

**Part 2A of Form ADV: Firm Brochure**

**Item 1 - Cover Page**

**Name:** Mason Hill Advisors, LLC

**Address:** 623 Fifth Avenue – 27th floor  
New York, NY 10022

**Phone Number:** 212-832-1290

**Fax Number:** 212-832-2215

The date of this brochure is **March 30, 2012**.

**This brochure provides information about the qualifications and business practices of Mason Hill Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 212-832-1290. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.**

**Additional information about Mason Hill Advisors, LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Any reference to Mason Hill Advisors, LLC as a “registered investment adviser” or as being “registered,” does not imply a certain level of skill or training.**

## Item 2 - Material Changes

This brochure dated March 30, 2012 is the annual update to the brochure of Mason Hill Advisors, LLC (“Mason Hill”) dated March 31, 2011. This section contains a description of material changes to the brochure since the last annual update. These material changes are as follows:

Mr. Sean Fieler is a member and the manager of Mason Hill. Mr. Daniel Gittes is a member of Mason Hill. Mr. William W. Strong is the Chairman of Mason Hill. Mason Hill has entered into a consulting agreement with WS Consulting LLC, a Delaware limited liability company controlled by Mr. William Strong. The consulting agreement provides that WS Consulting will provide investment recommendations for the funds managed by Mason Hill. See Items 4, 10 and 17 for more information.

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**Item 4 - Advisory Business**

A. Mason Hill Advisors, LLC (“Mason Hill,” and together with the general partners of certain funds it manages and WS Consulting LLC, the “Advisor,” “we” or “us”) is a Delaware limited liability company that was formed on December 24, 2004. Mason Hill is owned by Sean Fieler and Daniel Gittes. Sean Fieler is a member and the manager of Mason Hill. In Mr. Fieler’s role as manager, he is responsible for the day-to-day operation of Mason Hill. Mason Hill has entered into a consulting agreement with WS Consulting LLC (“WS Consulting”), a Delaware limited liability company controlled by Mr. William Strong. The consulting agreement provides that WS Consulting will provide investment recommendations for the funds managed by Mason Hill.

B. We provide discretionary investment advice to the following private investment funds (collectively, the “Funds”): (i) Equinox Partners, L.P. (“Equinox Partners”); (ii) Equinox Fund International Ltd. (“Equinox International”); (iii) Kuroto Fund LP (“Kuroto Fund”); (iv) Kuroto Fund International Ltd. (“Kuroto International”); (v) Equinox Illiquid Fund, LP (“Equinox Illiquid”); and (vi) Mason Hill Partners, LP (“Mason Hill Partners”). We may provide discretionary investment advice to other private investment funds in the future.

We invest and trade on behalf of our clients in a broad range of domestic, foreign and emerging market securities and financial instruments of all kinds and descriptions. In the case of Equinox International and Kuroto International, such investing and trading is done indirectly through Equinox Partners and the Kuroto Fund, respectively, in which Equinox International and Kuroto International invest substantially all of their capital.

C. We do not permit investors in the Funds to impose limitations on the investment activities described in the offering documents for the Funds. (*See Item 16 “Investment Discretion.”*)

D. We do not participate in wrap fee programs.

E. As of February 29, 2012 we managed approximately \$1.9 billion in net assets under management on a discretionary basis. We do not manage any assets on a non-discretionary basis.

**Item 5 - Fees and Compensation**

A. Our fees and compensation are described in the advisory contracts we enter into with our clients.

**Equinox Partners:** We receive a management fee in advance on the first day of each fiscal quarter in an amount equal to the sum of (i) one-half of one percent (0.50%) of the first \$5,000,000 of net assets of Equinox Partners per calendar quarter, (ii) three-eighths of one percent (0.38%) of the next \$5,000,000 of net assets of Equinox Partners per calendar quarter, and (iii) one-quarter of one percent (0.25%) of the net assets of Equinox Partners in excess of \$10,000,000 per calendar quarter. Equinox Asset Management, LLC (“EAM”) and Equinox Principals LLC (“Equinox Principals”), our affiliates, receive performance-based allocations generally as of the end of each fiscal year in an aggregate amount equal to 20% of the appreciation credited to the capital account of each limited partner for such fiscal year, subject to a high water mark.

**Equinox International:** We receive a management fee in advance on the first day of each fiscal quarter in an amount equal to 0.375% (approximately 1.5% per annum) of the beginning capital account balance of each limited partner's capital account for such fiscal quarter. We waive the management fee at the Equinox Partners level with respect to Equinox International's investment therein. Equinox International is subject to the 20% performance-based allocation at the Equinox Partners level, and is not subject to a performance-based allocation at the Equinox International level.

**Kuroto Fund:** We receive a management fee in advance on the first day of each fiscal quarter in an amount equal to 0.375% (approximately 1.5% per annum) of the beginning capital account balance of each limited partner's capital account for such fiscal quarter. EAM and Equinox Principals receive performance-based allocations generally as of the end of each fiscal year in an aggregate amount equal to 20% of the appreciation credited to the capital account of each limited partner for such fiscal year, subject to a high water mark.

**Kuroto International:** We receive a management fee in advance on the first day of each fiscal quarter in an amount equal to 0.375% (approximately 1.5% per annum) of the net asset value of the shares of Kuroto International on the first day of each calendar quarter. We waive the management fee at the Kuroto Fund level with respect to Kuroto International's investment therein. Kuroto International is subject to the 20% performance-based allocation at the Kuroto Fund level, and is not subject to a performance-based allocation at the Kuroto International level.

**Equinox Illiquid:** We receive a management fee in advance on the first day of each fiscal quarter in an amount equal to 0.5% (approximately 2.0% per annum) of the beginning capital account balance of each limited partner's capital account for such fiscal quarter; provided that any management fee paid to any Sub-Adviser or Portfolio Manager (each as defined in Item 8 below) will reduce the management fee paid to us. Each limited partner's capital account is divided into capital sub-accounts representing the portion of such limited partner's capital account that is deemed allocated from time to time to us, or a particular Sub-Adviser or Portfolio Manager. Equinox Illiquid General Partner, LP, our affiliate ("Equinox Illiquid GP"), receives a performance-based allocation generally as of the end of each fiscal year in an amount equal to 20% of the excess of the net capital appreciation allocated to each capital sub-account of each limited partner for such fiscal year over the management fee attributable to such capital sub-account for such fiscal year, subject to a high water mark; provided that any performance-based allocation made to any Sub-Adviser or Portfolio Manager with respect to a particular capital sub-account will reduce any performance-based allocation to Equinox Illiquid GP with respect to such capital sub-account.

