

Clovis Capital Management, L.P.

Part 2A of Form ADV

The Brochure

640 Fifth Avenue, 14th Floor
New York, NY 10019
www.cloviscapital.com

Updated: January 2011

This brochure provides information about the qualifications and business practices of Clovis Capital Management, L.P. (“Clovis”). If you have any questions about the contents of this brochure, please contact us at 212-332-1900. 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 Clovis is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Material Changes

Clovis's most recent update to Part 2 of Form ADV was made in August 2010. Clovis's business activities have not changed materially since the time of that update. However, in 2010 the SEC required significant changes to the content and format of Part 2 of Form ADV. This brochure, which reflects those changes, is materially different from brochures used by Clovis in prior years.

Table of Contents

Material Changes.....	2
Table of Contents	2
Advisory Business	2
Performance Based Fees and Side-by-Side Management	6
Types of Clients.....	6
Methods of Analysis, Investment Strategies and Risk of Loss	6
Disciplinary Information	9
Other Financial Industry Activities and Affiliations	9
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	9
Brokerage Practices	10
Allocation of Investment Opportunities	12
Review of Accounts	12
Client Referrals and Other Compensation.....	13
Custody	13
Investment Discretion.....	14
Voting Client Securities	14
Financial Information	14

Advisory Business

Clovis Capital Management, L.P. ("Clovis" or "We"), a Delaware limited partnership formed in 2002 by William R. Cline, Michael A. Prober and Scott L. Scher (collectively, the "Founding Principals", is the investment adviser/manager for three long/short equity funds: (i) Clovis Capital Partners, L.P., (ii) Clovis Capital Partners Institutional, L.P., both of which are domestic limited partnerships (each individually referred to as a "Domestic Partnership" or collectively as the "Domestic Partnerships"), and (iii) Clovis Capital Partners (Cayman), Ltd., an offshore fund organized as a Cayman Islands Exempted Company (the "Offshore Fund"). The three entities are collectively referred to in this document as the "Funds." Clovis is also the investment adviser/manager to one "feeder fund," Clovis (Cayman), Ltd., which invests all of its assets into Clovis Capital Partners, L.P. The Founding Principals each own 1/3 of Clovis.

Clovis formulates its investment objectives, directs and manages the investment and reinvestment of the Funds' assets, and provides reports to investors. Investment advice is provided directly to the Funds according to the Funds' particular investment objectives and not individually to the Funds' investors. As of January 1, 2011, Clovis had approximately \$1.7 billion under management all of which is managed on a discretionary basis on behalf of the Funds.

Fees and Compensation

Compensation received by Clovis is comprised of fees based on a percentage of assets under management and performance-based amounts. The performance based compensation is paid from the Offshore Fund in the form of fees and by the respective Domestic Partnerships' limited partners in the form of a profit allocation to the general partner of the Domestic Partnerships. All such fees or allocations are deducted directly from the Offshore Fund or the limited partner accounts of the Domestic Partnerships, respectively.

Management Fees (Based on Net Assets)

Clovis charges a quarterly management fee equal to $\frac{1}{4}$ of 1.5% of the value of each investor's capital or shares account. The management fee is paid in advance, as of the first day of each calendar quarter. Management fees with respect to contributions made on a day other than the first day of a calendar quarter are pro rated. Management fees with respect to redemptions made on a day other than the last day of a calendar quarter are not pro rated. Clovis (and/or the general partner with respect to the Domestic Partnerships), at its discretion (in the case of the Offshore Fund, subject to oversight by a board of directors for the Offshore Fund (the "Offshore Directors")), may waive all or a portion of such fees.

We may invest a portion of the Funds' assets in shares of mutual funds or other investment companies, including Exchange Traded Funds ("ETFs"). Assets invested in such investment companies will be included in computing the management fees paid to us. The same assets will also be subject to additional advisory and other fees and expenses, as set forth in the prospectuses of those investment companies, paid by the investment companies, but ultimately borne by the Funds.

