classes, and/or geographic areas.

Each Advisory Client will ordinarily be invested with an appropriate liquid cash reserve. SCM, in its sole discretion, may maintain larger cash positions pending its identification of investment opportunities meeting the applicable Advisory Client's criteria, in addition to other considerations.

The investment strategies in which each Advisory Client invests are intended to span a wide range of markets, asset classes, and risk metrics.

Investing in securities involves risk of loss that investors should be prepared to bear. The private offering memorandum of each Feeder Fund includes a detailed discussion of the risk factors associated with investing in a Feeder Fund.

SCM implements each Feeder Fund's investment strategies through the Master Fund, as each Feeder Fund is a feeder fund in a master-feeder arrangement with the Master Fund. All trading activities take place at the Master Fund level, but since the Feeder Funds invest all of their assets in the Master Fund, each of the risks applicable to the Master Fund flow through to the Feeder Funds.

Please see below for a discussion of some of the material risks related to the investment strategies of SCM. This list of risk factors is not a complete explanation of the risks involved.

Risk of Loss Due to the Bankruptcy or Failure of Counterparties, Brokers and Exchanges.

While care is taken in selecting brokers or dealers who will maintain custody of certain of the assets of each Advisory Client, there is a residual risk that any of such brokers or dealers could become

insolvent. The Advisory Clients will assume the credit risk associated with placing their funds and securities with prime brokers, and the failure or bankruptcy of the prime brokers could have a material adverse impact on the Advisory Clients. Under certain circumstances, such as the inability of another client of the prime brokers or the prime brokers themselves to satisfy substantial deficiencies in such other client's account, the Advisory Clients may be subject to a risk of loss of those funds on deposit with the prime brokers. It is expected that all securities and other assets deposited with brokers or dealers will be clearly identified as being assets of the applicable Advisory Client and hence such equity should not be exposed to a credit risk with regard to such parties. However, it may not always be possible to achieve this and an Advisory Client may only be able to recover a *pro rata* portion of its assets on deposit with a broker or dealer in the event of an insolvency of such party.

New Issues. Each Advisory Client may invest in "new issues" as that term is defined in Rule 5130 of the Conduct Rules of the Financial Industry Regulatory Authority.

To the extent that a potential investor is "restricted" under Rule 5130, an investment in a Fund may not yield the performance results that may be achieved by those investors that are not restricted. Any investor who does not provide sufficient information to show that such investor is not restricted will be presumed to be restricted.

Fixed Income Obligations. Fixed income obligations are subject to the risk of an issuer's ability to meet principal and interest payments on the obligation (*i.e.*, credit risk), and may also be subject to price volatility due to factors, such as interest rate sensitivity, duration, market perception of the creditworthiness of the issuer, general market liquidity, and issue level liquidity. Changes in interest rates may cause a decline in the market value of an investment. With bonds and other fixed income securities, a rise in interest rates typically causes a fall in values, while a fall in interest rates typically causes a rise in values. The risk of bonds can vary significantly depending upon factors such as the issuer and maturity. For example, the issuer of a security or the counterparty to a contract may default or otherwise become unable to honor a financial obligation. The bonds of some companies may be riskier than the stocks of others.

Convertible and Hybrid Securities. Convertible and hybrid securities may provide higher yields than the underlying equity securities, but generally offer lower yields than non-convertible securities of similar quality. The value of convertible securities fluctuates in relation to changes in interest rates (like bonds), issuer credit risk, movements in the underlying common stock, and volatility (like options), in addition to other factors. The risk of convertible and hybrid securities

can vary significantly depending upon factors such as the issuer and maturity, general market liquidity and issuer level liquidity, among others.

