



CREDIT SUISSE ASSET MANAGEMENT, LLC

DISCLOSURE BROCHURE

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This brochure provides information about the qualifications and business practices of Credit Suisse Asset Management, LLC. If you have any questions about the contents of this brochure, please contact us at (877) 435-5264 or www.credit-suisse.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Credit Suisse Asset Management, LLC is also available on the SEC’s website at www.adviserinfo.sec.gov.

Credit Suisse Asset Management, LLC is an investment adviser registered with the SEC. Registration with the SEC does not imply a certain level of skill or training.

ITEM 2: MATERIAL CHANGES

The following material changes have been made to Credit Suisse Asset Management, LLC (the “Registrant”) illiquid’s brochure since the last annual update of the brochure dated March 31, 2011:

In an effort to streamline the existing Credit Suisse Asset Management organization, the investment advisory services and portfolio management of the employee plans were moved from Credit Suisse (Bermuda) Limited to the Registrant. This continued consolidation will not impact the level of services provided to clients as the same portfolio management teams continue to provide the same services in accordance with current engagements and investment objectives.

Certain information with respect to a recent settlement with the SEC concerning one collateralized debt obligation vehicle for which the Registrant served as collateral manager is described in Item 9 herein. The Registrant neither admitted nor denied the facts set forth in the settlement order, which may be pertinent only to a limited number of clients within a single line of business within the Registrant. The order does not have any implications for any of the Registrant's other clients. The Registrant remains committed to observing the highest standards of integrity and regulatory compliance in all aspects of its work.

For additional information about the SEC settlement or to request a full copy of the Registrant’s current brochure, please contact Investor Relations at the phone number on the cover of this brochure. Additional information about the Registrant, including a full copy of the current brochure, also is available on the SEC’s website at www.adviserinfo.sec.gov.

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ITEM 4: ADVISORY BUSINESS

Credit Suisse Asset Management LLC, (the “Registrant” and together with its affiliates “Credit Suisse”) is an indirect wholly owned subsidiary of Credit Suisse Group AG, a publicly-owned foreign bank holding company based in Switzerland. The Registrant was organized in 1999, and managed on a discretionary and non-discretionary basis approximately \$646 billion and \$967 million, respectively, of client assets as of December 31, 2011.

The Registrant’s portfolio management teams generally provide investment advice to both U.S. and non-U.S. private investment funds which are organized as limited partnerships, limited liability companies, corporation or similar investment vehicles (each, a “Partnership” and collectively, the “Partnerships”) that invest primarily in privately traded equity and other securities, including interests in various entities, some of which may be affiliated with the Registrant. To a lesser extent, the Registrant also provides investment advice to separately managed account clients (together with the Partnerships, “Clients”). The Registrant’s portfolio management teams employ different strategies and advise different types of Partnerships, some of which are funds-of-funds (“FoFs”) that pursue their investment objectives by investing in one or more pooled investment vehicles (“Participating Funds”), which themselves purchase securities or other assets, and some Partnerships pursue their investment objectives by investing directly in securities or other assets. Generally, the Registrant’s portfolio management teams’ advisory services consist of identifying investment opportunities and making investments, as well as managing and disposing of investments already made by the Clients. As such, not all of the information contained herein may be relevant to your investment or potential investment. In addition, the Registrant has other portfolio management teams that provide investment advice to other types of entities, which are not described herein, except to the extent relevant to your investment or potential investment. Please see below for a description of the Registrant’s relevant various portfolio management teams.

The management and control of each Partnership is vested exclusively in its general partner or similar managing entity (each a “General Partner”). Typically the General Partner is affiliated with the Registrant. The investors in the Partnerships (“Limited Partners”) have no part in the management or control of the Partnerships and have no authority or right to act on behalf of the Partnerships in connection with any matter. The General Partner of each Partnership has delegated certain of its rights, power, authority, duties and responsibilities to the Registrant pursuant either to (i) a Partnership’s organizational documents (a “Partnership Agreement”) or (ii) an investment management agreement (an “Investment Management Agreement”). The Registrant has the authority and right to act on behalf of the Partnership to the extent (but only to the extent) such authority or right is provided for in the relevant Partnership Agreement or Investment Management Agreement. Each Client is furnished with a copy of the relevant Partnership Agreement and/or Investment Management Agreement as in effect from time to time upon request. The Registrant is not obligated to structure any investment in order to address or give effect to the individual objectives or considerations of any investor or group of investors unless providing investment advice to separately managed accounts.

The following is a description of the strategies employed by the Registrant's portfolio management teams:

Merchant Banking Partners Team ("MBP")

The Partnerships advised by MBP invest primarily in mid-cap leveraged buyout investments and selected co-investment opportunities in private companies across a wide range of industries primarily in the United States and Western Europe. MBP also manages, through a partnership structure, state pension plan assets that invest primarily in Participating Funds.

Investment Partners Team ("IP")

The Partnerships advised by IP have been established primarily to make mezzanine investments, including subordinated debt and preferred stock, typically with an equity component. The mezzanine investments are generally made in connection with leveraged acquisitions, recapitalizations and similar transactions for private companies within North America led by well-regarded private equity sponsors.

Plans Team and Diversified Partners Team

The partnerships advised by the Plans Team are structured to invest either (i) in a mirror-image portfolio with another fund and to dispose of investments made in "lock step" with such fund, (ii) in one or more particular classes or series of securities of a company (a "Portfolio Company"), Participating Fund or existing investment portfolio or (iii) in certain types of investment opportunities as described in the offering memorandum for the Partnership with the actual investments identified by the Registrant and made during a designated commitment or similar period.

Customized Fund Investment Group ("CFIG")

CFIG provides single investor and commingled customized private equity partnerships as well as third-party portfolio administration services. The single investor partnerships span customized fund-of-fund separate accounts, customized co-investment programs, and structured products and portfolios. In addition, certain commingled fund-of-fund partnerships designed to make long-term private equity investments are privately offered to institutional investors and high net worth individuals.

Strategic Partners ("SP")

The Partnerships advised by the SP Team primarily pursue secondary opportunities to acquire interests in private equity style funds from investors seeking liquidity prior to the termination of those funds. The SP Partnerships may also, to a lesser extent, make primary investments in Participating Funds and direct equity, equity-like and debt investments.

Legacy Team

The Legacy Team provides investment advisory services to various Partnerships. The Partnerships have been established primarily to make long-term private equity and equity-related investments in Portfolio Companies. Some of these Partnerships are FoFs that pursue their investment objectives by investing in Participating Funds, which themselves purchase securities or other assets, and some Partnerships pursue their investment objectives by investing directly in underlying securities or other assets. The Registrant's Legacy Team identifies investment opportunities for each of the Partnerships, and participates in the acquisition, management and disposition of their investments.

Emerging Markets Team

The Emerging Markets Team provides investment advisory services to Partnerships that are privately offered to institutional investors and high net worth individuals and are designed with the objective of achieving risk-adjusted returns by investing in alternative assets in emerging markets on an opportunistic basis, principally by investing in instruments that provide credit exposure to financing transactions. The Registrant will seek to construct and maintain a diversified portfolio with respect to credit, market and structural risks, while also providing a balanced mix of revenues from coupon accrual, capital appreciation and equity/upside participations. Additionally, the Emerging Markets Team provides investment advice to a FoFs which has been established with a particular focus on alternative investment strategies in emerging market countries. The Registrant may enter into arrangements with a diversified mix of alternative investment strategies employed by third party portfolio managers not related to the Registrant. The Registrant will identify investment opportunities for the FoFs, acquire, manage and dispose of their investments and generally act for the FoFs.

As many of these programs and investment vehicles are privately offered to Clients and not marketed to the general public, you should ask the Registrant for more information about these programs and services.

