

Part 2A of Form ADV: Firm Brochure

Item 1: Cover Page

February 19, 2022

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Two Fish Management, LLC is a Registered Investment Adviser (“RIA”).

This brochure provides information about the qualifications and business practices of Two Fish Management, LLC (“Two Fish”). If you have any questions about the content of this brochure, please contact the Chief Compliance Officer at **317.519.4843**. 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 Two Fish also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 149612.

Registration as an RIA does not imply a certain level of skill or training.

Item 2: Material Changes

There have been no material changes to this Disclosure Statement since Two Fish's last Annual Amendment filing on February 17, 2021.

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Item 4: Advisory Business

4A. Founded in December 2007, Two Fish is an investment management firm that aims to provide superior risk-adjusted investment returns as compared to broad equity market indices through an actively managed partnership (Two Fish Partners, L.P.) (the "Fund") and separately managed accounts for high net worth individuals and institutions. The principal owners of Two Fish are Michael P. Morris, John R. (J.R.) Sauder, John D. Sauder and Jonathan P. Schwab. Michael P. Morris actively participates in the business while John D. Sauder, J.R. Sauder and Jonathan P. Schwab are passive owners in Two Fish.

4B. The Fund is reserved for accredited investors only. The Fund is a long/short investment partnership managed as a long-term investment holding company (HOLDCO).

The separately managed accounts are managed using a variety of strategies including HOLDCO, Put Income ("PUT"), Core Equity ("CORE"), and Income Builder (IB). We work directly with high-net-worth investors, financial advisors and institutions to create investment portfolios catered to their specific needs and situations. We work closely with our direct clients to understand their risk tolerance, tax situation, liquidity needs, time horizon and cash flow requirements to structure their portfolios accordingly. Equity exposure is adjusted to match the client's risk tolerance and comfort level with margin.

4C. We manage a variety of mandates as listed above and clients need to communicate with Two Fish if their investment needs have changed. Clients may impose restrictions on investing in certain securities or types of securities.

4D. Two Fish does not sponsor a wrap fee program.

4E. As of December 31, 2021, Two Fish managed approximately \$23,597,577 in discretionary assets.

4Misc. No Financial Planning Services. Two Fish does not hold itself out as providing, nor does it provide, any financial planning services. Neither Two Fish, nor any of its representatives, serves as an attorney, accountant, or insurance agent, and no portion of Two Fish's services should be construed as same.

Affiliated Private Funds. As indicated above, Two Fish manages an affiliated private investment fund, Two Fish Partners, LP. A complete description of the terms, conditions, risks and fees [including incentive compensation] associated with the Fund is set forth in the Fund's offering documents. Two Fish, on a non-discretionary basis, may recommend that qualified clients consider allocating a portion of their investment assets to the Fund. Two Fish clients are under absolutely no obligation to consider or make an investment in a private investment fund(s).

Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in the Fund's offering documents, which will be

provided to each client for review and consideration. Unlike liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a subscription agreement, pursuant to which the client shall establish that he/she is qualified for investment in the Fund and acknowledges and accepts the various risk factors that are associated with such an investment.

Conflict of Interest. Because Two Fish and/or its affiliates can earn compensation from the Fund (both management fees and incentive compensation) that may exceed the fee that Two Fish would earn under its standard asset-based fee schedule referenced in Item 5 below, the recommendation that a client become a Fund investor presents a conflict of interest. No client is under any obligation to become a Fund investor. Two Fish's Chief Compliance Officer ("CCO") remains available to address any questions regarding this conflict of interest.

Client Obligations. In performing its services, Two Fish shall not be required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify Two Fish if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Two Fish's previous recommendations and/or services.

Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Two Fish) will be profitable or equal any specific performance level(s).