We and/or our affiliates may from time to time hold ownership interests in one or more Portfolio Managers with which Equinox Illiquid invests, and, as a result, may receive a share of the management fees and/or performance-based allocations earned by such Portfolio Managers with respect to Equinox Illiquid's investment. Such arrangements may create a conflict of interest for us.

**Mason Hill Partners:** We receive a management fee in advance on the first day of each fiscal quarter in an amount equal to 0.35% (approximately 1.4% per annum) of the

beginning capital account balance of each limited partner's capital account for such fiscal quarter.

As permitted by the governing documents of the Funds, we may elect to waive the management fee and/or performance-based allocation with respect to the Advisor, its affiliates, their respective principals/employees, and any immediate family member, former spouse or next of kin thereof.

B. We deduct our management fees from client accounts quarterly in advance. Generally, our affiliates receive performance-based allocations from client accounts on an annual basis in arrears and upon redemptions by investors in the Funds.

C. The Funds generally bear (i) all expenses associated with the ongoing administration of the Funds, including legal and accounting fees, (ii) all expenses incurred in connection with communications with investors and the ongoing offer and sale of interests in the Funds, (iii) all third party administration, accounting, tax preparation, audit, bookkeeping, governmental fees and taxes and legal and compliance fees and expenses of, or relating to, the Funds, and (vi) all trading and investment related costs and expenses (*e.g.*, brokerage commissions, margin interest, expenses related to short sales, custodial fees and clearing and settlement charges). (*See Item 12 "Brokerage Practices" below.*)

We may also allocate a portion of certain clients' capital to money market funds or exchange traded funds or private investment funds and accounts that are managed by other investment managers. In addition to the fees and expenses discussed above, investors will indirectly incur similar fees and expenses if we invest clients' capital in such money market funds or exchange traded funds, as these funds in turn pay similar fees to their investment managers and other service providers.

D. Management fees are paid quarterly in advance.

E. *Not applicable.*

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

Our affiliates receive annual performance-based allocations from the Funds, which are based on a percentage of the capital appreciation of client assets.

The terms of the performance-based allocations may differ among the various private investment funds we manage. This may result in a conflict of interest when we allocate opportunities among these accounts because we will have an incentive to favor accounts that have higher performance-based fees and allocations. To avoid such a conflict of interest we generally follow documented procedures in allocating opportunities among such accounts, which do not take into account the performance-based fees and allocations to which such accounts are subject (*See Item 12, Section A.4, "Allocation of Investment Opportunities" below*).

As the management fees and performance-based allocations are based directly on the net asset value of the client accounts, we have a conflict of interest in valuing the assets held in the accounts. The net asset value of the Funds will generally be determined by the

third party administrator, subject to information and values provided by outside third parties (including the Advisor and its affiliates).

### **Item 7 - Types of Clients**

We provide investment advice to clients that are private investment funds. Investors in such private investment funds are generally high net worth individuals and institutional investors that qualify as “accredited investors” (as defined in Rule 501 under the Securities Act of 1933, as amended) and, for certain funds, “qualified purchasers” (as defined under the 1940 Act).

The minimum investment in Equinox Partners and Equinox International is \$5 million and the minimum investment in Equinox Illiquid is \$1 million. We and our affiliates have the discretion to accept lesser amounts. Kuroto Fund and Kuroto International have been closed since 2004, and Mason Hill Partners is closed to new investors.

### **Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss**

#### *A. Methods of Analysis and Investment Strategies Generally*

#### **General Investment Philosophy and Process**

The Funds’ investment objective is to achieve maximum appreciation of capital, consistent with moderate investment risk, through trading and investing in a broad range of domestic, foreign and emerging market securities. **There can be no assurances that the Funds will achieve their objectives or that they will not incur losses.**

The late Benjamin Graham theorized that securities have intrinsic values which can be quantified by diligent analysis. Graham believed that investors should commit their capital only when a security’s market price deviates substantially from its intrinsic worth. By so doing, the investor maximizes his opportunity to earn extraordinary returns when the price corrects. Moreover, this strategy allows for a margin of safety that tends to limit losses. Over long periods of time, investors who have successfully practiced Graham’s approach have compiled an enviable record of investment success. We hope to follow in this tradition.

The discipline of value investing incorporates an appreciation for superior and well-managed businesses. Superior businesses generate high returns on capital employed due to their strong, sustainable competitive position. Management can have a dramatic impact on the value of a business through its role as the allocator of the excess cash flows.

Based on research into the investment fundamentals of individual securities, we seek to identify investment opportunities for the Funds resulting from significant discrepancies between market valuation (price) and intrinsic worth (value) of superior businesses. Our research and analysis focuses on company specific data, but also takes into account broader market and economic trends. We make investment decisions based on a thorough study of candidate companies’ public materials, often supplemented by interviews with management, suppliers, competitors and customers and visits to candidate companies’ facilities. We may also seek additional information from interviews with other securities analysts and from conversations with other investors

and/or experts. These investigations may require the retention of industry experts or others in gathering supplemental information.

The intrinsic worth of securities gleaned from the process described above is compared to the stock market valuation of the security. Only when securities appear substantially underpriced do we intend to purchase them for the appropriate Fund(s). When shorting (not applicable to Mason Hill Partners or Equinox Illiquid), we search for overvalued securities with an attractive risk/reward. Risk control is emphasized when shorting. Responsible amounts of leverage (not applicable to Mason Hill Partners) are employed to seek to increase returns.

### **Fund-Specific Investment Philosophy and Process**

#### **Equinox Partners and Equinox International**

As noted in Item 4.B above, Equinox International invests substantially all of its capital in Equinox Partners.

The portfolio of Equinox Partners is generally comprised of a range of domestic, foreign and emerging market securities. Foreign and emerging-market investing requires knowledge of different cultural, regulatory, accounting, competitive and other conditions. We and our advisers, affiliates and research personnel have years of experience in numerous foreign markets and an extensive network of other value investors and brokers to provide advice on such matters.

Equinox Partners may but is not required to hedge currency, country, macroeconomic, political, industry and company risks through short selling, derivative strategies and other means. The proportion of capital to be allocated to hedging cannot be determined ahead of time.

Equinox Partners will not establish a long position in any one security which, (i) after giving effect to any proposed trade in such security and (ii) taking into account any hedged positions of Equinox Partners in such security, would expose more than ten percent (10%) of the total capital of Equinox Partners to risk. Similarly, Equinox Partners will not establish a short position in any one security if the aggregate proceeds of all short sales of such security by Equinox Partners, (i) after giving effect to any proposed short sale and (ii) the net exposure of Equinox Partners' capital, taking into account any hedged positions of Equinox Partners from open short positions in such security, exceed ten percent (10%) of the total capital of Equinox Partners.