Performance Fees/Allocations (Incentive Based)

Domestic Partnerships:

Clovis Capital Group LLC, the general partner of the Domestic Partnerships and an affiliate of Clovis, is allocated, at the fiscal year-end and/or upon redemption, a 20% profit allocation. Subject to the approval of the General Partner of the Domestic Partnership, investors committing to a three year lock-up in a Domestic Partnership will pay a reduced performance fee of 17.5% (as opposed to 20%) of the committed amount. The three year period commences from the later of (i) the date of acceptance of the commitment by the General Partner and (ii) the receipt of funds relating to such a commitment by the applicable Domestic Partnership.

With regard to investors not subject to the three year commitment, redemptions in the first year are subject to a 5% redemption fee payable to the applicable Domestic Partnership. With regard to investors electing to commit for three years, no redemption is permitted in the initial year. If during the second year of the commitment period, an investor in a Domestic Partnership requests the redemption of a portion of its committed investment, the amount redeemed is subject to the normal profit allocation of 20%, allocated to the General Partner, and a 3% redemption charge separately payable to Clovis. During the third year, redemptions are subject to the normal profit allocation of 20% and a 2% redemption charge payable to Clovis. Clovis and/or the General Partner may modify the liquidity provisions or waive all, or a portion, of such fees or the profit allocation.

In addition to the interests described above, investors may invest in two different limited partnership interests which provide for full portfolio transparency on a one month delayed basis. The first of these interests are subject to a two year commitment in which no redemption is permitted in the initial year and redemptions in the second year are subject to a 3% redemption fee payable to the applicable Domestic Partnership. This interest is subject to the regular 20% incentive fee. The second of these interests is subject to a three year hard lock-up and is subject to a profit allocation of 17.5%. Investors selecting full portfolio transparency interests may not also invest in standard transparency interests.

Offshore Fund:

Clovis receives an incentive fee of 20% from the Offshore Fund, payable at the end of its fiscal year and/or upon redemption. Subject to the approval of the Offshore Directors, investors committing to a three year lock-up in the Offshore Fund will pay a reduced incentive fee of 17.5% (as opposed to 20%) of the committed amount. The three year period commences from the later of (i) the date of acceptance of the commitment by the Offshore Directors and (ii) the issuance by the Offshore Fund of the shares relating to such commitment.

With regard to investors not subject to the three year commitment, redemptions in the first year are subject to a 5% redemption fee payable to the Offshore Fund. With regard to investors electing to commit for three years, no redemption is permitted in the initial year. If during the second year of the commitment period, an investor requests the redemption of a portion of its committed investment, the amount redeemed is subject to the normal incentive fee of 20% and a 3% redemption charge payable to Clovis. During the third year, redemptions are subject to the normal incentive fee of 20% and a 2% redemption charge payable to Clovis. Clovis (subject to the oversight and/or the permission of the Offshore Directors) may modify the liquidity provisions or waive all, or a portion, of the redemption or incentive fee.

In addition to the shares described above, Offshore Fund shareholders may invest in two different share sub-series which provide for full portfolio transparency on a one month delayed basis. The first of these share types are two year commitment shares in which no redemption is permitted in the initial year and redemptions in the second year are subject to a 3% redemption fee payable to the Offshore Fund. This share sub-series is subject to the regular 20% incentive fee. The second of these share types is subject to a three year hard lock-up and is subject to an incentive fee of 17.5%. Shareholders selecting full portfolio transparency shares may not also invest in standard transparency shares.

Plan Asset Investors: A Fund may be a plan asset fund as a result of holding in excess of 25% plan assets within any one class of investors. Should this be the case, those investments by a plan asset investor subject to the U.S. Employee Retirement Income Security Act of 1974, as amended (“ERISA”), or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”), will defer the incentive fee or the profit allocation until such time that such investor has been invested for a 12 month period; except, if such investor were to withdraw from the Offshore Fund or a Domestic Partnership prior to its 12 month anniversary, the incentive fee would be due or profit allocation allocable upon redemption. While the Offshore Fund and Clovis Capital Partners Institutional, L.P. were each at one time plan asset funds, neither entity (nor Clovis

Capital Partners, L.P.) is currently a plan asset fund and the intention is for none of the Funds to be a plan asset fund in the future.