Cash Positions. Two Fish continues to treat cash as an asset class. As such, unless determined to the contrary by Two Fish, all cash positions (money markets, etc.) shall continue to be included as part of assets under management for purposes of calculating Two Fish's advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), Two Fish may maintain cash positions for defensive purposes. In addition, while assets are maintained in cash, such amounts could miss market advances. Depending upon current yields, at any point in time, Two Fish's advisory fee could exceed the interest paid by the client's money market fund.

Portfolio Activity. Two Fish has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, Two Fish will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, mutual fund manager tenure, style drift, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when Two Fish determines that changes to a client's portfolio are neither necessary nor prudent. Clients nonetheless remain subject to the fees described in Item 5 below during periods of account inactivity. Of course, as indicated below, there can be no assurance that investment decisions made by Two Fish will be profitable or equal any specific performance level(s).

Sub-Advisory Services-Limitations. Two Fish also serves as a sub-adviser to unaffiliated registered investment advisers. With respect to this type of engagement, the unaffiliated investment advisers that engage Two Fish’s sub-advisory services, maintain both the initial and ongoing day-to-day relationship with the underlying client, including the initial and ongoing determination of client suitability for the Firm’s investment strategies. The firm’s obligation shall be to manage the client’s account consistent with the investment strategy designated by the unaffiliated investment adviser. In addition, for all such engagements, the firm does not generally have the ability to choose and/or determine: (1) the custodian and/or broker-dealer for the client’s account; (2) whether the services are part of a wrap program or provided on an unbundled basis; or (3) program and/or transaction cost pricing. Thus, the firm is unable to control or confirm best execution for account transactions. Higher fees and transaction costs adversely impact account performance.

Item 5: Fees and Compensation

5A. Two Fish collects fees on a monthly basis in arrears for investment management services rendered unless another billing arrangement has been made or an adviser to whom Two Fish provides sub-advisory services has a different pre-existing relationship with their clients. Monthly fees billed in arrears are based upon the net value of assets under Two Fish’s management as of the last day of the billing period, adjusted on a prorated basis for account deposits and withdrawals made during the billing period. All investment management fees are negotiable and determined based upon scope of work with the baseline fee schedule as follows:

First \$500,000 - \$1,000,000	1.50%
\$1,000,001 - \$2,500,000	1.00%
\$2,500,001 - \$5,000,000	0.75%
\$5,000,001 - \$10,000,000	0.50%
\$10,000,001 and up	0.35%

Management fees charged to Two Fish Partners, L.P. are no more than 1.5% per annum of assets under management payable monthly in arrears. Two Fish may also collect an incentive fee of 20% once the annual hurdle rate of 8% is met, subject to a high water mark. All terms are defined in the Partnership's Private Placement Memorandum (“PPM”).

Two Fish, in its sole discretion, may charge a lesser investment advisory fee and/or charge a flat fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, prior fee schedules, competition, negotiations with client, etc.).

As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees.

5B. Clients may select to have fees deducted from their assets managed by Two Fish or be billed separately for fees incurred.

5C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, Two Fish shall generally recommend that *TD Ameritrade* serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *TD Ameritrade* charge brokerage commissions and/or transaction fees for effecting certain securities transactions in accordance with the broker-dealer's brokerage commission and transaction fee schedule. In addition to Two Fish's investment management fee (charged in accordance with the above fee schedule), brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

5D. Clients do not pay in advance of services rendered unless they do so to an adviser that uses Two Fish to provide sub-advisory services.

5E. Neither Two Fish, nor any of its investment advisers receive any compensation for the sale of securities or other investment products.