#### **Mason Hill Partners**

In evaluating particular investments, we utilize internal financial, economic and credit analysis resources as well as information obtained from other sources. Factors we consider include competitive position, quality of management, financial strength, profit margin, return on investment, capital resources and, generally, business prospects. We analyze the creditworthiness of a debt issuer or obligor, its financial resources, its sensitivity to economic conditions and trends, and, for corporate issuers, its operating history and the quality of its management and regulatory matters.

There are no limitations on the types of securities or other instruments in which Mason Hill Partners may take positions, the types of positions it may take or the concentration of its investments. Mason Hill Partners is long-only and does not employ the use of leverage.

### **Kuroto Fund and Kuroto International**

As noted in Item 4.B above, Kuroto International invests substantially all of its capital in Kuroto Fund.

With respect to the Kuroto Fund, we employ an investing strategy concentrated primarily in select Asian companies that we believe to be excellent businesses and the securities of which trade in the marketplace at a price that we deem attractive. Through investment ideas from the universe of Asian businesses, we expect to generate superior returns over a diversified portfolio of Asian securities.

Foreign and emerging-market investing requires knowledge of different cultural, regulatory, accounting, competitive and other conditions. We and our advisers, affiliates and research personnel have years of experience in numerous foreign markets and an extensive network of other value investors and brokers to provide advice on such matters.

The Kuroto Fund may but is not required to hedge currency, country, macroeconomic, political, industry and company risks through short selling, derivative strategies and other means.

The Kuroto Fund will not establish a long position in any one security which, (i) after giving effect to any proposed trade in such security and (ii) taking into account any hedged positions of the Kuroto Fund in such security, would expose more than ten percent (10%) of the total capital of the Kuroto Fund to risk. Similarly, the Kuroto Fund will not establish a short position in any one security if the aggregate proceeds of all short sales of such security by the Kuroto Fund, (i) after giving effect to any proposed short sale and (ii) the net exposure of the Kuroto Fund's capital, taking into account any hedged positions of the Kuroto Fund from open short positions in such security, exceed ten percent (10%) of the total capital of the Kuroto Fund.

### **Equinox Illiquid**

Equinox Illiquid attempts to achieve its investment objective by employing a multi-strategy investment program where its assets may be invested with (a) pooled asset vehicles managed by non-affiliated portfolio managers (each, a "Portfolio Manager") and (b) one or more sub-advisory firms or individuals (the "Sub-Advisers") that may or may not be our affiliates. Each Sub-Adviser provides advisement services with respect to a portion of Equinox Illiquid's assets in a sub-account of Equinox Illiquid's brokerage account.

Equinox Illiquid seeks investment opportunities globally, specifically with regard to interests in emerging and frontier markets, and, accordingly, there is no limitation on the countries to which it may be exposed. Currently, Equinox Illiquid's investment portfolio focuses primarily on investments in the Canadian, and the emerging and frontier, markets. To more effectively identify investment opportunities, Equinox Illiquid allocates its assets among the Sub-Advisers or the Portfolio Managers that specialize in



investments in one or more regions or countries, with a portion to be retained for investment by us. However, Equinox Illiquid may periodically reallocate its assets among different strategies based on its desired return opportunities. Such reallocation of assets will be at our discretion and will not be restricted by any particular formula or percentage.

In evaluating particular investments, we, the Sub-Adviser(s) and the Portfolio Manager(s) utilize internal financial, economic and credit analysis resources as well as information obtained from other sources. Factors considered include overall growth prospects, competitive position, quality of management, financial strength, research and development, productivity, labor costs, raw material costs and sources of supply, profit margin, return on investment, capital resources and, generally, business prospects. We, the Sub-Adviser(s) and the Portfolio Manager(s) analyze the creditworthiness of a debt issuer or obligor, its financial resources, its sensitivity to economic conditions and trends, and, for corporate issuers, its operating history and the quality of its management and regulatory matters.

Equinox Illiquid may utilize various strategies to hedge market, interest rate and currency exchange risk to protect against the possible effect that changes may have on the market value of its portfolio. Such strategies may include the use of options, futures, forward currencies and other derivative products. Although, such instruments are used primarily for hedging purposes, they may at times be used for speculative purposes as well.

Equinox Illiquid may also participate in unlisted or illiquid investments that are illiquid by virtue of the absence of a readily available market or legal or contractual restrictions on resale. Equinox Illiquid from time to time may also invest in fixed income and convertible securities when attractive risk-adjusted returns are found. Debt securities may include instruments of a speculative nature with respect to issuer capacity to pay interest and principal, including "Brady Bonds" and bonds of foreign corporate and sovereign issuers.

#### *B. Certain Risks Associated with Methods of Analysis and Investment Strategies*

General Investment Risk. An investor should be aware that it may lose all or part of its investment in a Fund. We believe that each Fund's investment program and research techniques moderate this risk through careful selection of investments. However, no guarantee or representation is made that the investment program of any of the Funds will be successful.

Emerging Market Securities. To the extent a Fund invests in emerging market securities, it may be subject to specific risks associated with such securities. Stock markets in emerging market countries may have substantially less volume of trading and securities of companies in emerging market countries are generally less liquid and more volatile than securities of comparable U.S. companies. In certain periods, there may be little liquidity in such markets. There is less government regulation of stock exchanges, brokers and listed companies in emerging market countries than in the United States. Commissions for trading on emerging country stock exchanges are generally higher than commissions for trading on U.S. exchanges. In addition, settlement of trades in some non-U.S. markets is much slower and more subject to failure than in U.S. markets. Certain non-U.S. markets may also be subject to "daily limits" with respect to their

securities trades. Furthermore, investments of a Fund may not be listed on any stock market or may be offered solely through foreign stock markets.

Exchange Rate Fluctuations; Currency Considerations. A Fund may invest a portion of its assets in the securities of non-U.S. issuers and other instruments denominated in non-U.S. currencies, the prices of which are determined with reference to currencies other than the U.S. dollar. The Funds, however, value their securities and other assets in U.S. dollars.

As a result, a Fund may seek to protect the value of some portion or all of its portfolio holdings against currency exposure by engaging in hedging transactions, but there can be no assurance that such hedging transactions will be effective. A Fund may enter into forward contracts on currencies, as well as purchase put or call options on currencies, in various markets. In order to hedge against adverse market shifts, a Fund may purchase put and call options on stocks, and write covered call options on stocks. There can be no guarantee that instruments suitable for hedging currency or market shifts will be available at the time when a Fund wishes to use them or will be able to be liquidated when a Fund wishes to do so. Moreover, in most emerging countries the markets for certain of these hedging instruments are not highly developed and in many emerging countries no such markets currently exist. Many emerging markets have hyper-inflationary economies where the risks associated with holding currency are significantly greater than in other, less inflationary markets.