Clovis (and/or the General Partner with respect to the Domestic Partnerships), at its discretion (subject to oversight by the Offshore Directors for the Offshore Fund) may waive all or a portion of the profit allocation or the incentive fee.

Liquidity and Fees Paid in Advance

As described above, management fees are paid at the beginning of each quarter or up to three months in advance. These fees, once paid, are not refundable. For standard reporting investors not electing a three year commitment, redemptions in the first year of an investor's initial investment are subject to a 5% redemption fee payable to the applicable Fund; no redemption fees are charged thereafter. For standard reporting investors selecting a three year commitment, such investment is subject to a one year lock-up; in addition, a 3% redemption fee is paid to Clovis if the investor redeems all or a portion of its committed interest in the second year, and a 2% redemption fee is paid to Clovis if the investor redeems all or a portion of its committed interest in the third year. For enhanced portfolio reporting investors electing a two year commitment, redemptions are not permitted in the first year and are subject to a 3% redemption fee in the second year payable to the Fund. For enhanced portfolio reporting investors electing a three year hard lock-up, redemptions are not permitted in the first three years.

The Funds allow for quarterly redemptions. For standard reporting investors, such redemptions must be requested in writing with no less than 45 days notice; for enhanced portfolio transparency reporting investors, such redemptions must be requested in writing with no less than 90 days notice. Redemption requests are irrevocable.

Clovis and/or the General Partner (with Offshore Director oversight and/or permission for the Offshore Fund) may, at their discretion, amend the liquidity rights or notice periods, or waive all or a portion of the management fees, performance fees/allocations and redemption fees.

Other Types of Fees or Expenses

In addition to Clovis's fees, investors bear indirectly the fees and expenses charged to the Funds. Those fees vary, but typically include, but are not limited to: legal/compliance fees; administration, audit, accounting (including, but not limited to, trading, risk, portfolio management and accounting systems and software) and tax preparation fees; and administrative fees and custodial and transaction costs paid to custodians, brokers and other third parties. Also, the Funds pay for routine insurance costs associated with the operations of the Funds.

Investors should review all fees charged by us, custodians and brokers and other third parties to fully understand the total amount of fees to be paid by the Funds. Please also see "Brokerage Practices" below.

Investments in New Issues

The Funds may from time to time invest in initial public offerings ("New Issues"). Such New Issues, as with all securities traded by the Funds, are typically allocated pro-rata among the three Funds based on net assets. Exceptions to such allocation may be made at the discretion of the

portfolio manager(s) for reasons, including but not limited, to prohibitions of law. The Funds, in compliance with The Financial Industry Regulatory Authority (“FINRA”) regulations, allocate profit and loss from New Issues only to investors that may, by law, participate in such allocation.

Performance Based Fees and Side-by-Side Management

As stated in the Fees and Compensation section above, we charge performance-based fees which are fees based on a share of capital gains on or capital appreciation of the client’s assets. The fact that we are compensated based on trading profits may create an incentive for us to make investments on behalf of the Funds that are riskier or more speculative than would be the case in the absence of such compensation. In addition, the performance-based fee received by us is based primarily on realized and unrealized gains and losses. As a result, the performance based fee earned could be based on unrealized gains that clients may never realize.

Types of Clients

We provide investment supervisory services to the Funds. Investment advice is provided directly to the Funds, subject to our direction and control, and not individually to the investors.

Our investor base is well diversified and is comprised of “fund-of-funds,” institutions (e.g., endowments, pension plans, foundations, etc.), and high net worth individuals/family offices.

While the Funds’ offering documents limit initial investments to at least \$1,000,000, we and/or the Offshore Fund (subject to the oversight and/or the approval of the Offshore Directors) may waive such minimum; however, such a waiver with regard to the Offshore Fund is limited by Cayman Law to \$100,000.

Methods of Analysis, Investment Strategies and Risk of Loss

Our investment philosophy is straightforward. We believe that the less efficient parts of the market provide the best opportunity to find alpha. We believe that the best way to capture that alpha is to do intense original research and think away from the consensus. We also believe that the best way to sustain the capture of alpha is to consistently execute a repeatable process.