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

6. Two Fish may charge performance-based fees to clients who have at least \$1,000,000* in portfolio assets managed by the firm, or who together with their spouse have a net worth of at least \$2,100,000* excluding principal residence. Clients are advised that performance-based fees involve a sharing of any portfolio gains between the client and the investment manager. Such performance-based fees create an economic incentive for Two Fish to take additional risks in the management of a client portfolio that may be in conflict with the client's current investment objectives and tolerance for risk. No performance-based fees will be assessed until the portfolio, on a cumulative basis from account inception, is in a net gain position. Performance-based fees are in addition to the asset-based fees detailed in Item 5 of this brochure. Clients are also advised that as a result of the standard asset-based fee and the performance-based fee, the investment manager has an economic incentive to recommend a performance-based fee structure. Performance-based fees may only be offered to clients who meet one of the following criteria:

- A natural person who or a company that immediately after entering into the contract has at least \$1,000,000* under the management of the investment adviser
- A natural person who or a company that the investment adviser entering into the contract (and any person acting on his behalf) reasonably believes, immediately prior to entering into the contract, either:
 - Has a net worth (together, in the case of a natural person, with assets held jointly with a spouse, excluding principal residence) of more than \$2,100,000* at the time the contract is entered into; or
 - Is a qualified purchaser as defined in section 2(a)(51)(AA) of the Investment Company Act of 1940 (15 U.S.C. 80a-2(51)(A)) at the time the contract is entered into; or
- A natural person who immediately prior to entering into the contract is:
 - An executive officer, director, trustee, general partner, or person serving in similar capacity of the investment adviser; or
 - An employee of the investment adviser (other than an employee performing solely clerical, secretarial, or administrative functions with regard to the investment adviser)

who, in connection with his or her regular functions or duties, participates in the investment activities of such investment adviser, provided that such employee has been performing such functions and duties for or on behalf of the investment adviser, or substantially similar functions or duties for or on behalf of another company for at least 12 months.

*For clients located in Indiana, the above monetary thresholds for eligibility to enter into performance-based fee arrangements are \$500,000 in portfolio assets managed by the firm, or who together with their spouse have a net worth of at least \$1,000,000.

Two Fish's CCO remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.

Item 7: Types of *Clients*

7. Investments in the Fund are to individuals who are accredited investors. Accredited investors are defined under Rule 501(a) under the Securities Act as individuals having an individual gross income in excess of \$200,000 in each of the two most recent years, or a joint gross income with a spouse in excess of \$300,000 in each of those years with a reasonable expectation of reaching the same income level in the current year; an individual and his/her spouse having net worth exceeding \$1,000,000. (Net worth for this purpose means total assets (excluding residence, personal property and other assets) in excess of total liabilities.)

For client assets managed outside the Fund, there is no minimum investment or account minimum at Two Fish, as we have full discretion to accept or decline accounts of any size. Two Fish, in its sole discretion, may charge a lesser investment management fee and/or reduce/waive its aggregate account minimum based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.)

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

8A. Two Fish uses charting, fundamental, technical and cyclical methods of analysis when determining an investment strategy. The most frequent form of charting we use is point and figure charting. We use point and figure charting as a method of forecasting equity price targets and monitoring changes in price trend. Our fundamental analysis comes from a variety of sources. The main sources of information we use are financial newspapers and magazines, inspections of corporate activities, company press releases, annual reports, prospectuses, filings with the Securities and Exchange Commission, and research materials prepared by others including Morningstar, among others. We do both short and long term technical analysis to help us with the timing of our buying and selling.

8B. The investment strategies we use most frequently are Put Income ("PUT"), Core Equity ("CORE"), Holding Company (HOLDCO), and Income Builder ("IB"). These strategies can be long term (held over a year), short term (sold within a year) or trades (sold within 30 days).

In the PUT strategy, we generate income by writing out-of-the-money (“OTM”) put contracts with varying times to expiration on common stocks we believe to trade at a significant discount to intrinsic value, have limited financial leverage, and are oversold on a technical basis. Selling a put option is a risky strategy because the client is using leverage. For each put option we sell in a clients’ account, the client is obligated to buy 100 shares at the options strike price. In addition, for some PUT clients, we sell covered call options on underlying equity collateral to generate additional income.

The CORE strategy is a long only common stock strategy, through which we attempt to identify undervalued, high quality issuers who generate positive returns on invested capital.