It may not always be practicable or economical to hedge against currency exposure. To the extent unhedged, the value of a Fund's positions in non-U.S. investments will fluctuate with U.S. dollar exchange rates as well as the price changes of the investments in the various local markets and currencies. In such cases, an increase in the value of the U.S. dollar compared to the other currencies in which a Fund makes its investments will reduce the effect of any increases and magnify the effect of any decreases in the prices of such Fund's securities in their local markets and may result in a loss to such Fund. Conversely, a decrease in the value of the U.S. dollar will have the opposite effect on a Fund's non-U.S. dollar investments.

Furthermore, a Fund may incur costs in connection with conversions between various currencies. Non-U.S. currency exchange dealers realize a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer normally will offer to sell currency to a Fund at one rate, while offering a lesser rate of exchange should such Fund desire immediately to resell that currency to the dealer.

Investments in Emerging Country Unlisted Securities. To the extent that a Fund invests in unlisted emerging country securities, including investments in new and early stage companies, such investing may involve a high degree of business and financial risk that can result in substantial losses. Because of the absence of any trading market for these investments, it may take longer to liquidate, or it may not be possible to liquidate, these positions than would be the case for publicly traded securities. Although these securities may be resold in privately negotiated transactions, the prices realized on these sales could be less than those originally paid by a Fund. Further, companies whose securities are not publicly traded will generally not be subject to public disclosure and other investor protection requirements applicable to publicly traded securities. In the event there is no trading market for these investments, such investments will be valued based either on

consistently applied objective standards, such as indications from unaffiliated brokers, an independent appraisal, or in accordance with other procedures deemed reasonable.

Debt Securities. To the extent a Fund invests in debt securities, such Fund may be subject to specific risks associated with such securities. Such Fund may invest in unrated or low grade debt securities which are subject to greater risk of loss of principal and interest than higher-rated debt securities. Such Fund 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. Such Fund may invest in debt securities which are not protected by financial covenants or limitations on additional indebtedness. In addition, evaluating credit risk for foreign debt securities involves greater uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult.

Hedging Transactions. A Fund may utilize a variety of securities and other financial instruments, such as derivatives, options, interest rate swaps, caps and floors, futures and forward contracts, both for investment purposes and for risk management purposes. A Fund is not obligated, and will not attempt to hedge all market or other risks inherent in its positions. While a Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for such Fund than if it had not engaged in any such hedging transaction. Moreover, the Funds will always be exposed to certain risks that cannot be hedged, such as credit risk (relating both to particular securities and counterparties).

Counterparty Risk. Some of the markets in which a Fund may effect its transactions are "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. To the extent a Fund invests in swaps, derivative or synthetic instruments, or other over-the-counter transactions, on these markets, it may take a credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions which generally are backed by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered into directly between two counterparties generally do not benefit from such protections. This will expose a Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not *bona fide*) or because of a credit or liquidity problem, thus causing such Fund to suffer a loss. Such "counterparty risk" will be accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where a Fund has concentrated its transactions with a single or small group of counterparties. The Funds will not be restricted from dealing with any particular counterparty or from concentrating any or all of their transactions with one counterparty. The ability of a Fund to transact business with any one or number of counterparties, the lack of any independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by such Fund.

In addition, disruption in the markets and negative perceptions about the short-term and long-term financial stability of a number of the third parties with which any of the Funds may do business, including brokerage firms and banks, could have a substantial negative effect on the performance of any of the Funds. Despite the recent willingness of market

regulators, including the Federal Reserve, to take extraordinary actions in the face of market emergencies, a default or bankruptcy by any one of these third parties could result in substantial losses for any of the Funds.

Concentration of Holdings. Except as set forth in the organizational and offering documents of a Fund, there are no restrictions on the amount of a Fund's assets that may be invested in a particular security, geographic region, industry or sector. Thus, at any given time, it is possible that a Fund's investments may be concentrated in a particular geographic region, industry or sector, or a limited number or type of securities. This limited diversity could expose such Fund to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in those investments.

Private Company Securities. To the extent a Fund invests in securities that are neither listed on a stock exchange nor traded over-the-counter, including privately placed securities, there may be a higher degree of business and financial risk than investing in listed securities, and such investing can result in substantial losses. As a result of the absence of a public trading market for these securities, they may be less liquid than publicly traded securities.

Equity Securities. To the extent that a Fund invests in equity securities, including, without limitation, common stocks, preferred stocks and convertible securities of U.S. issuers and non-U.S. issuers, it could be exposed to fluctuating values of such securities. Such fluctuations can occur in response to many factors, including, without limitation, the activities and financial condition of individual companies, the business market in which individual companies compete, industry market conditions and general economic environments.

Value Investing Risk. To the extent a Fund pursues a value-oriented investment approach by attempting to identify companies that are undervalued, such an investing style may perform better or worse than equity portfolios that focus on growth stocks or that have a broader investment style. Value stocks typically have prices that are low relative to factors such as the company's earnings, cash flow or dividends. A value stock may decrease in price or may not increase in price as anticipated if it continues to be undervalued by the market or if the factors believed to cause the stock price to increase do not occur.

Smaller Companies. While smaller companies may have potential for rapid growth, they often involve higher risks because they lack the management experience, financial resources, product diversification and competitive strength of larger corporations. These companies may have limited product lines, markets or financial resources or they may depend on a few key employees. In addition, their securities are often less widely held and trade less frequently and in lesser quantities, and their market prices often fluctuate more, than the securities of companies with larger market capitalizations.

Illiquid Investments. To the extent that a Fund invests in securities that are subject to legal or other restrictions on transfer or for which no liquid market exists, it may be subject to specific risks associated with such securities. The market prices, if any, for such securities tend to be volatile and a Fund may not be able to sell them when it desires to do so or to realize what it perceives to be a fair value in the event of a sale. The sale of restricted and illiquid securities often requires more time and results in higher brokerage

charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Investment positions in illiquid securities could prevent a Fund from liquidating unfavorable positions promptly and subject such Fund to substantial losses. This could also impair such Fund's ability to make distributions to a withdrawing investor in a timely manner. All withdrawals will be subject to reserves for liabilities and contingencies in the sole discretion of the general partner or directors, as applicable, of each Fund.

**In-Kind Distributions.** To the extent a Fund invests its assets in illiquid securities, it may not be able to readily dispose of such illiquid securities and, in some cases, may be contractually prohibited from disposing of such securities for a specified period of time. Withdrawal distributions may be made in securities, in cash or partly in securities and partly in cash. Investors receiving an in-kind distribution of Fund assets in satisfaction of a withdrawal request bear the risk that the value of such assets will fluctuate between the effective withdrawal date and the date of distribution. Assets distributed in-kind to an investor may be illiquid, difficult to value and/or subject to restrictions on distribution or transfer.