ITEM 5: FEES AND COMPENSATION

The Registrant offers advisory services for a percentage of assets under management, a fixed fee or fees based on performance as described below and in Item 6. Fees may differ based upon a number of factors, including without limitation, overall fee arrangements, account complexity, overall relationship with Credit Suisse, account size, assets under management and the terms of the various Participating Funds in which the Registrant's Clients invest. Such fees for certain of the Participating Funds may be waived, reduced or calculated differently with respect to certain investors, including the Registrant's employees or affiliates, at the discretion of the Registrant and as permitted by the Participating Funds' offering documentation and organizational documents. Under certain circumstances and where permissible by regulations, the investment of a client's assets in Partnerships or Participating Funds may result in duplicative fees paid to the Registrant and such Partnerships or Participating Funds.

For certain Partnerships, no compensation is payable to the Registrant before services are provided to the Partnership. For certain Partnerships, under the relevant Partnership Agreement, no Limited Partner has the right to (i) receive any refund of the annual advisory fee or (ii) early termination of its obligations under the Partnership Agreement, provided that, under certain limited circumstances, Limited Partners or other investors subject to Employee Retirement Income Security Act of 1974 ("ERISA") may have withdrawal rights. Please consult your Partnership's offering materials, including any relevant Partnership Agreement, to see if such restrictions apply to your investment.

In addition to the fees described in this item, Clients may indirectly bear any other costs charged to the Partnerships or other investment vehicle through which their assets are invested by the Registrant. Such costs will vary and typically include, though are not limited to, accounting, legal, fund administration fees and other related expenses.

MBP Team

In some cases, the Registrant does not receive a management fee in connection with MBP's investment advisory services to certain Partnerships. When the Registrant is entitled to a management fee, it is paid per annum partially in advance and partially in arrears on or before March 31 and September 30. During the investment period of the Partnership (as provided in the Partnership's offering memorandum), the management fees will generally equal 1.5% of the Limited Partners' capital commitment. After the investment period of the Partnership, the management fees are reduced to 1.0% of invested capital for the remainder of the Partnerships' life. In some Partnerships, a Limited Partner may pay a one-time placement fee equal to 1.0% of such Limited Partner's capital commitment.

IP Team

In some cases, the Registrant does not receive a management fee in connection with IP's investment advisory services to certain Partnerships. When the Registrant is entitled to a management fee, it is paid per annum partially in advance and partially in arrears on or before

March 31 and September 30. During the investment period of the Partnerships (as provided in the Partnership's offering memorandum), the management fees will generally equal 1.25%-1.75% of the Limited Partners' capital commitment. After the investment period of the Partnership, the management fees are reduced to 0.5%-1.25% of invested capital for the remainder of the Partnership's life. In some partnerships, a Limited Partner may pay a one-time placement fee equal to 1.0% of such Limited Partner's capital commitment.

Plans Team

Generally the Registrant does not receive any management fees from its Clients managed by the Plans Team that are employee funds. With respect to some of its employee fund Clients, the Registrant will receive an annual fee from those Partnerships generally equal to 1.0% to 2.0% of a given Partnership's assets or capital commitments from terminated employees. In addition, with respect to some of its employee fund Clients, the Registrant will receive an annual administration fee from those Partnerships generally equal to 0.30% of a given Partnership's assets or capital commitments. The fees accrue semi-annually and are generally collected through proceeds from the sale of assets and or dividend and interest income.

CFIG

The Registrant receives an annual management fee from the Partnerships advised by the CFGI Team. This management fee is typically equal to a percentage of a given Partnership's assets or capital commitments. Management fee rates, which vary among the Partnerships, generally range from 0.4% to 1.0% during the Partnership's commitment period. Following the commitment period, the management fee rates are reduced to a general range of 0.4% to 1.0% of the aggregated unreturned invested capital plus investment unfunded commitments. Management fees are collected quarterly in advance or quarterly in arrears, depending on the Partnership.

SP

The Registrant is entitled to a management fee from the Partnerships managed by the SP Team, which accrues semi-annually, typically in June and December of each year. The management fee typically during the commitment period, is 1.0% per annum of the capital commitments of each Limited Partner and 1.0% per annum of the reported value of each Limited Partner's interest in the Partnership, thereafter. The management fee may be increased for certain investors, and is typically increased for private banking clients of Credit Suisse whose capital commitments are less than a specified amount. In the first Partnership managed by the SP Team, the Registrant was entitled to an acquisition fee of 1.0% of the purchase price of investments made (calculated including unfunded capital commitments assumed in the transaction), rather than a typical management fee. Investors in the first Partnership that wanted to invest in either the second or third Partnerships managed by the SP Team were entitled to pay an acquisition fee as opposed to a management fee.

The management fee typically payable with respect to the fourth and fifth Partnership managed by the SP Team differs from the immediately preceding formulation as stated below:

SP IV

<u>If such aggregate capital commitment are</u>	<u>Management Fee Percentage</u>
\$5 to \$149 million	1.0%
Greater than \$150 million	0.75%

SP V

<u>If such aggregate capital commitment are</u>	<u>Management Fee Percentage</u>
\$75 to \$150 million	0.875%
\$150 million to \$600 million	0.75%
\$600 million and higher	0.5% during investment period and 0.75% thereafter

Legacy Team

There are no management fees charged to Partnerships managed by the Legacy Team.

Emerging Markets

The Registrant is entitled to a management fee from each Limited Partner which typically ranges from 0.5% to 1.5% per annum of each Limited Partner's aggregate capital commitment less such Limited Partner's aggregate returned capital. The management fee may be determined by the Emerging Markets product in which a Client invests. The management fee is payable quarterly in arrears for each Limited Partner.

ITEM 6: PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT

Various affiliates of the Registrant serve as General Partner of Partnerships sponsored by Credit Suisse. Those affiliates may charge “performance-based” or “special-allocation” fees as discussed below. If applicable, any performance fees charged will comply with the requirements of Section 205 of the Investment Advisers Act of 1940 (the “Advisers Act”) and the applicable rules thereunder.

Potential conflicts of interest may arise with the allocation of limited investment opportunities to the extent that the Registrant may have an incentive to allocate investments that are more likely to generate excess distributions but that are also more risky or are expected to increase in value to preferred accounts, including accounts with higher fee structures.

To avoid actual and potential conflicts of interest regarding performance based fees, the Registrant has policies and procedures in place to address and mitigate this conflict. The compensation arrangements referred to in this section presents potential conflicts when the Registrants interest may not be or perceived to be aligned with the best interest of one or all of its Clients. Improper activity could manifest itself in the form of inappropriate recommendations or investments to certain portfolios because the Registrant hopes the Client will invest additional assets; allocation of opportunities to accounts that have been underperforming in a investment strategy; allocation of investment opportunities which favor performance fee based accounts over advisory fee only accounts; or a reluctance by the Registrant to mark down fair valued/illiquid securities to avoid (i) a decline in performance or (ii) increase in performance volatility, which can make the account/fund potentially less attractive to existing and prospective investors. The Registrant’s investment committees meet regularly to review all allocation decisions and to determine their consistency with the Registrant’s policies and procedures. All investment decisions are also subject to periodic review by the Registrant’s compliance department.

The General Partner (or the Registrant in its capacity as the investment adviser), on behalf of a Partnership or other investment vehicle, may enter into side letters or other similar agreements with an investor that would have the effect of establishing rights under, or altering or supplementing the terms of, an investment vehicle’s governing documents in a manner more favorable to that investor than those applicable to other investors. Such rights or terms in any such side letter or other similar agreement are not subject to approval by the other investors and may include (i) different notice periods, minimum investment amounts or management fees (including performance-based fees), (ii) excuse rights applicable to particular investments (which may increase the percentage interest of other investors in, and contribution of obligations of other investors with respect to, such investments), (iii) the agreement of the General Partner to extend certain information rights or additional diligence, valuation or reporting rights to such investor, including, for example, to accommodate special regulatory or other circumstances of such investor, (iv) additional obligations and restrictions on the General Partner and/or the Registrant and the investment vehicle with respect to the structuring of investments in light of the legal, tax and regulatory considerations of such investor, (v) different levels of preferred return and/or different claw back arrangements or (vi) other rights or terms in light of particular

legal, regulatory, public policy or other characteristics of such investor. Investors who have side letters or similar arrangements may make independent investment decisions based on the information obtained pursuant to those arrangements. The terms of any such side letter or agreement will not be disclosed to other investors unless the General Partner, in its sole discretion, determines otherwise. Any rights or terms so established in a side letter or other similar agreement with an investor will govern solely with respect to such investor.