Our investment process is bottom-up on both the long and short sides. Our focus, representing roughly three-fourths of each Fund’s portfolio, is on small to mid-cap companies, broadly defined as companies between \$500 million and \$20 billion in market capitalization. Where compelling investment ideas exist below \$500 million or above \$20 billion in market capitalization, we will be opportunistic and consider them for the portfolio.

On both sides of the portfolio there is a consistent way in which we identify, process, perform due diligence and make decisions on portfolio candidates. Alpha generation is sought from both the long and short sides of the portfolio. Throughout the process, a broad range of risk management tools and techniques are employed.

Our bottom-up process starts by reviewing a wide range of publicly available information, including annual reports, 10-Ks, 10-Qs, proxies and press announcements. We then speak with management and schedule a visit to meet with senior management at their company facilities

(when applicable). Our next step is to speak with competitors, customers and suppliers. During these interviews, we build our own financial statements, including a balance sheet, income statement and cash flow statement. As part of the process we use database/research/risk services, including Bloomberg, CFRA, Behind the Numbers, ISI, EdgarPRO, Capital IQ, Factset, Thomson One, Gerson Lehrman, Alpha Theory, etc. We also speak with Wall Street analysts in order to assess the “street” sentiment. Approximately 95% of our research is internally derived.

We focus on publicly traded equities, primarily traded in the United States. We, however, have some exposure to foreign equity markets and may occasionally hold restricted stock (e.g., PIPEs) or debt instruments. We also use options (both listed and OTC) as a trading strategy or to hedge the underlying securities. In addition, we may trade equity swaps (i.e., contract for differences or “CFDs”) and have purchased credit default swaps (“CDSs”). Foreign currency and/or forward currency contracts are sometimes used to hedge currency risk. At times we will deploy ETFs, structured basket swaps (CFDs, as described above), and index options as a portfolio hedge or as a hedge to individual or collective positions in the long book. Such hedges may be general market-based, more narrowly focused on specific sectors, or as a hedge to specific long exposure.

The description contained herein is a brief overview of the investment strategy and financial instruments that may be used and is not intended to be complete. All investing involves a risk of loss, and the investment strategy offered by Clovis could lose money over short or even long periods. Performance could be hurt by a number of different market risks including, but not limited to:

- Investing in securities involves risk of loss that investors should be prepared to bear.
- Equities purchased for the Funds may involve substantial risks and may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. Although we generally focus on equities with a market equity capitalization in excess of \$500 million, there are no absolute restrictions in regard to the size or operating experience of the companies in which we may invest. (Relatively small companies may lack management depth or the ability to generate internally, or obtain externally, the funds necessary for growth and companies with new products or services could sustain significant losses if projected markets do not materialize.)
- The value of the fixed-income securities in which we invest change as the general levels of interest rates fluctuate. When interest rates decline, the value of the Fund’s fixed-income securities can be expected to rise. Conversely, when interest rates rise, the value of such securities are generally expected to decline.
- Option trading is speculative and involves a high degree of risk. If we purchase a put or a call option, it may lose the entire premium paid. If we write or sell a put or call option, its loss is potentially unlimited.
- We enter into transactions known as “short sales,” in which we sell a security we do not own in anticipation of a decline in the market value of the security. Losses from short sales are potentially unlimited. In particular, a tender offer or similar transaction with

respect to a company whose securities we have sold short could cause the value of such securities to rise dramatically, resulting in substantial losses to the Funds. Brokers may also require that we “cover” a short position at an inopportune time.