Asset-Backed Securities. Each Advisory Client may invest in asset-backed securities, including, but not limited to, interests in pools of receivables, loans, assets, leases, and mortgages (*i.e.*, mortgage-backed securities). These securities may be in the form of pass-through instruments or asset-backed obligations. The securities, many of which are issued by nongovernmental entities and carry no direct or indirect government guarantee, present certain risks primarily because these securities may not have the benefit of a security interest in the related collateral.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) imposed significant changes to the legal and regulatory framework applicable to the asset-backed securities markets and securitizations, directing various federal regulators to engage in rulemaking actions aimed at dramatically reforming regulation of U.S. financial markets. While many of the rulemakings required by the Dodd-Frank Act have been finalized and are either effective or pending effectiveness, others remain to be finalized or even proposed. Further, many of the rules that have been finalized have been subject to modification or interpretation since their effective date, often times in order to clear up ambiguities present in the final rules.

Debt Securities. Each Advisory Client may invest in unrated, low grade, or defaulted debt securities which are subject to greater risk of loss of principal and interest than higher-rated debt securities. Each Advisory Client may invest in debt securities which rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer’s assets. Each Advisory Client may invest in debt securities which are not protected by financial covenants or limitations on additional indebtedness. Low grade, unrated, and defaulted debt securities are more likely to react to developments affecting market and credit risk than are more highly rated securities, which primarily react to movements in the general level of interest rates and credit markets. Investors should be aware that ratings are relative and subjective and are not absolute standards of quality. Subsequent to its purchase by an Advisory Client, an issue of securities may cease to be rated or its rating may be reduced. Neither event will require sale of such securities by an Advisory Client, although SCM will consider such event in its determination of whether such Advisory Client should continue to hold the securities. The market value of securities in lower-rated categories is more volatile than that of higher quality securities. In addition, an Advisory Client may have difficulty disposing of certain of these securities because there may be a thin trading market. The lack of a liquid secondary market for certain securities may have an adverse impact on the Advisory Clients’ ability to dispose of such securities and may make it more difficult for the Advisory Clients to obtain accurate market quotations for purposes of valuing the assets held by such Client and calculating its respective net asset value.

Equity Investments. The investment portfolio of each Advisory Client may include long and short positions in public and private equity (including preferred equity) securities of U.S. and non-U.S. companies. Equity securities fluctuate in value in response to many factors, including, among others, the activities and financial condition of individual companies, the business market in which individual companies compete, industry market conditions, interest rates and general economic environments. In addition, events such as the domestic and international political environments, terrorism and natural disasters, may be unforeseeable and contribute to market volatility in ways that may adversely affect the Advisory Clients. Each Advisory Client, along with any affiliated

funds, may on occasion acquire (i) more than 5% of a class of securities of a single issuer which would require the filing of a Schedule 13D or 13G statement with the SEC or (ii) more than 10% of a class of securities of a single issuer which would impose certain limitations on an Advisory Client's ability to trade in such securities, including the restrictions of Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The accumulation of such a significant position in the shares of a single issuer could lead to litigation or disputes in the event that SCM desires to influence the issuer. SCM may also seek to challenge the management of a portfolio company through a proxy contest. Such litigation or a proxy contest may result in substantial expense to the Advisory Clients. In addition, senior personnel of SCM may serve on the board of directors of one or more companies in which the Advisory Clients invest. As a result, SCM would obtain access to material nonpublic information affecting the portfolio company, which may preclude the Advisory Clients from selling their positions (or acquiring additional shares) at a time when SCM otherwise believes it would be appropriate to do so. Moreover, the Advisory Clients' ability to realize value from certain of its investments may depend upon the ability of SCM to influence the management of a portfolio company to take certain actions, including, for example, a recapitalization, restructuring, spin off, sale of the business or change in management. If SCM is incorrect in its assessment of the impact such action will have on the value of a portfolio company, or if it is unsuccessful in persuading the portfolio company's management to take the desired action, an Advisory Client may sustain a loss on its investment in the portfolio company, adversely affecting such Advisory Client.