The General Partner is typically entitled to a performance fee ranging from 5% to 20% of the profits of each Limited Partner in a Partnership. The performance fee is generally (1) based on a waterfall calculation which takes into account net realized gains and losses and unrealized gains and losses on portfolio securities (2) as the relevant Partnership Agreement dictates on realized gains less the losses of the Limited Partner over the life of the relevant Partnership or on a deal by deal basis and (3) may add back management fees and expenses previously paid by the Limited Partner. Accordingly, distributions to the General Partner in respect of its performance allocation will be made only to the extent that a Limited Partner's realized income and gains exceed its realized losses and a preferred return ranging from 0% to 8%. In the event that the General Partner receives distributions in excess of their allocation of 5% to 20% of the net profits of a Limited Partner's share of a Partnership investment, the General Partner will repay such excess to the partnership for distribution to such Limited Partner upon termination of the Partnership.

Generally, employee plans managed through a partnership structure do not pay performance fees.

Emerging Markets Team

The General Partner or Registrant may receive a performance fee as described in each investment vehicle's offering documents. This fee may range up to 25% and would be payable based on the timing of the investment vehicle's distributions to investors.

ITEM 7: TYPES OF CLIENTS

The Registrant typically provides investment advice to:

- Charitable Organizations
- Governments and Governmental Agencies
- Supranational Organizations
- High Net Worth Individuals
- Public and Private Pension plans
- Sovereign Wealth Funds
- Corporations
- Registered Investment Companies
- Private Funds

The Registrant provides, or may provide, advice to registered and/or unregistered investment vehicles, institutions or other investment advisers, which may be affiliates, as an adviser or sub-adviser. The Registrant also may engage sub-advisers, which may be affiliates, to perform advisory services. The Registrant or an affiliate may provide consulting or advisory services for a negotiated fee to entities with debt or equity, whose investments are held by accounts and vehicles managed by the Registrant. The Registrant or its affiliates, its employees and Clients, may receive advisory and other fees such as break-up or loan origination fees from Portfolio Companies or other issuers in which the Partnerships, investment vehicles or other advisory clients invest. Such fees may or may not be paid to, in whole or in part, the Partnership, investment vehicles or other advisory clients.

The Registrant generally provides investment advice to private investment funds organized as U.S. and non-U.S. Partnerships that invest primarily in privately traded equity and other securities, including interests in various entities, some of which may be affiliated with the Registrant and high net worth individuals. The Registrant's portfolio management teams employ different strategies and advise different types of private investment funds, some of which are FoFs that pursue their investment objectives by investing in one or more Participating Funds, which themselves purchase securities or other assets, and some Partnerships pursue their investment objectives by investing directly in securities or other assets. A description of each Partnership, including its operation and activities, management fees, performance fees where applicable and structure can be obtained from such Partnership's offering documentation.

Conditions for Managing Accounts - Account Size

While the Registrant generally advises only Partnerships and places no limits on the size of these accounts, individual Limited Partners who want to participate in a Partnership may be required to invest a minimum amount which varies depending on the Partnership. These requirements are disclosed in each Partnership's Partnership Agreement and/or offering memorandum. The Registrant may advise separate accounts whose investment strategies are similar to the strategies of the Partnership. Characteristics of certain asset classes may require a minimum account size for separately managed accounts. Exceptions are made at the discretion of the Registrant.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS

Methods of Analysis

The Registrant derives the information used to make investment decisions on behalf of its Clients from both internal and external resources. The Registrant periodically may seek the advice of economists and other investment professionals and consultants, internal and external, with respect to such matters as political conditions, proposed tax law changes, fiscal policy, general conditions of the economy, interest rates, actions of central banks and international affairs. The Registrant also may use proprietary modeling techniques and quantitative and qualitative analysis. Additionally, investment committees shall be convened as necessary in order to approve, reject, or approve with conditions any proposed investments or dispositions within each Partnership.

Investment Strategies & Risk of Loss

Each of the Partnerships managed by the Registrant generally invest in long-term private equity investments, primarily through investing in Portfolio Companies, although the investment strategies used by the various investment committees for participating funds to make investment decisions for one Partnership may vary, sometimes significantly, for another investment strategy which has a different investment committee.

Any investment opportunity may involve a Client investing in a Portfolio Company. Except as expressly provided otherwise in the applicable Partnership Agreement or Investment Management Agreement, any investment in one class or series of securities of a Portfolio Company pursuant to any investment opportunity shall be made by the Partnership directly or through a single investment vehicle, and all Clients shall participate in such investment on the same terms. However, to the extent necessary or desirable to address accounting, tax or regulatory considerations, any such investment may be made in one class or series of securities of a Portfolio Company pursuant to a single investment opportunity in part as a Partnership investment, and in part as a parallel investment or in whole or in any part as an investment directly by the Client and/or through one or more Partnerships or other investment vehicles. If such alternative investment vehicles are used to make an investment, the Limited Partners' interests in such vehicle will generally be structured in such a manner that would be reasonably expected to preserve in all material respects the overall economic relationship of the Limited Partners.

An investment in securities, including the Portfolio Companies held by the Partnerships, involves a significant degree of risk. There can be no assurance that the investment's targeted returns will be achieved or that there will not be a loss of capital. Losses in a Partnership will be borne solely by the Limited Partners and not by the Registrant (other than in its capacity as the General Partner). Therefore, an investor should only invest in a Partnership if the investor can withstand a total loss of its investment. The following are some of the risks and considerations which should be made prior to making an investment in private equity funds, such as the Partnerships:

Legal, Tax and Regulatory Risks

Legal, tax and regulatory developments may adversely affect a Partnership or Participating Fund during the term of the investment. In addition, the securities and futures markets are subject to comprehensive statutes, regulations and margin requirements, other regulators and self-regulatory organizations and exchanges authorized to take extraordinary actions in the event of market emergencies. The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to change by government and judicial actions. The regulatory environment for private funds is evolving, and currently there are numerous legislative and regulatory proposals in the U.S., Europe and other countries that could affect the Partnership or Participating Fund and their respective trading activities. Changes in the regulation of private funds and their trading activities may adversely affect the ability of the Partnership or Participating Fund to pursue its investment strategy, its ability to obtain leverage and financing and the value of investments held by the Investment Vehicle or Participating Fund. There has been an increase in governmental, as well as self-regulatory, scrutiny of the alternative investment industry in general. It is impossible to predict what, if any, changes in laws and regulations may occur, but any laws and regulations which restrict the ability of the Partnership or Participating Fund to trade in securities or the ability of the Partnership or Participating Fund to employ, or brokers and other counterparties to extend, credit in its trading (as well as other regulatory changes that result) could have a material adverse impact on the Partnership or Participating Fund's portfolio.

The Partnership or Participating Fund and the Registrant may also be subject to regulation in jurisdictions in which they engage in business. Investors should understand that the Partnership or Participating Fund's business is dynamic and is expected to change over time. Therefore, the Partnership or Participating Fund may be subject to new or additional regulatory constraints in the future. The offering materials and any other documents received in connection with an investment in a Partnership or Participating Fund cannot address or anticipate every possible current or future regulation that may affect the Partnership, Participating Fund, the Registrant or its businesses. Such regulations may have a significant impact on the investors or the operations of the Partnership or Participating Fund, including, without limitation, restricting the types of investments the Partnership or Participating Fund may make, preventing the Partnership or Participating Fund from exercising its voting rights with regard to certain financial instruments and requiring the Partnership or Participating Fund to disclose the identity of their investors.