- We invest a portion of the Funds’ assets in securities of foreign issuers or securities denominated in foreign currencies. Investing in foreign securities and/or currencies may present a greater degree of risk than investing in domestic securities due to possible exchange rate fluctuations, possible exchange controls, less publicly available information, more volatile markets, less regulation, less favorable tax provisions (including possible withholding taxes), war or expropriation.
- Securities purchased by the Funds may lack a liquid trading market, which may result in the inability of the Funds to sell any such security or other investment or to close out a transaction involving a foreign currency or to cover the short sale of an option, thereby forcing the Funds to incur potentially unlimited losses. Liquidity is of particular concern with respect to the markets for securities of small-capitalization and growth companies.
- We utilize leverage by purchasing securities on margin and selling securities short. The more leverage employed, the more likely a substantial change will occur in the value of a Fund’s interests. In addition, trading on margin results in interest charges to the Funds.
- As a means of earning additional income, we may lend securities from the Funds’ portfolio to brokers, dealers and other financial institutions that need to borrow securities to complete certain transactions. The Funds might experience a loss if any institution which has borrowed securities from the Funds breaches its agreement with the Funds. If the borrower becomes insolvent or bankrupt, the Funds could experience delays and costs in recovering loaned securities. To the extent that, in the meantime, the value of the loaned securities declines, the Funds could experience further losses.
- We may make use of various derivative instruments, such as options, futures, forwards and interest-rate, credit default and equity swaps. The use of derivative instruments involves a variety of material risks, including the high degree of leverage sometimes embedded in such instruments. The derivatives markets are frequently characterized by limited liquidity, which can make it difficult as well as costly to close out open positions in order either to realize gains or to limit losses. The pricing relationships between derivatives and the instruments underlying such derivatives may not correlate with historical patterns, resulting in unexpected losses. Certain of the derivatives that may be traded by us may be principal-to-principal or “over-the-counter” contracts between the Funds and third parties entered into privately, rather than on an established exchange. The risk of counterparty nonperformance can be significant in the case of these over-the-counter instruments, and “bid-ask” spreads may be unusually wide in these substantially unregulated markets. The risks posed by such instruments and techniques, which can be extremely complex and may involve leveraging of the Funds’ assets, include: (1) credit risks (the exposure to the possibility of loss resulting from a counterparty’s failure to meet its financial obligations); (2) market risk (adverse movements in the price of a financial asset or commodity); (3) legal risks (the characterization of a transaction or a party’s legal capacity to enter into it

could render the financial contract unenforceable, and the insolvency or bankruptcy of a counterparty could preempt otherwise enforceable contract rights); (4) operational risk (inadequate controls, deficient procedures, human error, system failure or fraud); (5) documentation risk (exposure to losses resulting from inadequate documentation); (6) liquidity risk (exposure to losses created by inability to prematurely terminate the derivative); (7) system risk (the risk that financial difficulties in one institution or a major market disruption will cause uncontrollable financial harm to the financial system); (8) concentration risk (exposure to losses from the concentration of closely related risks, such as exposure to a particular industry or exposure linked to a particular entity); and (9) settlement risk (the risk faced when one party to a transaction has performed its obligations under a contract but has not yet received value from its counterparty).

Disciplinary Information

Clovis has not been involved in any legal or disciplinary events since its inception that would be material to a client's evaluation of the company or its personnel. In addition, Clovis' employees have not been involved in any legal or disciplinary events in the past 10 years (and, to the best of our knowledge and belief, in years preceding that 10-year period) that would be material to a client's evaluation of the company or its personnel.

Other Financial Industry Activities and Affiliations

Clovis and its employees do not have any relationships or arrangements with other financial services companies that pose material conflicts of interest.

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

To avoid any potential conflicts of interest involving personal trades, Clovis has adopted a Code of Ethics (the "Code"), which includes a formal code of ethics and insider trading policies and procedures. Clovis' Code requires, among other things, that Clovis personnel:

- Act with integrity, competence, diligence, respect and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession and other participants in the global capital markets;
- Place the integrity of the investment profession, the interests of clients and the interests of Clovis above their own personal interests;
- Adhere to the fundamental standard that they should not take inappropriate advantage of their position;
- Avoid, to the extent possible, actual or potential conflicts of interest;
- Comply with privacy policies designed to protect the confidential nature of Fund investors' non-public personal information;
- Conduct all personal securities transactions in a manner consistent with this policy;
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions and engaging in other professional activities;

- Practice and encourage others to practice in a professional and ethical manner that will reflect credit on themselves and the profession;
- Promote the integrity of, and uphold the rules governing, capital markets;
- Maintain and improve their professional competence and strive to maintain and improve the competence of other investment professionals; and
- Comply with applicable provisions of the federal securities laws.