**Investments in New Issues.** To the extent a Fund purchases securities of companies in initial public offerings or shortly thereafter, it may be subject to specific risks associated with such securities. Such risk may include a limited number of shares available for trading, unseasoned trading, lack of investor knowledge of the company and limited operating history. These factors may contribute to substantial price volatility for the shares of these companies. The limited number of shares available for trading in some initial public offerings may make it more difficult for a Fund to buy or sell significant amounts of shares without an unfavorable impact on prevailing market prices. In addition, some companies in initial public offerings are involved in relatively new industries or lines of business, which may not be widely understood by investors. Some of these companies may be undercapitalized or regarded as developmental stage companies, without revenues or operating income, or the near-term prospects of achieving them.

In addition, investors that are "restricted," as defined by FINRA, or are certain persons who are executive officers or directors of certain public companies or covered non-public companies (and persons who receive material support from them), may not participate, or may participate only to a limited extent, in the sole discretion of the Advisor and subject to the limitations of FINRA rules, in the receipt of "new issues." To the extent that an investor is not allocated "new issues" or their participation in "new issues" is restricted, an investment in a Fund may not yield the same performance results as may be achieved by investors who are entitled to receive "new issues."

**Fixed Income Securities.** Fixed income securities, including, without limitation, bonds, notes and debentures issued by corporations, debt securities issued or guaranteed by a government or one of its agencies or instrumentalities, and commercial paper, pay fixed, variable or floating rates of interest. To the extent a Fund invests in fixed income securities, the value of such securities will change in response to fluctuations in interest rates. In addition, the value of certain fixed-income securities can fluctuate in response to perceptions of credit worthiness, political stability or soundness of economic policies. Fixed income securities are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to price volatility

due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (i.e., market risk).

High Yield Securities. High-yield securities are generally not exchange traded and, as a result, these instruments trade in a smaller secondary market than exchange-traded bonds. To the extent a Fund invests in high yield debt securities, investing in such securities involves risks which are greater than the risks of investing in higher quality debt securities. These risks include: (i) changes in credit status, including weaker overall credit conditions of issuers and risks of default; (ii) industry, market and economic risk; (iii) interest rate fluctuations; and (iv) greater price variability and credit risks of certain high yield securities such as zero coupon and payment-in-kind securities. While these risks provide the opportunity for maximizing return over time, they may result in greater upward and downward movement of the value of a Fund's portfolio. Furthermore, the value of high yield securities may be more susceptible to real or perceived adverse economic, company or industry conditions than is the case for higher quality securities. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Adverse market, credit or economic conditions could make it difficult at certain times to sell certain high yield securities held by a Fund. In addition, if a Fund invests in bonds of issuers that do not have publicly traded equity securities, it could be more difficult for such Fund to hedge the risks associated with such investments.

Global Investments. To the extent a Fund invests in securities of companies (and, from time to time, governments) of global jurisdictions, it may be required to account for certain considerations, including, without limitation, possible adverse political and economic developments, possible seizure or nationalization of deposits and possible adoption of governmental restrictions that might adversely affect the payment of principal and interest to investors located outside the country of the issuer, whether from currency blockage or otherwise. In addition, there may be less publicly available information about issuers which are generally not subject to uniform accounting, auditing and financial reporting standards and other disclosure requirements. Furthermore, some of the securities may be subject to brokerage taxes levied by governments, which has the effect of increasing the cost of such investment and reducing the realized gain or increasing the realized loss on such securities at the time of sale. Income received by a Fund from sources within some countries may be reduced by confiscatory taxation, withholding or other taxes on interest, dividends, capital gains or other income imposed by such countries. Any such taxes paid by a Fund will reduce its net income or return from such investments.

Additional costs could be incurred in connection with a Fund's global investment activities, including, but not limited to higher brokerage commissions. Expenses also may be incurred on currency exchanges when a Fund changes investments from one country to another. Increased custodian costs as well as administrative difficulties (such as the applicability of foreign laws to custodians in various circumstances, including bankruptcy, ability to recover lost assets, expropriation, nationalization and record access) may be associated with the maintenance of assets in global jurisdictions.

The laws of some foreign countries may limit a Fund's ability to invest in securities of certain issuers located in those countries. Investors from other countries are required to

maintain a license to invest directly in many foreign markets, and there are risks associated with any license that a Fund seeks to maintain, including limitations on investments, possible license termination, revocation or suspension.

Investments in Distressed Securities. To the extent that a Fund invests in securities and private claims and obligations of domestic and foreign entities which are experiencing significant financial or business difficulties, such as loans, loan participations, claims held by trade or other creditors, non-performing and sub-performing mortgage loans, partnership interests and similar financial instruments, most of which are not publicly traded, it may be subject to a substantial degree of risk. A Fund may lose a substantial portion or all of its investment in a troubled loan or equity interest or may be required to accept cash or securities with a value less than its share of the investment. Among the risks inherent in investments in troubled entities is the fact that it frequently may be difficult to obtain information as to the true condition of such entities.

Highly Volatile Markets. The prices of derivative instruments, including futures and options, can be highly volatile. To the extent a Fund is invested in forward, future and other derivative contracts, it will be subject to the price movements of such contracts. Such movements will be influenced by, among other things, interest rates, changing supply and demand relationships, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies, futures and options. Such intervention is often intended to directly influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. A Fund also will be subject to the risk of the failure of any exchanges on which its positions trade or of their clearinghouses.

Leverage and Short Sales. To the extent a Fund seeks to maximize its investment position by purchasing securities on margin and through the use of derivatives, its possibilities of profit and loss will be increased. Borrowing money to purchase securities will provide a Fund with advantages of leverage, but will expose it to capital risk and higher current expenses. Any gain in the value of securities purchased with borrowed money or income earned from these securities that exceeds interest paid on the amount borrowed would cause a Fund's investment profit to increase faster than would otherwise be the case. Conversely, any decline in the value of the securities purchased would cause a Fund's investment loss to decrease faster than would otherwise be the case.

A short sale results in a gain if the price of the securities sold declines sufficiently between the time of the short sale and the time at which securities are purchased to replace those borrowed. A short sale results in a loss if the price of securities sold short increases or does not decline sufficiently to cover transaction costs. If a Fund engages in short selling, any gain would be decreased and any loss would be increased by the amount of any premium or interest which such Fund may be required to pay with respect to the borrowed securities. Purchasing securities or currencies to close out a short position can itself cause the price of the securities or currencies to rise further, thereby exacerbating a loss. Short sales on equities may expose a Fund to theoretically unlimited losses.

Market Disruption and Geopolitical Risk. A Fund is subject to the risk that geopolitical events will disrupt securities markets and adversely affect global economies and markets.