Illiquidity Risk

An investment in any Partnership requires a long-term commitment, with no certainty of return. There most likely will be little or no near-term cash flow available to the Limited Partners. The securities issued by Portfolio Companies typically cannot be sold except pursuant to a registration statement filed under the U.S. Securities Act of 1933, as amended (the "Securities Act") or in a private placement or other transaction exempt from registration under the Securities Act and that complies with any applicable non-U.S. securities laws. As such, a Partnership's investments may be highly illiquid, and there can be no assurance that the Partnership will be able to realize on such investments in a timely manner. Similarly, the interests in a Partnership may not be registered under the Securities Act or any other applicable securities laws. There may be no public market for such interests and none may be expected to develop. In addition, a Limited Partner may not transfer its interest in a Partnership except with the consent of the General Partner, which may be withheld by the General Partner in its sole discretion. Limited

Partners may not withdraw capital from a Partnership and, as such, may not be able to liquidate their investments prior to the end of the Partnership's term.

Portfolio Valuation

Valuations of a Partnership or Participating Fund's portfolio, which will affect the amount of the management fee and/or performance fee, are expected to involve uncertainties and discretionary determinations. Third-party pricing information may not be generally available regarding a significant portion of a Partnership or Participating Fund's investments in certain asset classes, and in some circumstances valuation models may be relied upon in order to value the assets and calculate the net asset value of the Partnership or Participating Fund. The Registrant is not required to, nor expects to receive, independent third party verification of these valuation models created by the Registrant. In addition, to the extent third-party pricing information is available, a disruption in the secondary markets for the Partnership or Participating Fund investments may limit the ability to obtain accurate market quotations for purposes of valuing investments and calculating the net asset value of a Partnership or Participating Fund's investments. Further, because of the overall size and concentrations in particular markets and maturities of positions that may be held by the Partnership or Participating Fund from time to time, the liquidation values of the Partnership or Participating Fund's securities and other investments may differ significantly from the interim valuations of these investments derived from the valuation methods described herein.

Absence of Regulatory Oversight

While a Partnership may be considered similar in some ways to an investment company, it is not required and does not intend to register as such under the Investment Company Act of 1940, as amended (the "Investment Company Act") and, accordingly, Limited Partners are not accorded the protections of the Investment Company Act.

Dependence on Key Personnel

The success of a Partnership depends in substantial part on the skill and expertise of the personnel of the Registrant. There can be no assurance that such personnel will continue to be employed by the Registrant or associated with a Partnership throughout the life of the Partnership. The loss of key personnel could have a material adverse effect on a Partnership.

Potential Regulation of the Private Equity Industry

Recently, there has been significant discussion regarding greater governmental scrutiny and/or potential regulation of the private equity industry, as private equity firms become more significant participants in the broad-based economy. It is uncertain what form and in what jurisdictions such enhanced scrutiny and/or regulation on the private equity industry may ultimately take. Therefore, there can be no assurance as to whether any such regulatory scrutiny or initiatives will have an adverse impact on the private equity industry, including the ability of a Partnership to achieve its investment objectives.

Tax Treatment

There may be changes in tax laws or interpretations of such tax laws adverse to a Partnership or its Limited Partners. There can be no assurance that the structure of a Partnership or of any investment will be tax-efficient to any particular Limited Partner. Also, there can be no

assurance that a Partnership will have sufficient cash flow to permit it to make annual distributions in the amount necessary to permit Limited Partners to pay all tax liabilities resulting from their ownership of the Partnership's interests. Prospective investors are urged to consult their tax own advisers with reference to their specific tax situations.

Follow On Investments

A Partnership may be called upon to provide follow-up funding for its Portfolio Companies or have the opportunity to increase its investment in such Portfolio Companies. There can be no assurance that the Partnership will wish to make follow-on investments or that it will have sufficient funds to do so. Any decision by the Partnership not to make follow-on investments or its inability to make them may have a substantial negative impact on a Portfolio Company in need of such an investment or may diminish the Partnership's ability to influence the Portfolio Company's future development.

Reliance on Management of Portfolio Companies

While it is the intent of the Registrant/General Partner to invest in companies with proven operating management in place, there can be no assurance that such management will continue to operate successfully. Although the Registrant will monitor the performance of each investment, a Partnership will rely upon management to operate the Portfolio Companies on a day-to-day basis.

Concentration/Performance Risk

Because each Partnership may only make a limited number of investments, and because those investments generally will involve a high degree of risk, poor performance by a few of the investments could severely affect the total returns to the Limited Partners. The performance of portfolio investments of other Partnerships managed by the Registrant or its affiliates is not necessarily indicative of the results that will be achieved by a Partnership.

Controlling Interest Liability

A Partnership may have controlling interests in some of its Portfolio Companies. The exercise of control over a Portfolio Company may impose additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations (including securities laws) or other types of liability in which the limited liability generally characteristic of business ownership may be ignored. If these liabilities were to arise, the Partnership might suffer a significant loss.

Risks Upon Disposition of Investments

In connection with the disposition of an investment in a Portfolio Company, a Partnership may be required to make representations about the business and financial affairs of the Portfolio Company typical of those made in connection with the sale of any business, or may be responsible for the contents of disclosure documents under applicable securities laws. A Partnership may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents turn out to be incorrect, inaccurate or misleading. These arrangements may result in contingent liabilities, which might ultimately have to be funded by the Limited Partners. Each Partnership's Partnership Agreement contains provisions to the effect that if there is any such claim in respect of a portfolio company,

it will be funded by the Limited Partners to the extent that they have received distributions from the Partnership, subject to certain limitations.

Foreign Investment Risk

Certain Portfolio Companies in which the Partnerships may invest are organized and operated outside of the United States. Such investments involve risks not typically associated with investments in the securities of U.S. companies. For instance, investments in non-U.S. businesses (i) may require significant government approvals under corporate, securities, exchange control, non-U.S. investment and other similar laws and regulations; (ii) may require financing and structuring alternatives and exit strategies that differ substantially from those commonly used in the United States; and (iii) will expose the Partnership to potential losses arising from changes in foreign currency exchange rates. To the extent a Partnership invests in Portfolio Companies operating in emerging market countries, those investments involve certain risks not typically associated with investments in the securities of companies in more developed markets, including the direct and indirect consequences of potential political, economic, social and diplomatic changes in those countries. The governments in those countries typically participate to a significant degree, through ownership interests or regulation, in local business, often exercising a controlling influence in certain key sectors of the economy.

As a separate matter, investments in non-U.S. Portfolio Companies (i) may require significant government approvals under corporate, securities, exchange control, non-U.S. investment and other similar laws and regulations; (ii) may require financing and structuring alternatives and exit strategies that differ substantially from those commonly used in the U.S.; and (iii) will expose a Partnership to potential losses arising from changes in foreign currency exchange rates. All of the foregoing factors, and others, may increase transaction costs and adversely impact the value of a Partnership's investments in non-U.S. Portfolio Companies.

In addition to the risks discussed above, an investment in a Partnership may be subject to the following additional risks: (i) counterparty risk; (ii) volatility in the market and general economic conditions; (iii) lack of diversification; (iv) foreign currency risks; (v) increased government regulation; or (vi) limitations on investment performance data. For a complete discussion of a Partnership's investment strategies and the principal investments risks of those strategies, please read carefully the Partnership's offering materials, the Partnership Agreement and any other documents received.

ITEM 9: DISCIPLINARY INFORMATION

The Registrant is committed to observing the highest standards of integrity and regulatory compliance in all aspects of its work. On October 19, 2011, the Registrant was ordered to pay a combined total of \$2,500,000 in disgorgement, prejudgment interest and civil penalties for failing to disclose material facts concerning the Class V Funding III Collateralized Debt Obligation, which was offered to investors in February 2007, thereby violating Section 17(a)(2) of the Securities Act and Section 206(2) of the Investment Advisers Act. The Registrant neither admitted nor denied the facts set forth in the Order. Additionally, the Registrant has made available other disciplinary items in Part I, Item 11 of the ADV which can be found on the SEC's website at www.adviserinfo.sec.gov.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS

The Registrant is a U.S. registered investment adviser under the control of Credit Suisse Group AG, a foreign bank holding company based in Switzerland, which has various U.S. and foreign subsidiaries and affiliates that engage in a variety of securities, broker-dealer, investment company, investment adviser, commodities, banking, consulting, real estate and custodial activities worldwide. From time to time, the Registrant may, with prior Client consent (if necessary) and to the extent permitted by applicable law, delegate some or all of its responsibilities, duties and authority under an investment management agreement or other similar agreement to one or more of its affiliated investment advisers. The Registrant's affiliated advisers may likewise delegate some or all of their responsibilities, duties and authority to the Registrant.