In the HOLDCO strategy, we primarily invest clients’ capital in securities with significant insider ownership (i.e., greater than 5% of the company) or in activist related situations. Depending on overall market valuations, we typically hedge the market exposure of these positions by selling OTM call options on equity index exchange traded funds (“ETFs”) like the S&P 500 SPDR ETF (SPY). The HOLDCO strategy typically has significant gross leverage risk, but we attempt to mitigate this risk through typically low net market exposure.

In the IB strategy, we build over time a diversified portfolio of income producing securities (i.e., securities that pay dividends, distributions or interest).

While frequent trading is not the goal of any of our strategies, Two Fish may trade on a frequent basis. Frequent trading can affect investment performance due to the costs associated with trading, particularly through increased brokerage and other transaction costs and taxes. Two Fish does take these costs into account before engaging in frequent trading for clients.

Two Fish engages in trading strategies that may present higher than usual risk to investors. These strategies and associated risks are detailed more fully below.

Short Sales. Short selling, which involves the selling of assets that the investor does not own, is an investment strategy with a high level of inherent risk. The investor borrows the assets from a third party lender (i.e. Broker-Dealer) with the obligation of buying identical assets at a later date to return to the third party lender. Individuals who engage in this activity shall only profit from a decline in the price of the assets between the original date of sale and the date of repurchase. Conversely, the short seller will incur a loss if the price of the assets rises. Other costs of shorting may include a fee for borrowing the assets and payment of any dividends paid on the borrowed assets.

Margin Transactions. A margin transaction strategy, in which an investor uses borrowed assets to purchase financial instruments, involves a high level of inherent risk. The investor generally obtains the borrowed assets by using other securities as collateral for the borrowed sum. The effect of purchasing a security using margin is to magnify any gains or losses sustained by the purchase of the financial instruments on margin. Borrowing money on margin increases a client’s level of exposure to market risk and volatility. The more money a client borrows on margin, the greater the market risk. This is especially true in the event of a significant downturn in the value of the assets used to collateralize the margin loan. In some circumstances, clients may lose more money than

they originally invested and borrowed. As the marginable investments in a client's portfolio provide the collateral for the loan, the value of that collateral fluctuates according to market activity, while the amount the client borrows stays the same. If margin is used to purchase assets that Two Fish will manage, we would include the entire market value of the margined assets when computing our advisory fee. Conversely, we generally net any margin balance owed by a client account against the account's market value when calculating our advisory fee. As a result, a potential of conflict of interest arises since we would have an economic disincentive to recommend that the client terminate the use of margin.

Options Strategies. The use of options transactions as an investment strategy involves a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract. Generally, the purchase or the recommendation to purchase an option contract by the Registrant shall be with the intent of offsetting/"hedging" a potential market risk in a client's portfolio. Please Note: Although the intent of the options-related transactions that may be implemented by the Registrant is to hedge against principal risk, certain of the options-related strategies (i.e. straddles, short positions, etc.), may, in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, client may direct the Registrant, in writing, not to employ any or all such strategies for his/her/their/its accounts.

For detailed information on the use of options and option strategies, please refer to the Option Clearing Corp.'s Option Disclosure Document, which can be found at: <http://www.optionsclearing.com/components/docs/riskstoc.pdf>

Hard copies may be ordered by calling 1-888-678-4667 or writing OCC, 1 North Wacker Drive, Suite 500 Chicago, IL 60606.

Covered Calls. Covered call writing is the sale of in-, at-, or out-of-the-money call options against a long security position held in a client portfolio. This type of transaction is intended to generate income. It also serves to create downside protection in the event the security position declines in value. Income is received from the proceeds of the option sale. Such income may be reduced to the extent it is necessary to buy back the option position before its expiration. This strategy may involve a degree of trading velocity, transaction costs and significant losses if the underlying security has volatile price movement. There can be no assurance that the security will not be called away by the option buyer, which will result in the client (option writer) to lose ownership in the security and incur potential unintended tax consequences. Covered call strategies are generally suited for positions with little price volatility.