Derivatives. Derivative financial instruments include futures, options, interest rate swaps, forward currency contracts and credit derivatives such as credit default swaps. In addition, from time to time, each Advisory Client may utilize both exchange-traded and over-the-counter futures, options and contracts, as part of its investment strategy and for hedging purposes, as well as other derivatives. Regulatory restraints may restrict the instruments that the Advisory Clients may trade. Such derivative instruments are highly volatile, involve certain special risks and expose investors to a high risk of loss. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, a relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in unquantifiable further losses exceeding any margin deposited. Further, when used for hedging purposes, there may be an imperfect correlation between these instruments and the investments or market sectors being hedged. The trading of over-the-counter derivatives subjects the Advisory Clients to a variety of risks including: (i) counterparty risk, (ii) basis risk, (iii) interest rate risk, (iv) settlement risk, (v) legal risk, and (vi) operational risk. Counterparty risk is the risk that one of the Advisory Clients' counterparties might default on its obligation to pay or perform generally on its obligations. Basis risk is the risk that the normal relationship between two prices might move in opposite directions. Interest rate risk is the general risk associated with movements in interest rates. Settlement risk is the risk that a settlement in a transfer system does not take place as expected. Legal risk is the risk that a transaction proves unenforceable in law or because it has been inadequately documented. Operational risk is the risk of unexpected losses arising from deficiencies in a firm's management information, support and control systems and procedures. Transactions in over-the-counter derivatives may involve other risks as well, as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk.

Loan Participations and Assignments. Each Advisory Client may invest in fixed-rate and floating-rate loans, which investments are generally in the form of loan participations and assignments of portions of such loans. Participations and assignments involve special types of risk, including credit risk, interest rate risk, liquidity risk, and the risks of being a lender. Participations in commercial loans may be secured or unsecured. Loan participations typically represent direct participation in a loan to a corporate borrower, and generally are offered by banks or other financial institutions or lending syndicates. Each Advisory Client may invest in funded term loans through participation and assignments. When purchasing loan participations, the Advisory Client assumes the credit risk associated with the corporate borrower and may assume the credit risk associated with an interposed bank or other financial intermediary, and may only be able to enforce its rights through the lender, and may assume the credit risk of the lender in addition to the borrower. The participation interests in which an Advisory Client invest may not be rated by any nationally recognized rating service. Investments in loans through a direct assignment of a financial institution's interests with respect to the loan may involve additional risks to such Advisory Client. For example, if a loan is foreclosed, the applicable Advisory Client could become part owner of any collateral and would bear the costs and liabilities associated with owning and disposing of the collateral. In addition, it is conceivable that, under emerging legal theories of lender liability, an Advisory Client could be held liable as a co-lender. It is unclear whether loans and other forms of direct indebtedness offer securities laws protections against fraud and misrepresentation. In the absence of definitive regulatory guidance, the Advisory Clients rely on SCM's research in an attempt to avoid situations where fraud or misrepresentation could adversely affect the Advisory Clients.

Options. Each Advisory Client may trade options. Successful options trading requires a trader to assess accurately near-term market volatility because that volatility is immediately reflected in the price of outstanding options. Correct assessment of market volatility can therefore be of much greater significance in trading options than it is in many long-term strategies where volatility does not have as great an effect on the price of a contract. Specific market movements of the securities interest underlying an option cannot accurately be predicted. The purchaser of an option may lose the entire premium paid for the option. The writer, or seller, of a put option collects a premium and risks losing the difference between the strike price and the market price of the underlying securities interest (less the premium received) if the option buyer exercises its put option. The writer, or seller, of a call option has unlimited risk. A call option writer collects a premium and risks losing the difference between the price it would have to pay to obtain the underlying securities interest and the strike price (less the premium received) if the option buyer exercises its call option. The ability to trade in or exercise options may be restricted in the event that trading in the underlying securities interest becomes restricted. Options also generally are subject to additional risks including, but not limited to, the risk of non-performance of the counterparty on the trade.