Clovis and its principals, partners, officers, employees, affiliates and other related parties (each a “Clovis Related Party”) are permitted to invest in their personal trading accounts subject to certain restrictions. Clovis Related Parties may transact in mutual funds, ETFs, stocks, bonds and securities that are not traded publicly including, but not limited to, privately held companies, hedge funds, venture capital funds and commodity pools.

Clovis requires certain personal securities transactions, specifically those related to equity securities which may also be traded by or are held at the time by the Funds, to be subject to an enhanced pre-clearance process by various Clovis personnel, including the Chief Compliance Officer. This enhanced preclearance process of the personal trading activities of Clovis Related Parties includes an assessment of whether such transactions pose any actual or potential conflicts of interest with respect to transactions executed by Clovis for the Funds.

Clovis’ Code also requires Clovis Related Parties to: 1) pre-clear certain personal securities transactions, 2) report personal securities transactions on at least a quarterly basis, and 3) provide Clovis with a detailed summary of certain holdings (both initially upon commencement of employment and annually thereafter) in which the Clovis Related Party has a direct or indirect beneficial interest.

A copy of Clovis’ Code shall be provided to any client or prospective client upon request.

Brokerage Practices

Clovis has sole discretion on brokers used and commissions paid. It is Clovis’ intention that the rate of commission paid will not exceed 5 cents per share for U.S. securities and will generally be 15 basis points for most foreign securities. However, commission rates will vary from 1 cent to 5 cents per share for U.S. securities, and for foreign securities there may be occasions in illiquid markets in which commissions paid may be as high as 40 basis points. When selecting brokers and negotiating commission rates, we are guided by the principal objective of seeking to obtain best execution for the Funds including, but not limited to, the financial stability and reputation of the broker, and the quality of investment research, investment strategies and special execution capabilities.

Clovis executes securities transactions with multiple executing brokers and currently has a single prime broker, Goldman Sachs & Co. (“GSCO”), through which all trades clear. Many of these broker-dealers provide Clovis with access to proprietary research reports (such as standard investment research) which are used for all accounts at Clovis.

While all trades settle with and all securities are held in custody at GSCO, the Funds have three additional prime brokerage relationships: BNP Paribas, Fidelity Investments, and Jefferies Group.

The Funds hold only cash with these other prime brokers; the Funds have no current intention to custody any other asset type with these other prime brokers.

Soft Dollar Benefits

The term “soft dollars” refers to a means of paying brokerage firms or other third parties for products and services through commission revenue, based on the volume of brokerage commission revenues generated from securities transactions executed through brokers by an investment manager on behalf of advisory clients. Clovis is specifically authorized to direct brokerage to firms which furnish or pay for research and/or brokerage services within the “safe harbor” provided by Section 28(e) of the Securities Exchange Act of 1934 (“Exchange Act”). Consequently, a conflict of interest exists as Clovis benefits from the arrangement because it does not have to produce or pay for the research it receives and has an incentive to select a broker-dealer based on Clovis’ interest in receiving research or other products or services, rather than the Funds’ interest in receiving the most favorable execution. Mitigating this conflict is that all the research and other services noted below benefit all of the Funds managed by Clovis.

Clovis has a soft dollar arrangement with Goldman Sachs Execution and Clearing, L.P. (“GSEC”), a wholly owned subsidiary of GSCO. Clovis uses soft dollars at GSEC to pay for research, market data services, and exchange fees. Clovis also has a soft dollar arrangement with Ticonderoga Securities LLC (“TS”). Clovis uses soft dollars at TS to pay for research. Clovis does not believe it “pays up” in exchange for research and services paid for by GSEC or TS.

Other broker-dealers through which Clovis effects transactions may provide Clovis with investment research and other products and services that are generally made available to all institutional investors doing business with such broker-dealers. These bundled services are made available to Clovis on an unsolicited basis and without regard to the rates of commissions charged or paid by Clovis or the volume of business Clovis directs to such broker-dealers.

Since these products and services are merely made available by broker-dealers as part of a bundled business package to Clovis, which may or may not use them, it is Clovis’ understanding that such broker-dealers do not set discrete prices for such products and services. Accordingly, Clovis does not separately compensate such broker-dealers for the provision of such services and does not believe that it “pays-up” for such broker-dealers’ services since the broker-dealers do not break out the costs for such services.