Put Options. Long put options allow the option holder to sell or "put" the underlying security at the contract strike price at a future date. If the price of the underlying security declines in value, the value of the long put option increases. In this way long puts are often used to hedge a long stock position. Options are wasting assets and expire (usually within nine months of issuance), and as a result can expose the investor to significant loss.

8C. Investing in securities involves risk of loss that clients should be prepared to bear.

Item 9: Disciplinary Information

9A. Neither Two Fish nor its representatives have had any criminal or civil actions that are material to a client's evaluation of our advisory business or the integrity of management.

9B. In April 2011, Two Fish executed a Consent Agreement (the "Agreement") with the State of Indiana, Office of the Secretary of State, Securities Division (the "Division"). The Agreement primarily concerned the Division's allegations regarding failure to timely file a Form D with respect to Two Fish Partners, L.P.; failure to request an examination waiver for an adviser representative; failure to register certain adviser representatives; and failure to maintain a client complaint file. Without admitting or denying the substance of the Division's allegations, Two Fish agreed to the terms of the Agreement, including payment of a \$3,000 civil penalty, \$500 reimbursement of the Division's examination and enforcement costs, and a stipulation for no further violations of the Indiana Uniform Securities Act and the Indiana Administrative Code.

9C. Neither Two Fish nor its representatives have had any self-regulatory organization enforcement proceedings that are material to a client's evaluation of our advisory business or the integrity of management.

Item 10: Other Financial Industry Activities and Affiliations

10A. Neither Two Fish, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

10B. Neither Two Fish, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading adviser, or a representative of the foregoing.

10C. Two Fish is the General Partner for Two Fish Partners, L.P., a private investment partnership invested in stocks and options. Two Fish may solicit clients who meet the Investment Standards set forth in the Two Fish Partners, L.P. fund documents.

The client should be aware that Two Fish faces a conflict of interest managing accounts where the fees are performance-based, like Two Fish Partners, L.P., and accounts that are non-performance-based at the same time. Two Fish has incentive to favor accounts for which we receive a performance-based fee.

We try to address these conflicts by entering block trades so that all accounts (including Two Fish Partners, L.P.) receive the same pricing on transactions. Additionally, Two Fish has a Code of Ethics that all active managers must sign on an annual basis requiring the manager to always place the interest of the clients first and never benefit at the expense of advisory clients.

10D. If Two Fish refers a client to another investment adviser, and the client engages the investment adviser, Two Fish shall be compensated for its services by receipt of a referral fee to be paid by the investment adviser to Two Fish in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities laws or requirements. Any such referral fee shall be paid solely from the investment adviser's investment management fee, and shall not result in any additional charge to the client. In addition to Two Fish's written disclosure statement as set forth on Part 2 of Form ADV, the client shall also receive the written disclosure statement of the recommended investment adviser.

Conflict of Interest: The recommendation by Two Fish that an individual or entity engage an investment adviser that shares a portion of its advisory fee with Two Fish presents a conflict of interest, as Two Fish's receipt of the referral fee may provide an incentive to recommend the investment adviser based on the referral fee received, rather than on a particular client's need. No person or entity is under any obligation to engage the investment adviser recommended by Two Fish.

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

11A. Two Fish has adopted a Code of Ethics to: set forth standards of conduct expected of advisory personnel (including compliance with federal securities laws); safeguard material non-public information about client transactions; and require "access persons" to report their personal securities transactions. In addition, the activities of an investment adviser and its personnel must comply with the broad antifraud provisions of Section 206 of the Advisers Act. Two Fish holds all its advisers and employees accountable for adhering to and advocating the following general standards to the best of their knowledge and ability. First, always place the interest of clients first and never benefit at their expense. Second, always act in an honest and ethical manner, including in connection with, and the handling and avoidance of, actual or potential conflicts of interest between personal and professional relationships. Third, always maintain the confidentiality of information concerning the identity of security holdings and financial circumstances of clients. Fourth, fully comply with all applicable laws, rules and regulations of federal, state and local governments and other applicable regulatory agencies. Lastly, proactively promote ethical and honest behavior with the adviser, including, without limitation, the prompt reporting of violations of, and being accountable for adherence to, this Code of Ethics.