Futures Contracts. Each Advisory Client may engage in futures transactions. Futures contracts are usually made on a futures exchange and call for the future delivery of a specified "commodity" at a specified time and place. These contractual obligations, depending on whether one is a buyer or a seller, may be satisfied either by taking or making physical delivery of the "commodity" or by making an offsetting sale or purchase of an equivalent futures contract on the same exchange prior to the end of trading in the contract month. Futures prices are highly volatile. Financial instrument and foreign currency futures prices are influenced by, among other things, interest rates, changes in balances of payments and trade, domestic and international rates of inflation, international trade restrictions and currency devaluations and revaluations. Because low margin deposits are normally required, an extremely high degree of leverage is obtainable in futures

trading. A relatively small price movement in a futures contract, consequently, may result in large losses. Thus, like other highly leveraged investments, any purchase or sale of a futures contract may result in losses that exceed the amount invested.

Risk of Early Stage Companies. Each Advisory Client may invest in companies at an early stage of development, which involves a high degree of business and financial risk and may involve greater risks than generally are associated with investments in more established companies. Early-stage companies with little or no operating history may require substantial additional capital to support expansion or to achieve or maintain a competitive position, may produce substantial variations in operating results from period to period or may operate at a loss. Due to the shorter operating histories of such early stage companies, the Advisory Clients have less information on which to judge future performance. Such companies may face intense competition, including competition from companies with greater financial resources, more extensive development, marketing and service capabilities, and a larger number of qualified management and technical personnel. Such risks may adversely affect the performance of such investments and result in substantial losses. Additionally, the lack of a liquid secondary market for certain of these securities may have an adverse impact on the Advisory Clients' ability to purchase and dispose of such securities.

Reliance on Corporate Management and Financial Reporting. SCM relies on the financial information made available by the issuers in which the Advisory Clients invest. SCM typically does not independently verify the financial information disseminated by the issuers in which the Advisory Clients may invest and is dependent upon the integrity of both the management of these issuers and the financial reporting process in general. Corporate mismanagement, fraud and accounting irregularities relating to the issuers of investments held by the Advisory Clients may result in material losses. Equity prices are particularly vulnerable to corporate mismanagement.

Non-U.S. Currency. Each Advisory Client may enter into non-U.S. currency forward contracts, options, swaps, or other derivatives contracts on non-U.S. currencies. Such contracts involve a risk of loss if currency exchange rates move against the Advisory Clients. In addition, forward contracts are not guaranteed by an exchange or clearinghouse. Therefore, a default by the forward contract counterparty may result in a loss to an Advisory Client of the value of its unrealized profits on the contract.

It is contemplated that most non-U.S. currency forward contracts will be with banks. There are no limitations on daily price moves of forward contracts. Banks are not required to continue to make markets in currencies. There have been periods during which certain banks have refused to continue to quote prices for forward contracts or have quoted prices with an unusually wide spread (the difference between the price at which the bank is prepared to buy and that at which it is prepared to sell). The imposition of credit controls by governmental authorities might limit the level of such forward trading to less than that which the SCM would otherwise recommend, to the possible detriment of the Advisory Clients. Neither the CFTC nor the U.S. banking authorities regulate forward currency transactions through banks. In respect of such trading, each Advisory Client is subject to the risk of bank failure or the inability of or refusal by a bank to perform with respect to such contracts.

Non-U.S. Investment. Each Advisory Client intends to invest in non-U.S. markets and securities and may also take positions in non-U.S. currencies. Investments in non-U.S. instruments involve risks and considerations not present in U.S. investments. Currency exchange rates can be affected unpredictably by controls or restrictions imposed by U.S. or foreign central banks or other

governmental agencies in joint or unilateral efforts to alter exchange rate trends. Political developments in the United States or abroad may also affect currency exchange rates. There may be less publicly available information about foreign companies than U.S. companies. Non-U.S. companies may not be subject to accounting, auditing, and financial reporting standards, practices and requirements comparable to those applicable to U.S. companies. Non-U.S. investment may have less trading volume, be less liquid and more volatile than U.S. investments. In many non-U.S. markets, there may be less government supervision of exchanges, brokers and issuers than in the United States.