Affiliated Relationships

The Registrant has arrangements and transacts, subject to applicable law, with related persons under the control of Credit Suisse Group AG and various of its directly and indirectly owned subsidiaries, including Credit Suisse AG, the Swiss bank, and Credit Suisse Securities (USA) LLC ("CSSU") (collectively, "Credit Suisse"). Credit Suisse is a global firm providing a wide range of financial services including (1) broker-dealers with which the Registrant may engage in securities transactions, among other things; (2) investment companies, both private and registered; (3) investment companies for which the Registrant may act as investment adviser, sub-adviser or administrator, among other things; (4) other investment advisers for which the Registrant may act as sub-adviser, among other things; (5) commodity pool operators, commodity trading advisors or futures commission merchants with which the Registrant may engage in certain commodities transactions on behalf of certain clients, among other things; (6) banking or thrift institutions for which the Registrant may provide advisory services, among other things; (7) pension consultants for which the Registrant may provide advisory services, among other things; (8) real estate brokers or dealers for which the Registrant may provide advisory services, among other things and (9) entities that create or package Participating Funds, Partnerships or other investment vehicles for which Registrant may provide advisory services, among other things. As such, certain tasks may be performed by employees of the Registrant's affiliates.

The Registrant or an affiliate may serve as General Partner to Participating Funds, Partnerships or other investment vehicles. A description of each investment vehicle, including its operation and activities, management fees, performance fees (if any) and structure can be obtained from such vehicle's offering documentation.

Affiliated Broker Transactions

In the course of conducting its business, as permissible under applicable laws, CSSU may from time to time act as broker or agent in effecting securities transactions for its clients or other persons; purchase from or sell securities for its own account that it also recommends to clients; and act as general or limited partner in other partnerships in which clients may be solicited to

invest. Although the Partnerships are under no obligation to retain Credit Suisse or any of its affiliates, the Partnerships may elect to retain either Credit Suisse or one of its affiliates. Such arrangements will be negotiated on an arm's length basis. The commission rates charged to clients by brokers (including affiliated brokers) are negotiated and, therefore, different rates may be charged depending on the service or package of services provided to the client. In connection with the overall services provided by Credit Suisse and consistent with the investment objectives of the Partnerships, investors in the Partnerships may be solicited to invest in other limited partnerships (or other controlling entities) in which Credit Suisse or one of its affiliates serves as a General Partner.

Financial Interest in Transactions

The Registrant may recommend to Clients the purchase or sale of securities in which one or more of its related persons has a financial interest or position. For example, related persons of the Registrant, including Credit Suisse Group and other foreign affiliates, engage in various types of investment banking and lending activities with issuers of securities that the Registrant may recommend to its Clients. In addition, employees of the Registrant and its affiliates may serve as directors of various companies that the Registrant may purchase or sell on behalf of its Clients. Any such outside activities, however, are subject to the Registrant's Outside Activities and Private Investment Policy, discussed below.

Further, employees of the Registrant or its affiliates may co-invest or be offered the right to co-invest in various Participating Funds and, with respect to certain private investments, on the same terms and conditions as those applicable to the corresponding investments by the Participating Funds or may invest in a different class of securities from those invested in by the Participating Funds. These employees may include members of the investment committee for the Participating Funds. Any such co-investments are subject to the Registrant's and its affiliates' Outside Activities and Private Investment Policy. The Registrant will disclose to its advisory clients its relationship with such affiliates to the full extent required by applicable law.

As a result of these activities, the Registrant may acquire confidential information or be restricted from transacting in certain securities. The Registrant will not be free to disclose or act upon such confidential information and as a result may not initiate a transaction which it otherwise might have or which may be beneficial to its Clients. In addition, the Registrant and/or its related persons may hold investments in certain investment companies for which the Registrant acts as an investment adviser.

The Registrant might recommend that its Clients purchase shares of investment companies that Registrant's related persons advise and from which the Registrant and/or its related persons receive advisory, administration and/or distribution fees. However, the Registrant will send to each Client written disclosure of the Registrant's relationship to any such investment company and no purchases are made in such investment companies for discretionary accounts without the prior consent of the Client.

In the event of investment of Client assets in any such investment company, other than a money market fund, steps are taken to avoid the payment of duplicative fees to the Registrant and its

related persons, where appropriate. Clients whose assets are invested in money market funds may pay fees to the Registrant and its related persons both through the investment company and directly from their account. The Registrant and related persons also act as general partners or investment managers for Partnerships or other pooled investment vehicles, and the Registrant may recommend the purchase of those vehicles to its Clients. See also, responses in Item 11, below.

Affiliated Advisers

The Registrant will not enter into an investment advisory relationship with any prospective client whose investment objectives may be considered incompatible with the Registrant's investment philosophy or strategies or where the prospective Client seeks to impose unduly restrictive investment guidelines, provided however, that if such prospective client's investment objectives are compatible with the strategies employed by an affiliate of the Registrant with whom the Registrant has an arrangement with respect to products or advisory services that such affiliate may provide for its own clients and clients of the Registrant, the Registrant may enter into the advisory agreement with the affiliate at no additional charge to the client, with the Registrant being responsible to pay the affiliate adviser's fees.

Proprietary Trading

The Registrant generally does not engage in any proprietary trading for its own account, but certain affiliates may do so, in compliance with applicable law. The Registrant and its affiliates may provide seed capital to Participating Funds sponsored by the Registrant and/or its affiliates to fund new investment strategies in order to establish performance track records or for hedging purposes. As a result of these seed capital contributions, the interest of the Registrant and/or its affiliates in such Participating Funds may vary from 0% to 100% of the total contributed capital and such Participating Funds could be considered proprietary accounts in certain circumstances. In addition, the Registrant may manage separate accounts for certain affiliates, which may be considered proprietary accounts in certain circumstances. The Registrant generally takes the view, however, that these types of accounts are client accounts and seeks to treat them in a similar manner to other client accounts.

If the Registrant provides seed capital to Participating Funds, generally, the Registrant will be subject to the same withdrawal terms applicable to the other investors, however, under the Volcker Rule, the Registrant may need to reduce its capital in order to conform with the new regulatory restrictions. Certain of these investments made by the Registrant may not be subject to the management fee or incentive allocation. In addition, the Registrant may have access to information regarding the investments and performance of the Participating Fund's portfolios that might not generally be available to other investors and may take action adverse to Registrant's clients based on such information.

Employees of the Registrant may engage in transactions in securities for their personal accounts that they also recommend to the Registrant's Clients. Each employee of the Registrant is required to provide to Registrant, no less than quarterly, reports of his or her securities trading activities. In addition, each employee of the Registrant also is required to provide a report of his

or her securities holdings upon commencement of employment and thereafter on an annual basis. Transactions in securities to be made for the personal interest of an employee of Registrant are subject to the Registrant's Personal Trading Policy. Accordingly, employee trades are subject to pre-clearance requirements, as well as trading prohibitions designated to avoid conflicts of interest with Clients. Employees of the Registrant and its affiliates are permitted to establish separate investment advisory accounts with the Registrant that may or may not trade side by side with Client accounts.

Additional Considerations

As described previously the Registrant may be deemed a related party with respect to Credit Suisse, including its various directly and indirectly owned subsidiaries. These entities engage in a variety of financial services activities. In the regular course of business, Credit Suisse and its affiliates may engage in activities where their interests or the interests of their clients may conflict with the interests of the Registrant's Clients.