11B. Two Fish does solicit clients to invest in Two Fish Partners, L.P. a pooled investment fund, of which Two Fish is the general partner and has a material financial interest. The pooled investment fund is offered to accredited investors only.

11C. In some cases, a member of Two Fish may invest in the same securities that we recommend to clients. Before a personal trade is placed by a managing member of Two Fish, it is approved in writing by another managing member or Two Fish's compliance consultant to ensure that client transactions in the security to be traded in a personal account have been fully executed before a personal trade is executed in the same security. Brokerage statements of each "access person" are provided for review on a quarterly basis to verify that all personal trades requiring

pre-approval received the necessary pre-approval. Two Fish believes that we address potential conflicts of interest by waiting to execute personal transactions until client transactions are completed intraday. We also believe that buying the same securities our clients own represents a good faith effort by Two Fish members to invest along with our clients in securities we recommend for purchase. The holdings of all Two Fish personnel and their spouses are monitored.

11D. Two Fish has not in the past and has no intentions to make markets in recommended securities by taking the other side of client transactions in our personal accounts.

Item 12: Brokerage Practices

12A. In the event that the client requests that Two Fish recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct Two Fish to use a specific broker-dealer/custodian), Two Fish generally recommends that investment management accounts be maintained at *TD Ameritrade*. Prior to engaging Two Fish to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with Two Fish setting forth the terms and conditions under which Two Fish shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that Two Fish considers in recommending *TD Ameritrade* (or another broker-dealer/custodian) include historical relationship with Two Fish, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Two Fish's clients shall comply with Two Fish's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Two Fish determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Two Fish will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Two Fish's investment management fee. Two Fish's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Non-Soft Dollar Research and Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Two Fish can receive from *TD Ameritrade* (or another broker-dealer/custodian, investment platform and/or mutual fund sponsor) without cost (and/or at a discount) support services and/or products, certain of which assist Two Fish to better monitor and service client accounts maintained at such institutions. Included within the support services that can be obtained by Two Fish may be investment-

related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Two Fish in furtherance of its investment advisory business operations.

Certain of the above support services and/or products assist Two Fish in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Two Fish to manage and further develop its business enterprise.

There is no corresponding commitment made by Two Fish to *TD Ameritrade* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

Two Fish's Code of Ethics is available upon request from the CCO. Additionally, Two Fish's CCO remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.

TD Ameritrade Institutional Customer Program

Two Fish participates in the institutional advisor program offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade, Inc., member of FINRA/SIPC, an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Two Fish receives some benefits from TD Ameritrade, Inc. through its participation in the institutional advisor program.

Generally, in addition to a broker's ability to provide "best execution," we may also consider the value of "research" or additional brokerage products and services a broker-dealer has provided or may be willing to provide. This is known as paying for those services or products with "soft dollars." Because many of the services or products could be considered to provide a benefit to the firm, and because the "soft dollars" used to acquire them are client assets, the firm could be considered to have a conflict of interest in allocating client brokerage business: it could receive valuable benefits by selecting a particular broker or dealer to execute client transactions and the transaction compensation charged by that broker or dealer might not be the lowest compensation the firm might otherwise be able to negotiate. In addition, the firm could have an incentive to cause clients to engage in more securities transactions than would otherwise be optimal in order to generate brokerage compensation with which to acquire products and services.