When investing in non-U.S. markets and securities, there is a possibility of expropriation or confiscatory taxation, seizure or nationalization of foreign bank deposits, establishment of exchange controls, the adoption of non-U.S. government restrictions or other adverse political, social or diplomatic developments that could adversely affect any such investment. Some investments may be subject to brokerage taxes levied by non-U.S. governments, which has the effect of increasing the cost of such investment and reducing the realized gain, or increasing the realized loss, on such investments. Income from non-U.S. investments held by any Advisory Client may be reduced by a withholding tax at the source or imposition of additional foreign taxes. Legal remedies for investors may be more limited than the remedies available in the U.S.

Trading on Foreign Exchanges. Each Advisory Client may engage in trading on foreign exchanges and other markets located outside of the U.S. Trading on U.S. exchanges is subject to regulation and oversight, including, for example, minimum capital requirements for commodity brokers, segregation of customer funds, regulation of trading practices on the exchanges, prohibitions against trading ahead of customer orders, prohibitions against filling orders off exchanges, prescribed risk disclosure statements, testing and licensing of industry sales personnel and other industry professionals, and recordkeeping requirements, and other requirements and restrictions for the purpose of preventing price manipulation and other disruptions to market integrity, avoiding systemic risk, preventing fraud and promoting innovation, competition and financial integrity of transactions. Trading on foreign exchanges is not regulated by the CFTC, SEC or any other U.S. governmental agency or instrumentality and may be subject to regulations that are different from those to which U.S. exchange trading is subject, provide less protection to investors than trading on U.S. exchanges, and may be less vigorously enforced than regulations in the U.S.

Trading on foreign exchanges involves some risks that trading on U.S. exchanges does not, including but not limited to, lack of investor protection regulation, possible government intervention, and exchange-rate exposure.

Concentration and Diversification. Each Advisory Client aims to maintain a diversified portfolio of positions. However, the SCM cannot make assurances that any Advisory Client will perform with any degree of non-correlation to an investor's other investments. A Advisory Client may lack diversification by investing in only a few select investments and/or countries, which increases the risk of loss in the event an investment decision does not move in the desired direction.

Risk of Leverage. While the use of borrowed funds can improve substantially the return on invested capital, such use also may increase significantly the adverse impact to which an Advisory Client's investment portfolio may be subject. In addition, money borrowed for leveraging will be subject to interest costs or other costs incurred in connection with such borrowing, which may or may not be recovered by the return on the securities purchased with borrowed funds. Borrowing

and the use of leverage create an opportunity for greater appreciation, but also for greater loss, in the value of an Advisory Client's assets. They also increase the volatility of the value of an Advisory Client's assets by magnifying both increases and declines in the value of such assets.

Portfolio Turnover. The investment strategy of each Advisory Client may require SCM to actively trade each Advisory Client's portfolios, and, as a result, turnover and brokerage commission expenses of the Advisory Clients may significantly exceed those of other investment entities of comparable size.

Risk Associated with Short Sales. Short sales of securities involve the sale of securities which are borrowed from a third-party lender (such as a brokerage firm). If borrowing securities for short sales, an Advisory Client is required to pledge deposits of cash or securities equal to or exceeding the market price of the securities borrowed. The amount of such deposits may increase or decrease to reflect changes in the market price of the borrowed securities. Although short selling permits an Advisory Client to profit from declines in the price of securities, such Advisory Client will experience a loss if it is required to replace borrowed securities by purchasing them in the market at a time when the market price has increased over the price received at the time of the short sale. The making of short sales exposes an Advisory Client to the risk of liability for the market value of the security that is sold, which is an unlimited risk due to the lack of an upper limit on the price to which a security may rise.

Hedging Risks. SCM may hedge some or all of each Advisory Client's portfolio by taking long and short positions in related securities. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of such portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus seeking to moderate the decline in the portfolio position's value. Such hedging transactions also limit the opportunity for gain if the value of the portfolio position should increase. In the event of an imperfect correlation between the position in a hedging instrument and the portfolio position that it is intended to protect, the desired protection may not be obtained, and the Advisory Clients may be exposed to a risk of loss. In addition, it is not possible to hedge fully or perfectly against any risk, and hedging entails its own costs. SCM may determine in its sole discretion not to hedge against certain risks, and certain risks may exist that cannot be hedged.