The conflicts of interest that may arise due to the broad spectrum of activities engaged in by Credit Suisse and its affiliates are described in detail in the offering documents of the Clients advised by the Registrant. These potential conflicts, which may arise in the regular course of business, include, but are not limited to, the following: (i) Credit Suisse and its affiliates may receive investment banking fees from Portfolio Companies and other parties involved in transactions with the Registrant's Clients; (ii) Credit Suisse or its affiliates, may act, or may seek to act, as a financial advisor to third parties in connection with the sale or purchase of securities or businesses meeting the investment objectives of the Registrant's Clients, which may prevent the Registrant's Clients from investing in the securities or businesses being sold; (iii) Credit Suisse and its affiliates may act, or may seek to act, as financial advisor to a potential third-party buyer of a potential investment that the Registrant's Clients are also seeking to buy, or a potential buyer of an existing Portfolio Company or any assets or businesses held by an existing Portfolio Company; (iv) the Registrant's Clients may be offered an opportunity to make an investment (a) in connection with a transaction in which Credit Suisse, its affiliates or one of their clients (or one of the Registrant's own Clients) is expected to or seeks to participate or (b) in a company in which Credit Suisse, its affiliates or one of their clients (or one of the Registrant's own Clients) already has made, or concurrently will make or seek to make, an investment; (v) a Client of the Registrant may hold a different class of securities of the same issuer than another client of the Registrant or a different class than Credit Suisse, its affiliates or one of their clients hold; (vi) purchases or sales of securities, assets or businesses whose securities are held by a client of the Registrant may be made from or to Credit Suisse, a Credit Suisse affiliate or one of their clients (or another Client of the Registrant); (vii) proceeds from the sale of securities by one of the Registrant's Clients may be used to repay a loan to the issuer from Credit Suisse, a Credit Suisse affiliate or client (or to one of the Registrant's other Clients); (viii) Credit Suisse and its affiliates may make investments or undertake investments on behalf of their clients that are similar to the investments intended to be made by the Registrant's Clients; (ix) the Registrant's Clients may enter into arrangements to acquire or sell debt or equity investments, borrow funds, or guarantee borrowings of funds from, or enter into hedging or other transactions with, Credit Suisse or its affiliates; (x) Credit Suisse and its affiliates may make investments on behalf of clients into Investment Vehicles managed, advised or sponsored by Credit Suisse or one of its affiliates; and

(xi) Credit Suisse and its affiliates have, and may in the future develop, relationships with a significant number of companies and their senior managers, including relationships with clients who may hold or may have held investments similar to the investments intended to be made by the Registrant's Clients.

The Registrant, in managing Client portfolios may acquire investments representing parts or levels of an issuer's capital structure different than those held in other Client portfolios. The Registrant acknowledges there may be conflicts of interests in managing such investments in distressed situations. For example, the Registrant, on behalf of a Client, may elect to serve on creditors' committees, official or unofficial, equity holders' committees or other groups to ensure preservation or enhancement of the Client's position as a creditor or equity holder in bankruptcy or insolvency proceedings or otherwise be engaged in financial restructuring activities in a variety of capacities. Such activities may result in the Registrant receiving confidential information that may, as a result of applicable securities laws or the internal policies of the Registrant, limit or otherwise constrain the Registrant's flexibility in purchasing or selling securities or other obligations with respect to all Client portfolios. At times, the Registrant, in an effort to avoid such restrictions or limitations for Client portfolios, may elect not to receive confidential information, which may be relevant to the Client portfolios, that other market participants are eligible to receive or have received. However, the Registrant may choose to implement information barrier procedures to allow investments to be managed independently by preventing the transmission of private side information to those managing public side Client holdings. These procedures are designed to balance the various investment interests of all Clients during distressed situations, manage potential conflicts between investors, and satisfy fiduciary duties owed to all Clients.

In addition, other conflicts of interest may arise due to the activities of the Registrant and its personnel. These potential conflicts include, but are not limited to, the following: (i) personnel of the Registrant may serve as directors of certain Portfolio Companies or other issuers in which the Registrant's Clients have an interest, and, in that capacity, will be required to make decisions that consider the best interests of the Portfolio Company or other issuer rather than the individual interests of the Registrant's Clients; and (ii) personnel of the Registrant may serve in various other capacities and will devote such time to each of the Registrant's Clients as the Registrant, in its sole discretion, deems necessary to carry out the operations of each Client effectively.

As noted above in Item 6, the receipt of performance fees by the Registrant creates a potential conflict of interest because the Registrant could benefit from disproportionately allocating investment opportunities to those investment vehicles with performance fees. The Registrant has adopted policies and procedures designed to reasonably ensure that investment opportunities are allocated fairly among eligible accounts over time.

The Registrant has established policies and procedures to identify and address potential conflicts of interest. Any conflicts of interest that arise between one of the Registrant's Clients and Credit Suisse and its affiliates or their clients (or another Client of the Registrant) will be discussed and resolved on a case by case basis by senior officers of Credit Suisse and its affiliates and representatives of the Registrant, or internally by the Registrant, as applicable. Any such discussions will take into consideration the interests of the relevant parties and the circumstances

giving rise to the conflict. Conflicts will not necessarily be resolved in favor of the Registrant's clients or any one of the Registrant's Clients. To the extent possible, the Registrant will seek to engage in arm's-length transactions in which Credit Suisse and its affiliates have a direct or indirect financial interest.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS & PERSONAL TRADING

Personal Trading and Code of Ethics

The Registrant strives to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, honesty and trust. In seeking to meet these standards, the Registrant has adopted a Code of Ethics which establishes ethical standards for the Registrant and seeks to avoid the appearance of conflicts of interest. The Code of Ethics incorporates the following general principles that all employees are expected to uphold: employees must at all times place the interests of Clients first; all personal securities transactions must be conducted in a manner consistent with the Registrant's Personal Account Trading Policy and any actual or potential conflicts of interest or any abuse of an employee's position of trust and responsibility must be avoided; employees of the Registrant and its affiliates must not take any inappropriate advantage of their positions; information concerning the identity of securities and financial circumstances of the Registrant's Clients, including the investors in the Partnerships and other investment vehicles managed by the Registrant, must be kept confidential; and independence in the investment decision-making process must be maintained at all times.

The Registrant's Personal Account Trading Policy also permits personnel covered by the Code of Ethics ("Covered Persons") to invest in securities, including securities that may be purchased or held by Clients, subject to certain disclosures and restrictions that are designed to address potential conflicts of interest that could arise from personal trading by advisory personnel, including: (1) all Covered Persons must report their personal securities transactions in accordance with Rule 204A-1 of the Advisers Act and Rule 17j-1 of the Investment Company Act of 1940; (2) with certain limited exceptions, all Covered Persons must obtain pre-clearance before executing any personal securities transactions; (3) Covered Persons may not execute personal trades in a security if there are any pending orders in that security by Clients; (4) generally, Covered Persons may not invest in initial public offerings; and (5) Covered Persons are subject to minimum holding periods, blackout periods and a restricted securities list. Investors may request a copy of the Code of Ethics by contacting the Registrant c/o Credit Suisse, Investor Relations, One Madison Avenue, 6th Floor, New York, New York 10010, 877-435-5264.

Participation or Interest in Client Transactions

The Registrant expects to execute trades through its related persons on both a principal and agency basis, as discussed in further detail below. All such activities will be conducted in accordance with the Registrant's duty to seek best execution for its Clients and otherwise in accordance with applicable law, including Section 206 of the Advisers Act and the rules thereunder. These activities, if required or appropriate, will include appropriate disclosure to and receipt of consent from an independent source such as a conflicts review service provider, an advisory committee, an independent adviser or an authorized representative of the relevant Client.

Further, when engaging in such transactions, the Registrant will seek to comply, as applicable, with the Advisers Act, the Investment Company Act, ERISA, and/or other applicable laws, rules or regulations, including any interpretations, modifications, exemptions or other relief or permission from or by the SEC, SEC staff, the U.S. Department of Labor (the “DOL”), DOL staff or other authority with appropriate jurisdiction.