War, terrorism and related geopolitical events have led, and in the future may lead, to increased short-term market volatility and may have adverse long-term effects on U.S. and world economies and markets generally. Likewise, systemic market dislocations of the kind surrounding the insolvency of Lehman Brothers in 2008 may be highly disruptive to economies and markets. Those events as well as other changes in U.S. and foreign economic and political conditions also could adversely affect individual issuers or related groups of issuers, securities markets, interest rates, credit ratings, inflation, investor sentiment, and other factors affecting the value of the a Fund's investments. At such times, a Fund's exposure to the risks described in this Item will likely increase.

Market disruptions can prevent a Fund from implementing its investment program for a period of time and achieving its investment objective. For example, a disruption may cause a Fund's derivatives counterparties to discontinue offering derivatives on some underlying commodities, securities, reference rates, or indices or to offer such products on a more limited basis, or the current economic crisis may strain the U.S. Treasury's ability to satisfy its obligations.

Use of Derivatives (Including Futures, Options and Swaps) and Hybrid Securities. The Advisor has broad discretion to use derivative instruments and hybrid securities (which feature characteristics of multiple security types, often accomplished via a derivative component). A derivative is a financial contract the value of which depends upon, or is derived from, the value of underlying assets, reference rates or indices. Derivatives may relate to securities, interest rates, currencies or currency exchange rates, inflation rates, commodities and related indices, and include foreign currency contracts, swap contracts, futures contracts, options, forward contracts, repurchase or reverse repurchase agreements or other over-the-counter contracts. A Fund may use derivatives for many purposes, including as a substitute for direct investment, as a way to adjust its exposure to various securities, markets and currencies without actually having to sell existing investments and/or make new investments, and as a means to hedge other investments and to manage liquidity and excess cash.

All derivative instruments involve risks different from, and potentially greater than the risks associated with investing directly in securities and other more traditional assets, including, among other risks, management risk, counterparty risk, documentation risk, liquidity risk, and leverage risks. Derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself. In particular, the use and complexity of derivatives require the maintenance of adequate controls to monitor the transactions entered into and the ability to assess the risk that a derivative adds to a Fund's portfolio. Use of derivatives are subject to counterparty risk, illiquidity risk, leverage risk, as described elsewhere herein. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives. This valuation risk is more pronounced when a Fund enters into over-the-counter derivatives with specialized terms because the value of those derivatives in some cases is determined in part by reference to similar derivatives with more standardized terms. Furthermore, derivatives also involve the risk that changes in their value may not correlate perfectly with the assets, rates or indices they are designed to track. Suitable derivatives are not available in all circumstances. Certain regulatory requirements may also limit a Fund's ability to engage in futures, options and swap transactions.



\* \* \*

The description of the risks of investing in a Fund, above, is only a summary. A more detailed discussion of the risks associated with the investment strategies in which each Fund may engage is contained in the applicable Fund's offering documents, which potential investors should review prior to investing in a Fund.

C. *Not applicable.*

#### **Item 9 - Disciplinary Information**

*Not applicable.*

#### **Item 10 - Other Financial Industry Activities and Affiliations**

A. *Not applicable.*

B. *Not applicable.*

C. Below we describe any relationship or arrangement that is material to our advisory business or to our clients that we or any of our management persons have with any related *person* listed below:

**1. broker-dealer, municipal securities dealer, or government securities dealer or broker**

*Not applicable.*

**2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)**

We and our related persons manage a number of pooled investment vehicles which are deemed to be our related persons. These vehicles include the Funds. Equinox Illiquid invests in certain pooled asset vehicles (*see Item 8, Section A above*).

The management of multiple pooled investment vehicles may result in conflicts of interests when we and our related persons allocate our time and investment opportunities among the Funds and any other clients. In addition, the compensation earned by us and our related persons from each of the Funds may differ from one another and any other clients. We and our related persons will generally follow documented procedures in allocating trades among such Funds and other clients (*see Item 12 below*).

Subject to applicable law, we may effect transactions (generally for rebalancing purposes and to correct misallocations of trades) among client accounts (including the Funds) in which one client account will purchase securities from or sell securities to another client account (including Funds in which we or our related persons may have a significant interest). This may result in a conflict of interest because a potential transaction may result in benefits to one transacting

party that may be greater than the benefits to the other transacting party. In order to mitigate such conflicts, we effect such transactions only when we believe that such transactions are in the best interests of the applicable clients. Such transactions shall be effected for cash consideration, generally at the closing price of the particular security, and no brokerage commission or transfer fee shall be paid to us or our related persons in connection with any such transaction.

Our principals (and/or other related persons) may have a greater portion of their personal assets invested in certain of the Funds than in others. As a result, we may have a conflict of interest in allocating investment opportunities among the Funds. We will generally follow documented procedures in allocating trades among the Funds. (*See Item 12 below*).

### **3. other investment adviser or financial planner**

EAM serves as general partner of Equinox Partners, the Kuroto Fund and Mason Hill Partners. Equinox Illiquid GP serves as general partner of Equinox Illiquid. Mason Hill Advisors, LLC has entered into a consulting agreement with WS Consulting LLC an entity controlled by Mr. William Strong, Mason Hill's Chairman. The consulting agreement provides that WS Consulting will provide investment recommendations for the funds managed by Mason Hill. Assets of Equinox Illiquid may be invested with one or more sub-advisory firms or individuals (*see Item 8, Section A above*).

The respective principals of the general partners of the Funds and Mason Hill may and do invest in, have investment responsibilities for, render investment advice to or perform other services, including investment advisory services, for personal and family accounts, house accounts, managed accounts for individuals or entities, including, without limitation, other investment vehicles which may or may not have investment programs similar to the Funds, and neither the Funds nor their limited partners or shareholders will have any rights with respect of investments for, and profits or other income earned from, such accounts. In addition, each of the general partners and/or Mason Hill may determine, in its discretion, to participate in investments with persons not affiliated with the Funds. William Strong controls WS Consulting LLC and William Strong Advisors LLC. WS Consulting LLC has entered into a consulting agreement with Mason Hill Advisors, LLC. The consulting agreement provides that WS Consulting will provide investment recommendations for the funds managed by Mason Hill. William Strong Advisors LLC will be used to manage vehicles that have investment programs that are designed not to compete with Mason Hill. Mason Hill has established policies and procedures to manage any conflicts which could arise between Mason Hill and William Strong Advisors LLC.

Clients of the Advisor could be disadvantaged because of activities conducted by the Advisor or its affiliates for the other funds or clients as a result of, among other things: legal restrictions on the combined size of positions which may be taken for all accounts managed by the Advisor or its affiliates, thereby limiting the size of a client's position; the difficulty of liquidating an investment for more than one account where the market cannot absorb the sale of the combined positions; and receiving confidential or material non-public information that will prevent a client from engaging in certain transactions.