Reliance on SCM to Trade Successfully. SCM is responsible for making all trading decisions on behalf of the Advisory Clients. Each Advisory Client is subject to the risk of bad judgment, negligence or misconduct by the SCM. SCM can provide no assurance that its trading program will be successful. SCM is dependent upon the services of a limited number of persons to develop and refine its trading approaches and strategies and execute the trading transactions. The loss of the services of any of SCM's principals or key employees, or the failure of those principals or key employees to function effectively as a team, may have an adverse effect on SCM's ability to manage its trading activities successfully, or may cause SCM to cease operations entirely. This, in turn, could negatively affect each Advisory Client's performance.

Item 9. Disciplinary Information

None of SCM, any Advisory Client, or any employees, members, principals or associated persons of SCM have been or are under any disciplinary action or proceeding.

Item 10. Other Financial Industry Activities and Affiliations

SCM is affiliated with TigerStyle, LLC, the general partner of Shaolin Capital Partners Onshore Fund, L.P., and the sponsor of Shaolin Capital Partners International Fund, Ltd. and the Master Fund.

SCM serves as the investment manager to the Funds. SCM's affiliates and employees also invest directly in the Funds. It should be noted that investments in the Funds made by such parties generally are not subject to the management fees or performance-based fees described in Item 5 above.

Item 11. Code of Ethics

SCM has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its Advisory Clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at SCM must acknowledge the terms of the Code of Ethics annually, and upon any amendment.

SCM anticipates that, in appropriate circumstances, consistent with its Advisory Clients' investment objectives, it will cause accounts over which SCM has management authority to effect, and will recommend to investment Advisory Clients or prospective Advisory Clients, the purchase or sale of securities in which SCM, its affiliates and/or Advisory Clients, directly or indirectly, have a position of interest. SCM's employees and persons associated with SCM are required to follow SCM's Code of Ethics. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of SCM will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under SCM's Code of Ethics, certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of SCM's Advisory Clients. In addition, the Code of Ethics requires pre-clearance of any personal securities transactions. As required by Rule 204A-1 of the Advisers Act, SCM's Access Persons must provide SCM's Chief Compliance Officer with a list of their personal accounts and an initial holding report within 10 days of becoming an Access Person. SCM also requires its Access Persons to report their securities transactions on a quarterly basis thereafter and disclose their securities holdings on an annual basis.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with SCM's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. SCM will retain records of the trade (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order.

SCM's Advisory Clients or prospective Advisory Clients may request a copy of SCM's Code of Ethics by contacting Jay Mercurio at Jay.Mercurio@shaolincapital.com.

It is SCM's policy that SCM will not affect any principal or agency cross securities transactions for Advisory Client accounts. SCM will also not cross trades between Advisory Client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any Advisory Client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another Advisory Client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

Item 12. Brokerage Practices

Each Advisory Client has granted the authority to SCM to buy and sell securities in its judgment. The limitations, if any, on this authority are detailed at the time that the authority is granted.

For both purchases and sales of securities, SCM will attempt to maintain trading relationships with dealers that SCM believes will provide the best availability of securities and the best execution over time. In general, SCM will apply the same criteria with respect to all Advisory Clients in assessing quality and cost of trade execution and will not, unless directed by an Advisory Client, make intentional distinctions in the way trades are executed among different Advisory Clients' accounts.

With respect to SCM's selection of broker-dealers to execute Advisory Client transactions, it is important to note that the corporate bond market operates largely on an over-the-counter basis, and different dealers will generally have different inventories of bonds. Since SCM's investment approach

utilizes in-depth research on specific bonds, two distinct bonds will rarely be perceived as "fungible". Therefore, SCM will, by necessity, make corporate bond purchases from dealers who have the desired bonds available for purchase or, in the case of sales, who make a market in the bond in question (although large government securities dealers may have a substantial inventory of U.S. government securities). In circumstances in which purchases or sales can be affected with more than one dealer, the selection will be driven almost exclusively by the best price. Another (though generally less important) factor will be the dealer's history in promptly and accurately processing transactions.