Cross Trading

As is consistent with Clovis’ duty to seek to obtain best execution, occasionally, Clovis may cross trades between the Funds. A cross trade occurs when Clovis purchases and sells a particular security between two or more of the Funds by instructing a specified broker-dealer to cross the trade. Clovis would typically utilize “cross” trades at the beginning of a month in order to rebalance the Funds’ portfolios as a consequence of capital activity.

Brokerage for Client Referrals

Clovis occasionally effects transactions or otherwise utilizes broker-dealers that have, or whose affiliates have, referred or recommended investors to it and broker-dealers or registered representatives of broker-dealers that personally or through related persons or family members

have investments in funds managed by Clovis. The existence of these relationships gives rise to conflicts of interest as it creates an incentive for Clovis to direct more business to these broker-dealers in order to generate future referrals or additional affiliated investments rather than selecting broker-dealers based on the Funds' interest in receiving most favorable execution. To address these conflicts of interest, Clovis only utilizes a broker-dealer if it has determined in advance that the transaction would be in the Funds' best interest.

Trade and Other Clerical Errors

Trade and other clerical errors resulting in gains will be for the benefit of the Funds and will not be retained by Clovis. Clovis is under no obligation, however, to reimburse the Funds for trade and other clerical errors made by Clovis, its agents and affiliates, as such errors are considered by Clovis to be a cost of doing business.

While Clovis is under no obligation to reimburse the Funds for trade and other clerical errors made by Clovis, its agents and affiliates, any correction of a trade or other clerical error will only be made to the extent required so that the Funds do not incur a loss related to such error.

Notwithstanding the foregoing, Clovis will be obligated to reimburse the Funds for any trade or other clerical error resulting from the Clovis's willful misconduct, gross negligence or material breach under the exculpation of liability and indemnification provisions of the Investment Management Agreements maintained with the Funds. Clovis, subject to its fiduciary obligations, will determine whether or not any trade or other clerical error is required to be reimbursed in accordance with such liability and exculpation provisions. Clovis, in its sole discretion, reserves the right to reimburse the Funds for any trade or other clerical error. Clovis's reimbursement of the Funds for any particular error will not constitute a waiver of any policy to cause the Funds to bear the losses from other trade or other clerical errors.

Allocation of Investment Opportunities

Clovis has a fiduciary obligation to use its best efforts to ensure that no client is treated unfairly in relation to any other client in the allocation of securities or investment opportunities or in the order in which transactions are executed. Accordingly, Clovis seeks to allocate orders and investment opportunities among its Funds in a manner that it believes is equitable and in the best interests of all the Funds. Clovis' Funds are invested in accordance with a single strategy and generally invest *pari passu*, or on a pro-rata basis with trades generally being executed on an aggregate basis among the Funds. Exceptions to this allocation methodology include, but are not limited to, differing legal or tax prohibitions among the Funds, addressing issues which do not equally impact each of the Funds (e.g., tax planning for the Domestic Partnerships), and rebalancing due to disparities in capital activity (redemptions/subscriptions) in one or more of the Funds. Accordingly, the Funds, as a result, may experience some performance dispersion and there can be no assurance that a particular order or investment opportunity will be allocated in a particular manner.

Review of Accounts

The Funds' portfolios are reviewed with regard to positions held, risk, exposure and proper settlement on a daily basis by the portfolio managers, the traders, in-house operations and other senior Clovis management, where appropriate.

Goldman Sachs Administration Services Co. and Goldman Sachs (Cayman) Trust, Ltd. serve as administrator (both herein after referred to as the “Administrator”) for the Funds. The Administrator sends, via electronic mail, upon request of each investor, weekly and at the end of the month, estimated month-to-date, quarter-to-date, and year-to-date performance for the Fund in which they are invested. The performance percentages are subject to oversight by Clovis’ in-house operations and CFO. The performance information is reported net of management fees and an accrual for the incentive fee, if any (with respect to the Offshore Fund), and the performance allocation, if any (with respect to the Domestic Partnerships).