Two Fish's use of soft dollars is intended to comply with the requirements of Section 28(e) of the Securities Exchange Act of 1934. Section 28(e) provides a "safe harbor" for investment managers who use commissions or transaction fees paid by their advised accounts to obtain investment research services that provide lawful and appropriate assistance to the manager in performing investment decision-making responsibilities. As required by Section 28(e), the firm

will make a good faith determination that the amount of fees paid is reasonable in relation to the value of the brokerage and research services provided. That is, before placing orders with a particular broker, we generally determine, considering all the factors described below, that the compensation to be paid to TD Ameritrade is reasonable in relation to the value of all the brokerage and research products and services provided by TD Ameritrade. In making this determination, we typically consider not only the particular transaction or transactions, but also the value of those services and products in our performance of our overall responsibilities to all of our clients. In some cases, the commissions or other transaction fees charged by a particular broker-dealer for a particular transaction or set of transactions may be greater than the amounts of another broker-dealer who did not provide research services or products might charge.

“Research” products and services we may receive from broker-dealers may include economic surveys, data, and analyses; financial publications; recommendations or other information about particular companies and industries (through research reports and otherwise); and products or services (e.g. computer services and equipment, including hardware, software, and data bases) that provide lawful and appropriate assistance to the firm in the performance of its investment decision-making responsibilities. The firm may use some products or services not only as “research” and as brokerage but for our administrative and other purposes as well.

Because Two Fish can earn soft dollar compensation from TD Ameritrade, clients should be aware that there is a potential conflict of interest between using TD Ameritrade versus other broker-dealers. Two Fish’s CCO remains available to address any concerns regarding this conflict of interest.

12A.2. Two Fish does not receive referrals from broker-dealers.

12A.3a. For those occasions when no broker relationship exists, we will suggest, at the client’s request, financial institutions that provide brokerage services.

12A.3b. Two Fish permits clients to choose whichever broker they prefer. However, a client directed brokerage account may cost the client more money as the client may pay higher transaction costs than other clients depending on the costs of the client’s chosen broker. Two Fish does take transaction costs into consideration when assessing buying or selling securities in a client’s account.

12B. In cases when an investment meets the criterion for more than one client account, Two Fish will attempt to block or aggregate trade orders. In the event of a partial fill, the firm will discharge its fiduciary duty of fairness by making a random allocation among all affected clients via the random allocation function of the TD Ameritrade trading software. No client will receive any preferential treatment. In the extremely rare event that the random allocation could result in a loss to a specific client (insufficient number of contracts to cover the trading costs), the Firm will exclude such client from the random allocation.

Item 13: Review of Accounts

13A. Michael P. Morris reviews the macro exposures and security holdings of Two Fish Partners, L.P. on a weekly basis. They also actively trade around core positions and hedge the portfolio on a daily basis.

Separate accounts managed by Two Fish are reviewed on a periodic basis as well. The activity of trading in the separate accounts is based on the stated goals of clients and type of account.

13B. Client accounts are reviewed on a non-periodic basis upon any client request.

13C. Net asset value summaries are sent to limited partners on a quarterly basis by NAV Consulting. Account statements provided by the broker of their choosing (e.g. TD Ameritrade, Interactive Brokers, etc.) are delivered to separate account clients on at least a quarterly basis. All reports are written.

Item 14: *Client* Referrals and Other Compensation

14A. As disclosed under Item 12 above, Two Fish participates in TD Ameritrade, Inc.'s institutional advisor program, and it may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between Two Fish's participation in the program and the investment advice it gives to its clients, although Two Fish receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors.

These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Two Fish; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Two Fish by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Two Fish's related persons.

Some of the products and services made available by TD Ameritrade through the program may benefit Two Fish but may not benefit its clients' accounts. These products or services may assist Two Fish in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Two Fish manage and further develop its business enterprise. The benefits received by Two Fish or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Two Fish endeavors at all times to put the interests of its clients first. Clients should be aware,

however, that the receipt of economic benefits by Two Fish or its related persons in and of itself creates a potential conflict of interest and may indirectly influence Two Fish's choice of TD Ameritrade for custody and brokerage services. Two Fish's CCO remains available to address any concerns regarding this conflict of interest.