SCM does not have any soft dollar arrangements.

Item 13. Review of Accounts

The Advisory Client portfolios are under continuous review by David Puritz and Michael Jester. The portfolios are under continuous review by these individuals with regard to investment policy, the suitability of the investments used to meet policy objectives, and the investment objectives of the Advisory Clients. The portfolios are reviewed frequently to evaluate and assess, among other things, investment performance, sensitivity to market changes, and whether they continue to meet certain established investment criteria and guidelines of the

SCM provides a monthly newsletter to investors in the Feeder Funds which may contain performance and attribution information about the applicable Feeder Fund. Investors in the Feeder Funds receive statements of their interest in the Feeder Funds directly from the administrator on a monthly basis.

Item 14. Client Referrals and Compensation

SCM has entered into, and in the future may enter into, contractual agreements with individuals and organizations (hereafter referred to as “Agents”) that solicit Advisory Clients for SCM. While specific terms of each agreement may differ, generally an Agent’s compensation is based upon the value of assets of the referred investors who invest in the Funds or is based upon the management and/or incentive fee paid by such investors. The Agent's compensation, unless otherwise disclosed to the investor, will not increase the referred investor's fees beyond that which the investor would otherwise pay for investing in the Funds.

Item 15. Custody

SCM is deemed to have custody by virtue of their status as investment manager. SCM maintains the assets of the Funds in accounts with a “qualified custodian” pursuant to Rule 206(4)-2 under the Advisers Act. SCM has established prime brokerage arrangements for the Funds with Barclays Capital Inc., BNP Paribas Prime Brokerage Inc., and Wells Fargo Prime Services.

To ensure compliance with Rule 206(4)-2 under the Advisers Act, SCM will provide all Investors with the applicable audited financial statements of the Funds, prepared by an independent accounting firm that is registered with and subject to review by the Public Company Accounting Oversight Board, in accordance with U.S. Generally Accepted Accounting Principles, within 90 days of the end of the Funds’ respective fiscal years (i.e., generally by March 30). Investors should carefully review the audited financial statements of the Funds.

Item 16. Investment Discretion

SCM has discretionary authority to manage the assets of the Advisory Clients. The discretionary authority is set forth the investment management agreement executed by each Advisory Client at the outset of the advisory relationship. When selecting securities and determining amounts, SCM observes the investment policies, limitations and restrictions of the Advisory Clients that it advises. Investment guidelines and restrictions must be provided to SCM in writing.

Item 17. Voting Client Securities

SCM, as a matter of policy and as a fiduciary to the Advisory Clients, will be responsible for voting proxies for portfolio securities consistent with the best economic interests of SCM's Advisory Clients. SCM maintains written policies and procedures as to the handling, research, voting and recording of proxies. SCM's policies and procedures include the responsibility to monitor corporate actions, receive and vote proxies and maintain relevant records.

Proxy voting is an important right of shareholders and reasonable care and diligence must be undertaken to ensure that such rights are properly and timely exercised.

SCM will vote proxies in the best interests of each particular Advisory Client. SCM's policy is to vote all proxies for a specific issuer in the same way for each Advisory Client absent some qualifying restrictions or a material conflict of interest.

SCM will generally vote in favor of routine corporate housekeeping proposals such as the election of directors and the selection of auditors, absent conflicts of interest (*e.g.*, an auditor's provision of non-audit services).

SCM will generally vote against proposals that cause board members to become entrenched or to cause unequal voting rights.

In the event that the Chief Compliance Officer of SCM determines that a conflict of interest exists between SCM and any Advisory Client, SCM will abstain from voting any such proxy.

In reviewing proposals, SCM may also consider the opinions of management, the effects on management, the effects on shareholder value and the issuer's business practices.

In the event that an Advisory Client has provided specific parameters regarding proxy voting, the instructions of such Client will be followed.

Investors in the Feeder Funds may request information on how specific proxies were voted.

Item 18. Financial Information

Not applicable.

Item 19. Requirements for State-Registered Advisers

Not applicable.