The Registrant has established policies, procedures and disclosures designed to address and monitor potential conflicts of interest arising in connection with trading between accounts of its clients and the Registrant.

Principal Transactions

To the extent permitted by applicable law, the Registrant may enter into transactions and buy or sell securities or instruments for the account of its clients when one or more affiliates of the Registrant acts as principal or otherwise makes a market in such securities or when an affiliate is the underwriter of such securities. Use of such affiliates may create conflicts of interest due to the potential conflicting loyalties between the affiliate and the Registrant’s Clients. To mitigate this conflict of interest, when the Registrant enters into a principal trade it employs either a designated Conflicts Review Board, the independent board of directors of the investment vehicle, if applicable, or an authorized representative of the Client to obtain consent to the principal trade. In addition, a review process is used to ensure that consent for the transaction is received and complies with applicable law. Failure to obtain consent may result in unwinding or “breaking” the trade at the expense of the Registrant. However, in selecting any affiliate, the Registrant will use the same criteria as it uses to select any other broker or dealer, including a fiduciary obligation, to the extent applicable, to seek best execution.

Cross Transactions

The Registrant may buy or sell securities for Clients when an affiliate of the Registrant serves as broker for both the Registrant’s Clients and the party on the other side of the transaction (i.e. agency cross transactions). From time to time, the Registrant also may direct Clients to sell investments to another Client, subject to applicable guidelines. If the Registrant engages in such transactions, it will receive no compensation in connection therewith and will seek to comply with applicable law. To the extent an affiliated broker-dealer of the Registrant receives compensation in connection with such a transaction, the Registrant will disclose the dual capacity in which the affiliated broker is acting and will obtain the consent of the Client prior to effecting the transaction, unless the Client, prior to effecting the transaction, has granted permission to engage in these types of transactions in accordance with Rule 206(3)-2 under the Advisers Act.

Cross transactions may include trades between accounts advised by Registrant or its affiliates. Cross transactions may enable the Registrant to purchase or sell a block of securities or other instruments for a Client at a set price and possibly avoid an unfavorable price movement that may be created through entrance into the market with such purchase or sell order. This may have a potentially conflicting division of responsibilities to both parties to a principal or cross transaction.

For additional information concerning the interests of the Registrant and its affiliates in Client transactions, see Item 10 above.

ITEM 12: BROKERAGE PRACTICES

Commission Rates and Research Services

Brokers are selected primarily on the basis of the execution capability and trading expertise consistent with the effective execution of the transaction. Each security transaction will be placed with specific broker-dealers selected by the Registrant with the overriding goal of receiving “best execution” at a fair, competitive brokerage cost. In selecting broker-dealers, the Registrant seeks to do business with those broker-dealers that, in the Registrant’s judgment, can be expected to provide the best service considering such factors as executions and operational capacity, transaction support, research, capital introduction capabilities, ongoing diligence, integrity and sound financial practices. The service has two main aspects: the execution of buy and sell orders and the provision of research. In negotiating commissions with broker-dealers, the Registrant will pay no more for execution and research services than it considers either or both together, to be worth. The worth of execution service depends on, among other things, the ability of the broker-dealer to minimize costs of securities purchased and to maximize prices obtained for securities sold. The worth of research depends on its usefulness in optimizing portfolio composition and its changes over time. When the Registrant uses client brokerage commissions to obtain research or other products or services, the Registrant receives a benefit because it does not have to produce or pay for the research, products or services. Additionally, the Registrant has an incentive to select or recommend a broker-dealer based on the Registrant’s interest in receiving the research or other products or services, rather than on its Clients’ interest in receiving most favorable execution.

The Registrant may enter into soft dollar arrangements. Brokerage commissions that are generated for the combination of execution and research services that meet the Registrant’s standards may be higher than for execution services alone or for services that fall below the Registrant’s standards. The Registrant believes that these arrangements may benefit all Clients and not necessarily only the accounts in which the particular investment transactions occur that are so executed. Further, the Registrant will only receive brokerage or research services in connection with securities transactions that are consistent with the “safe harbor” provisions of Section 28(e) of the Securities Exchange Act of 1934, as amended, when paying such higher commissions. To the extent the Registrant provides advisory service for multiple accounts, research may be used to service all of the Registrant’s accounts, not just those paying for it, although the benefits are not necessarily allocated proportionately to the accounts generating soft dollar credits.

The Registrant may utilize independent brokerage firms and independent consulting firms in addition to its internal professional staff for the origination of research ideas. Among the research services that the Registrant will receive from brokerage firms are the following:

- Research on specific industries
- Research on specific companies
- Macroeconomic analyses
- Analyses of national and international events and trends

- Evaluations of thinly traded securities
- Computerized trading screening techniques and securities ranking services
- General research services (i.e., Bloomberg, Reuters)
- Market Data Services (i.e., order management routing systems)

In certain cases, a research service may serve other functions that are not related to the making of investment decisions (such as accounting, record keeping or other administrative matters). Where a product obtained with commissions has such a mixed use, the Registrant will make a good faith allocation of the cost of the product according to its use. Those services that provide administrative or other non-research assistance to the Registrant will be paid solely using the Registrant's own funds.

In certain investment strategies (usually fixed income), dealers act as principals and not brokers when effecting transactions. These transactions are effected through market makers who earn a mark up on the transaction. Transactions in certain assets such as leverage loans and distressed debt are often subject to settlement periods in excess of the securities standard of trade date plus three days. Settlement periods can range from seven days to thirty days or longer in certain cases. Unless otherwise agreed to, a seller owns the security until closed and as such is entitled to all interest and fees earned and accrued until closing occurs. Other terms may be negotiated as warranted. Participants are subject to ongoing market risk to the extent that settlement is lengthy.

Neither the research services nor the amount of brokerage given to a particular broker-dealer are made pursuant to an arrangement or commitment that would obligate the Registrant to compensate selected broker-dealers for the services provided.

Trade Allocations and Errors

Allocations are made in a manner which the Registrant deems to be fair and equitable over time. Due to the nature of certain assets as well as specific Client guidelines pro rata allocation of trading opportunities is not always feasible, therefore such allocations are driven primarily by a number of factors, including client guidelines, investment vehicle's documentation, legal and tax concerns and the Registrant's internal investment policies, if any. The Registrant's internal investment policies are based in general on its overall view of market conditions relative to the portfolio's including such factors as the nature and size of existing and other portfolios under management as the nature and size of existing holdings, cash positions. For example, consideration may be given to investment vehicles which are ramping up or have sizable inflows or outflows of funds. Allocations may be made to accounts managed in a similar manner in order to provide similar size exposure to investments.

Pursuant to this policy, each Participating Fund or advisory client that participates in an aggregate order will participate on a pro rata basis at the average share price for the aggregated order in that security on a given business day, by broker, with transaction costs shared pro rata based on each Participating Fund or on each advisory clients' participation in the transaction. If the order is partially filled, it generally will be allocated pro rata in portion to the size of the orders placed for each Participating Fund. The accounts aggregated may include registered and unregistered investment companies managed by the Registrant's affiliates and accounts in which

the Registrant and its affiliates and their respective officers, directors, agents or employees own interests or may benefit directly or indirectly.

The Registrant's policies and systems are designed to allow Client assets to be managed without incident. While, the Registrant employs policies and procedures to avoid these errors, it should be noted that any policy developed could not possibly anticipate every potential error. Errors may occur either in the investment decision-making process (e.g., a decision may be to purchase a security or an amount of a security that violates client guidelines) or in the trading process (e.g., a buy order may be executed as a sell order or vice versa). All trade errors are corrected as soon as practicable and are investigated for proper treatment. In addition, a full review of any errors is undertaken to determine whether a potential systematic weakness exists.