The Administrator sends via electronic mail, fax or other transmission method a monthly statement of the value of each investor’s individual investment account in the entity in which it is invested. The statement of account is subject to oversight by Clovis Operations. All monthly statements show the value of the investment at month-end which includes monthly P&L net of expenses, including management fees, an accrual for the incentive fee, if any, (with respect to the Offshore Fund) or the performance allocation, if any (with respect to the Domestic Partnerships), and any contributions or redemptions of capital.

Clovis sends via email or fax to each investor within several days after month-end, a monthly “snapshot” of the performance, exposure and statistical analysis for the three Funds in aggregate for the prior month. Following the end of each calendar quarter an overview of the Funds’ activities, written by the portfolio managers, is included with the “snapshot”. In addition to the foregoing reports and statements, and upon the request of certain investors or third parties representing investors, Clovis may also provide, in its sole and absolute discretion, more frequent disclosure or additional information not contained in the above mentioned reports and statements, either due to legal/regulatory constraints that must be followed by some of the Funds’ investors and/or the specific needs of and requests made by certain investors.

Annual Financial Statements, prepared by Clovis and audited by PricewaterhouseCoopers, LLP (“PWC”) for the Domestic Partnerships and PricewaterhouseCoopers for the Offshore Fund, are forwarded to each investor within ninety (90) days of the respective entity’s fiscal year-end. In addition, unless otherwise notified, Schedule K-1s, prepared by PWC and reviewed by Clovis, are forwarded to each investor invested in one of the Domestic Partnerships within ninety (90) days of the calendar year-end.

Client Referrals and Other Compensation

Other than the previously described products and services that Clovis receives from broker-dealers, Clovis does not receive any other economic benefits from non-clients in connection with the provision of investment advice to clients.

Clovis does not directly or indirectly compensate any person for client referrals.

Custody

All client assets are held in custody by unaffiliated broker/dealers or banks; however, Clovis may have access to the Funds’ accounts as an affiliate serves as the General Partner or Manager of the Funds. Investors in the Funds do not receive statements from the custodian. Instead, the Funds are

subject to an annual audit and the audited financial statements are distributed to each investor. The audited financial statements are prepared in accordance with U.S. generally accepted accounting principles and distributed within 120 days of the respective Fund's fiscal year end.

Investment Discretion

There are no restrictions as to the type or amount of securities to be bought or sold on behalf of the clients. Clovis has complete investment discretion over all client accounts. Clovis is responsible for managing the business and investments of the Funds and for certain administrative matters as set forth in the Funds' offering documents.

Voting Client Securities

Clovis votes the Funds' proxies in the interest of maximizing shareholder value. To that end, Clovis takes great care to vote proxies in a way that it believes, consistent with its fiduciary duty, will cause the Funds' securities to increase the most or decline the least in value. Consideration is given to both the short and long term implications of the proposal to be voted on when considering the optimal vote. Clovis' Operations Manager (with CFO oversight where appropriate) is responsible for identifying the proxies upon which Clovis will vote, consulting with the Portfolio Manager(s) to vote the proxies in the best interest of clients, and submitting the proxies promptly and properly.

As noted previously, Clovis will vote its clients' proxies in the best interest of its clients and not that of its own. In voting client proxies, Clovis avoids material conflicts of interest between the interests of itself on the one hand and the interests of its clients on the other. Should a material conflict not be able to be adequately mitigated internally, Clovis would engage ISS, an independent proxy voting advisory and research firm, and vote the client(s) proxy in accordance with the published recommendation of ISS.

Our complete proxy voting policy and procedures have been memorialized in writing and are available for review by Offshore Directors and each investor in the Domestic Partnerships. In addition, Clovis maintains a record of all of the proxy votes cast on behalf of the Funds; such records may be reviewed at Clovis' offices.

Securities Class Actions

As a routine matter, Clovis does not participate in class actions brought regarding securities held in the Funds' portfolios. However, on occasion, where Clovis, in its sole discretion, believes that the benefits to the Funds outweigh the cost of participation, Clovis may choose to participate on behalf of the Funds. Any compensation received by Clovis as the result of participation in a class action shall be distributed to the Funds pro-rata based on the percentage of the relevant holding in each portfolio.

Financial Information

Clovis has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.