**4. futures commission merchant, commodity pool operator, or commodity trading advisor**

*Not applicable.*

**5. banking or thrift institution**

*Not applicable.*

**6. accountant or accounting firm**

*Not applicable.*

**7. lawyer or law firm**

*Not applicable.*

**8. insurance company or agency**

*Not applicable.*

**9. pension consultant**

*Not applicable.*

**10. real estate broker or dealer**

*Not applicable.*

**11. sponsor or syndicator of limited partnerships.**

*Not applicable.*

D. See Item 5, Section A “Equinox Illiquid.”

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

A. We have adopted a Code of Ethics (the “Code of Ethics”) which provides that we are committed to conducting our business in accordance with all applicable federal securities laws and in an ethical and professional manner. We seek to establish and maintain an environment of the highest ethical standard, and all of our employees are expected to uphold this standard. In addition, we recognize that we have a fiduciary duty to the investors in the private investment funds and other accounts we manage, and that all of our employees must conduct their business on our behalf in a manner that enables us to fulfill this fiduciary duty. In this regard, we have developed policies and procedures in our Code of Ethics that are premised on fundamental principles of openness, integrity, honesty and trust. It is generally improper for Mason Hill or persons covered by the Code of Ethics to (i) use for their own benefit (or the benefit of anyone other than a client) information about Mason Hill's trading or investment recommendations for a client or (ii) take advantage of investment opportunities that would otherwise be available for a client. Mason Hill encourages all members, officers and employees to establish

sound investment practices. Although Mason Hill does not specifically prohibit personal trading, Mason Hill requires pre-clearance of all personal securities transactions and does discourage the practice of short term momentum trading so as to avoid any appearance of impropriety. In addition, among other things, our Code of Ethics governs all personal investment transactions by our employees and requires employees to comply with applicable federal securities laws. We will provide a copy of our Code of Ethics to any client or prospective client upon request. We have also adopted policies with respect to gifts and entertainment and certain other outside activities of our employees.

B. We recommend that qualified prospective investors invest in the private investment funds we manage. Our principals and other management persons have significant personal investments in these funds. In addition, we and our affiliates receive performance-based allocations from these funds. (*See also Item 5, Section A "Equinox Illiquid."*)

Subject to applicable law, we may effect transactions between client accounts (generally for rebalancing purposes and to correct misallocations of trades) whereby one client account will purchase securities from or sell securities to another client account (*see Item 10, Section C.2 above*).

In the event that we effect a cross trade between an account in which we or our controlling persons own more than twenty five percent (25%) and another client account, such transaction may be deemed to be a principal transaction under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). Such transactions may create a conflict of interest for us because we may put our or our control persons' interests in such accounts before the interests of our clients in the other account. In order to mitigate this conflict of interest, we monitor the interests of our principals, their immediate family members and their affiliates in our client accounts, and we will not effect any cross trades between accounts if we believe that such trade would result in a principal transaction unless:

- 1) We believe that such transaction is in the best interest of the clients participating in the transaction; and
- 2) We obtain the consent of the applicable clients as required by the Advisers Act.

C. Mason Hill and its principals and employees are not prohibited from buying or selling securities or commodity interests for their own accounts. Pursuant to our personal securities trading policy, our members, officers and personnel, including members of their immediate families, must obtain written clearance from our Chief Compliance Officer and one of our managing members before purchasing, selling or pledging the debt or equity securities of any publicly traded company. This requirement extends to any right, warrant or option to purchase or sell such securities, whether the transaction is for an officer's, member's or associate's own account, one over which he or she exercises control or one in which he or she has a beneficial interest. Finally, copies of all personal account statements and trade confirmations must be sent to our Chief Compliance Officer on a periodic basis. Our Chief Compliance Officer reviews compliance efforts with respect to this policy on a quarterly basis.

D. We may buy or sell securities for one client at the same time that we or our related persons buy or sell the same security for one or more other clients (including the

Funds which are our related persons). This will typically happen when more than one client is capable of purchasing or selling a particular security based on investment objectives, available cash and other factors. This may create a conflict of interest if one account may benefit from making the trade before or after the other account. We will aggregate trades, subject to best execution to avoid any such conflict of interest (*see Item 12*).

Our principals and employees may also trade securities for their own accounts that are the same securities that we are trading on behalf of our clients (*see Item 11, Section C*).

## **Item 12 - Brokerage Practices**

### *A. Selection of Brokers*

In placing portfolio transactions for our clients, we seek to obtain the best execution for clients' accounts, taking into account the price of a security offered by the broker-dealer, as well as a broker-dealer's full range and quality of services, including among other things, the broker-dealer's facilities, reliability and financial responsibility, execution capability (particularly in non-U.S. countries), commission rates, responsiveness to us, brokerage and research services provided to us (e.g., research ideas, analysis, and investment strategies), special execution and block positioning capabilities, clearance and settlement and custodial services, among other factors. However, fewer brokerage firms exist in emerging markets than in U.S. markets. Accordingly, it is possible that trades in emerging markets will be executed through a broker or dealer due to the lack of options in an emerging market, regardless of commission rates or transaction costs. We need not solicit competitive bids and do not have an obligation to seek the lowest available commissions or other transaction costs.

We periodically evaluate the execution performance of the broker-dealers we use to execute client transactions. We also evaluate, and seek to resolve, any conflicts of interest that we may have in selecting brokers to execute client transactions.

#### **1. Research and Other Soft Dollar Benefits**

We do not use third party soft dollar service providers. We trade almost exclusively through full service broker-dealers. The range of services in addition to execution that are provided by full-service broker-dealers may or may not fall within the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended ("Section 28(e)"). Accordingly, we provide the following soft-dollar disclosure:

Soft dollar arrangements generally arise when an investment adviser obtains products and services, other than securities execution, from a broker-dealer in return for directing client securities transactions to the broker-dealer. Brokerage and research services may either be obtained from brokerage firms or paid for by brokerage firms and may include, but are not limited to, written information and analyses concerning specific securities, companies or sectors; news, quotation, statistics and pricing services, as well as discussions with research personnel and consultants; and software, data bases and other technical and telecommunications services and equipment utilized in the investment management process and consulting fees in connection with investigating and monitoring potential and existing investments.

In order to balance the need for quality research, we may have an incentive to select a broker based on our interest in receiving the research or other products or services offered by such broker, rather than in receiving the lowest commission cost. Since commission rates are generally negotiable, selecting brokers on the basis of considerations which are not limited to applicable commission rates may at times result in higher transaction costs than would otherwise be obtainable.