ITEM 13: REVIEW OF ACCOUNTS

The Registrant has policies in place for reviewing portfolio transactions for consistency with fund guidelines, suitability, that over time investment opportunities are fairly allocated among eligible accounts and valuation. The Registrant's investment professionals review the relevant portfolio on an on-going basis and provide reports in a manner, and on a frequency, as may have been negotiated with the Limited Partners. In addition, Limited Partners generally are provided with periodic reports and relevant tax reporting information. Special reports may be developed to meet specific Client requirements or respond to Client inquiries.

The investments made by the Partnerships for which the Registrant provides investment advice are generally long-term in nature. Accordingly, the review process is not directed towards a short-term decision to purchase or sell securities. However, the Registrant carefully monitors Portfolio Companies in which its clients invest and generally maintains an ongoing evaluation of such Portfolio Companies.

Generally, securities for which market quotations are readily available will be assigned the independent mark and all other securities (and other assets) will be assigned their "fair value" as determined in good faith by the Registrant, subject to the policies and procedures on valuation and independent quarterly reviews by a valuation committee comprised of firm-wide representatives, including senior management from the Registrant.

ITEM 14: CLIENT REFERRALS & OTHER COMPENSATION

The Registrant may pay fees to financial intermediaries, advisers, planners, and individuals who refer their clients to the Registrant or investors to the Partnerships or other investment vehicles, in accordance with applicable law. Depending upon an investment vehicle's structure and documentation, such fees can be paid from the investment vehicle's assets. In addition, the Registrant may pay a portion of the advisory fee and/or performance fee, if any, to any of its affiliates and other third parties for clients referred to it by such affiliates and other third parties. Such fees paid to any affiliates and other third parties also will be in accordance with applicable law, and any other applicable obligations of those individuals and entities receiving such fee.

Written agreements may be entered into between the Registrant and solicitors pursuant to Rule 206(4)-3 under the Advisers Act. Pursuant to such agreements, the Registrant provides the solicitor with this Part 2 of its Form ADV, or the relevant Schedule H, Managed Accounts Brochure, as applicable ("Disclosure Documents"). The solicitor must provide to clients, at the time of solicitation, (i) the Registrant's Disclosure Documents and (ii) a written disclosure statement on the solicitor's letterhead which shall: (a) advise the client of the nature of the relationship between the solicitor and the Registrant; (b) include a statement that the solicitor will be compensated for its solicitation services by the Registrant; (c) indicate the terms of such compensation arrangement, including a description of the compensation paid or to be paid to the solicitor by the Registrant as a result of the solicitation agreement; and (d) indicate whether client will be charged amounts in addition to the investment advisory fee in connection with the solicitation agreement between solicitor and the Registrant.

Certain affiliates of Credit Suisse may hold equity interests in various entities who may serve as General Partners or special limited partners and hence may receive a portion of the revenues or profits of some or all of these entities in addition to the fees received by Credit Suisse and/or its affiliates for serving in the capacity of placement agent.

In addition, employees of the Registrant may introduce prospective advisory clients to the Registrant. Employees of the Registrant who refer clients to other divisions of Credit Suisse for products or services may be entitled to receive incentive compensation for the referral which does not increase the fees or expenses paid by the client for the product or service. The relationship between the solicitor-employee and the Registrant is disclosed to the prospective advisory client at the time of the solicitation. Under various programs, including the Credit Suisse Single Global Currency ("SGC") program, employees are encouraged to make cross-divisional referrals of clients and prospective clients which may include referrals to the Registrant. Policies are in place to address the principles that must be adhered to when making cross-divisional client and prospective client referrals and will determine eligibility for SGC. The use of referral and solicitation arrangements, including SGC, may create a potential conflict of interest. As described above the Registrant has policies and procedures in place to address and mitigate the potential conflicts.

ITEM 15: CUSTODY

The Registrant generally does not maintain direct custody of Client assets. However, under Rule 206(4)-2 under the Advisers Act, “custody” is broadly defined to also include holding indirectly client funds or securities, or having any authority to obtain possession of them. In particular, as respects the Registrant’s Clients, the Registrant is considered to have custody either:

- With respect to managed accounts, because the Registrant is authorized under the Client’s agreement with the Registrant to withdraw the Client’s funds or securities maintained with a third-party custodian upon the Registrant’s instruction to the third-party custodian; and
- With respect to the Partnerships or other investment vehicles, the Registrant or an affiliate of the Registrant serves in a capacity (such as general partner of a limited partnership, managing member of a limited liability company or a comparable position for another type of pooled investment vehicle, or trustee of a trust) that gives it legal ownership of or access to the Partnership’s or investment vehicle’s funds or securities.

In order to avoid any potential conflict of interest that indirect custody of Client assets may cause, the Registrant takes the following actions required or permitted by Rule 206(4)-2:

- With respect to managed accounts, the Registrant makes due inquiry in order to have a reasonable basis to believe that the third-party custodian sends an account statement, at least quarterly, to each managed account holder, identifying the amount of funds and of each security in the account at the end of the period and setting forth all transactions in the account during that period. Managed account holders should carefully review the account statements that they receive from their third-party custodian, and they are urged to compare those account statements with the account statements that they receive from the Registrant.
- With respect to Partnerships or other investment vehicles, the organization documents of such Partnerships or other investment vehicles provide for the annual audit of the vehicles’ financial statements and the delivery of such audited financial statements to investors. Investors in the Partnerships or other investment vehicles advised by the Registrant are instructed to review the financial statements carefully.
- To the extent the Registrant is not required or is unable to delivery audited financial statements of a Partnership or other investment vehicle to its investors, the Registrant is required to undergo an annual surprise examination for those Clients. The accountant’s procedures for the surprise examination should include confirmation of the client assets with both the Registrant and the client and confirmation of contributions and withdrawals. In addition, these funds also maintain their holdings at a qualified custodian.

ITEM 16: INVESTMENT DISCRETION

Generally, the Registrant has sole discretion to determine, without consent of the Limited Partners of the Partnerships that it manages, which securities will be bought or sold (and in what amount) by such Partnerships. The Partnership Agreement and offering memorandum for a Partnership may, however, place certain restrictions on the type and amount of securities which the Registrant can buy on behalf of the Partnership. In certain cases the client may maintain discretion over which securities may be bought and sold, in which amount and when and this would be noted as part of the Partnership Agreement and/or the Investment Management Agreement.

ITEM 17: VOTING CLIENT SECURITIES

Investments in Partnerships and other types of investment vehicles do not typically convey traditional voting rights, and the occurrence of corporate governance or other consent or voting matters for this type of investment is substantially less than that encountered in connection with registered equity securities. On occasion, however, an investor may receive notices or proposals from a Partnership or other investment vehicle seeking the consent of or voting by holders (“proxies”).

As a registered investment adviser, the Registrant is further required to describe its proxy voting policies and procedures and, upon the request of any Client, to provide such person with (i) the actual policies and procedures and (ii) information about votes cast on behalf of any fund managed by the Registrant in which such person has made an investment. These policies and procedures: (i) address the Registrant’s overall policy to vote client proxies in the best interest of the investors in the funds managed by the Registrant and in a manner that maximizes the value of investments made by a fund; (ii) identify the persons responsible for monitoring corporate actions, determining whether and how to vote proxies and submitting proxies and (iii) describe the Registrant’s approach to addressing material conflicts of interest that may arise in connection with the consideration of a proxy. In general, proxies will be voted in consultation with a Client’s investment professional who is responsible for the relevant portfolio investment. The investment professionals will vote proxies in a manner they believe to be consistent with the best interest of such clients and their investors. The investment professionals monitor potential conflicts by consulting with counsel and taking appropriate measures to mitigate any such conflicts. Records of proxy materials and votes are maintained in the Registrant’s offices. Investors in the funds managed by the Registrant can obtain a copy of the proxy voting policies and procedures or information on how the Registrant voted proxies for any fund in which an investor has an investment by contacting the Registrant c/o Credit Suisse, Investor Relations, One Madison Avenue, 6th Floor, New York, New York 10010, 877-435-5264.

In situations where Clients retain the ability to vote proxies, they will receive their proxies or other solicitations directly from their custodian or transfer agent.

ITEM 18: FINANCIAL INFORMATION

Not Applicable