14B. Two Fish does not compensate, directly or indirectly, any person, other than its representatives, for client referrals.

Item 15: Custody

15. Two Fish does not have physical custody of client funds or securities. However, as result of its role as General Partner of Two Fish Partners, L.P., Two Fish does indicate that it has custody on Part 1 of Form ADV. Assets managed by Two Fish are held in custody at TD Ameritrade, Interactive Brokers, or JP Morgan Chase as the custodian.

Account statements are provided by qualified custodians on a monthly basis, either electronically or physical mail per the client's request, for clients that have a separate account with Two Fish. For those clients that are limited partners in Two Fish Partners, L.P., NAV Consulting in Oak Brook, IL provides quarterly account statements. These statements are sent directly to the limited partners from NAV Consulting.

Clients should carefully review their statements. The custodian does not verify the accuracy of Two Fish's investment management fee.

Item 16: Investment Discretion

16A. Two Fish does accept discretionary authority to manage securities on behalf of clients. Before assuming this authority, we execute a limited power of attorney, a limited trading authorization statement with the client and at the client's discretion, a letter of authorization to deduct management fees.

16B. Separate account clients may and do limit both the instrument Two Fish uses to invest (options, common stock and/or futures) and specific companies that they prefer Two Fish not invest in (e.g. Playboy, Phillip Morris, etc.).

Item 17: Voting *Client* Securities

17A. Two Fish may or may not vote proxies for Two Fish Partners, L.P., as is its authority as general partner of the partnership. Separate account clients may also authorize Two Fish to vote their securities. Unless a specific arrangement has been made, it is assumed the client is responsible for voting proxies. For accounts and clients where we have authority to vote securities, we vote based in accordance with our voting policy below and do not allow clients to direct votes for a particular solicitation.

We regularly monitor corporate actions and may vote client proxies. We vote securities in order of their proxy due dates and generally vote for company proposals that favor independent and qualified board members, moderate executive compensation and other policies that emphasize a return on invested capital framework for strategic decision making. We vote securities in the best interests of clients. We do not believe that we face any material conflicts of interest in our securities voting for clients.

Clients may obtain information about how we voted any of their proxies upon request.

17B. Unless a specific arrangement has been made, we do not have authority to vote client securities. Clients will receive their proxies or other solicitations directly from their custodian or transfer agent. Clients are free to contact us with questions about a particular solicitation.

Item 18: Financial Information

18A. Two Fish collects management fees in arrears for all direct clients.

18B. We foresee no financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.

18C. We have not been the subject of a bankruptcy petition at any time during the past ten years.

Item 19: Requirements for State-Registered Advisers

19A. Michael Morris is Two Fish's President. For additional information about Mr. Morris, please see Mr. Morris' Brochure Supplement to this ADV Part 2A Brochure.

19B. As referenced above, neither Two Fish nor its representatives have outside relationships that are material to Two Fish's business.

19C. In limited circumstances, Two Fish may collect performance-based fees from a client. This incentive fee is 20% once the annual hurdle rate of 8% is met, subject to a high water mark. All terms are defined in the Partnership's Private Placement Memorandum ("PPM") and additional details can be found in Items 4, 5, and 6 herein. Performance-based fees may create

an incentive for the advisor to recommend an investment that may carry a higher degree of risk for the client.

19D. Neither Two Fish nor its Principal have been the subject of a disciplinary action reportable in this Item. Please see Item 9 above for additional information on Two Fish's disciplinary history.

19E. Neither Two Fish nor Principal has any relationship or arrangement with any issuer of securities.

Any Questions: The Two Fish CCO remains available to address any questions regarding the Part 2A at **317-519-4843**.