We enter into securities transactions on behalf of the Funds with broker-dealers that, as part of their bundled services, provide us with access to research, research-related services, and other services. Such services may be used to service all of the Funds and not exclusively in connection with the management of a specific fund that has the relationship with the applicable broker-dealer. In addition, the Funds' prime brokers provide us with front and middle office services, including, without limitation, trading, clearing, reporting, and settlement for equities, fixed income, futures, options on futures, foreign currency and options on equities, among others. We may also execute trades on behalf of the Funds through such prime brokers, subject to receiving best execution. Subject to applicable law, our prime brokers may also provide us with capital introduction services.

Soft dollar arrangements could pose a conflict of interest for us if such arrangements allow us to pay with client commissions expenses that would otherwise be borne by us. However, we do not generally consider this a conflict for us and the Funds because, to the extent that broker-dealers provide non-research products or services, including products or services that do not fall within Section 28(e), the Funds generally pay for such products or services that are Fund expenses in hard dollars to brokers.

During our last fiscal year, broker-dealers provided us with the following as part of their bundled services: (i) research, such as proprietary research from brokers, which may be written or oral; (ii) research products, such as databases and quotation services; and (iii) services, such as research concerning market, economic and financial data; a particular aspect of economics or on the economy in general; statistical information; pricing data and availability of securities; financial publications; electronic market quotations; performance measurement services; analyses concerning specific securities, companies, industries or sectors; market, economic and financial studies and forecasts; appraisal services; and invitations to attend conferences or meetings with management or industry consultants, as well as local transportation costs and occasional meals and entertainment expenses.

During our last fiscal year, we have taken into account the quality, comprehensiveness and frequency of available research services and products considered to be of value provided by brokers when directing client transactions to a particular broker. Brokers sometimes suggest a level of business they would like to receive in return for the research services and products they provide, however we have not committed to provide any level of brokerage business to any broker. We also evaluated, on a quarterly basis, the execution performance of the broker-dealers we use to execute client transactions.

2. Brokerage for Client Referrals

*Not applicable.*

3. Directed Brokerage

Not applicable, except as noted in Item 12, Section A.1.

4. Allocation of Investment Opportunities

Subject to the requirements of a Fund's organizational and offering documents, to the extent a particular investment is suitable for multiple clients of the Advisor, such investments will be allocated between a Fund and the other clients in a manner that is fair and equitable under the circumstances to all clients, including the applicable Funds, taking into account factors including, but not limited to, the relative amounts of capital available for new investments, relative exposure to short-term market trends, the tax situation and the respective investment programs and portfolio positions of the applicable Funds and such other clients. Such considerations may result in allocations of certain investments among a Fund and such other clients on other than a *pari passu* basis, and investment performance of a Fund would be different (and potentially lower) than if there had been a *pari passu* allocation.

5. Trade Error Policy

Subject to applicable law, we will reimburse the applicable client account(s) for net losses that occur as a result of trade errors resulting from our bad faith, willful misconduct or gross negligence.

We may correct misallocations of trades among client accounts by re-allocating the applicable trade using the intended allocation methodology prior to the trade's settlement date. If an erroneous allocation cannot be corrected prior to or after settlement, we may, if appropriate and subject to applicable law, correct such erroneous allocation by effecting a cross trade between client accounts at the price at which the initial trade was effected.

B. Aggregation of Orders

We will aggregate client trades, subject to best execution. Aggregation, or "bunching," describes a procedure whereby an investment adviser combines the orders of two or more clients into a single order for the purpose of obtaining better prices and lower execution costs. Aggregation opportunities for us generally arise when more than one client is capable of purchasing or selling a particular security based on investment objectives, available cash and other factors. In such event, securities purchased or sold will generally be allocated among client accounts on an average price basis. In the event of a partial fill, allocations generally will be made pro rata based on the initial order, but may be modified on a basis that the Advisor deems to be appropriate, including, for example, in order to avoid odd lots or de minimis allocations.

We may also aggregate subsequent orders for the same security entered during the same day with any previously filled orders. This determination may take into consideration changes in the market price of the security and differences in allocations among accounts.

**Item 13 - Review of Accounts**

A. Client portfolios are reviewed daily, and their performance analyzed, by our investment professionals, including, but not limited to, Sean Fieler, Daniel Gittes and William Strong. Client portfolios are also reviewed by members of our operations team to monitor compliance with the applicable trading mandate and any applicable risk and/or

operating guidelines. The Chief Compliance Officer is also involved in the review of trading activity and account allocations. Client investments are evaluated based on company fundamentals, valuations and such other considerations as we deem appropriate.

B. *Not applicable.*

C. We may, in our discretion, furnish investors in the Funds we manage with periodic written unaudited performance reports on a monthly basis. On an annual basis, investors receive a copy of the relevant Fund's annual audited financial statements and, where applicable, a statement of taxable income (form K-1).

#### **Item 14 - Client Referrals and Other Compensation**

A. We execute securities transactions on behalf of client accounts with broker-dealers that provide us with access to research and research-related services (*see Item 12*).

B. *Not applicable.*

#### **Item 15 - Custody**

*Not applicable.*

#### **Item 16 - Investment Discretion**

We have discretionary authority to manage securities accounts on behalf of our clients. The investors in the Funds may not place any limits on our authority beyond the limitations set forth in a Fund's offering and governing documents.

#### **Item 17 - Voting Client Securities**

We have voting discretion over securities held in clients' accounts. Clients are not able to direct their votes in a particular situation. We will exercise our discretion in the best interests of our clients. In fulfilling our obligations to our clients, we will act in a prudent and diligent manner intended to enhance the economic value of the securities. We have adopted a proxy voting policy as part of our written compliance procedures which is summarized below.

The basic components of our proxy voting procedures are as follows:

- Our Chief Compliance Officer or his designee will make a reasonable effort to obtain proxy material from our prime brokers on behalf of clients. Due to the nature of several countries where investments are held, some proxies may be more difficult to obtain than others while some may be unattainable. Certain other foreign companies may not accept proxy votes from foreign institutional investors. In such cases, we may choose not to vote these shares. All situations will be evaluated individually while always maintaining the best interests of clients.
- Reviews are done to ensure that there are no conflicts of interest. Any conflicts are brought to the attention of Sean Fieler and Daniel Gittes before any vote is decided upon.



- Once the proxy information is gathered and any conflicts addressed a presentation of the facts of each proxy are made for discussion and review of how the vote will be made or if the vote will not be made.

Clients may obtain information on how the Advisor voted their proxies by contacting the Advisor through the contact information provided on the cover page of this brochure. Clients may obtain a copy of our proxy voting policy and procedures upon request.

**Item 18 - Financial Information**

*Not applicable.*

**Item 19 - Requirements for State-Registered Advisers**

*Not applicable.*