

Zephyr Management, L.P.

Part 2A of Form ADV

The Brochure

320 Park Avenue
New York, NY 10022
www.zephyrmanagement.com

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This brochure provides information about the qualifications and business practices of Zephyr Management, L.P. (“Zephyr” or the “Firm”) and its Plimsoll Mark Capital division (“Plimsoll Mark”). If you have any questions about the contents of this brochure, please contact us at 212-508-9400. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Zephyr is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Material Changes

This brochure contains information about the Firm and there have been no material changes since its adoption.

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Advisory Business

Zephyr, a New York limited partnership founded in 1994, is a global private equity, marketable securities, and wealth advisory firm. The firm specializes in the creation and management of private investment funds that are focused on investing in emerging markets. In December 2008, Zephyr launched a global wealth advisory division, doing business as Plimsoll Mark Capital, to provide wealth management solutions to individuals and families. Zephyr's two distinct advisory service offerings are described below. Zephyr is primarily owned and led by Thomas Barry.

Emerging Markets Investment Services

Since the Firm's founding in 1994, Zephyr has been creating and managing private investment funds that invest globally in private equity securities ("PE Funds") or marketable securities ("Marketable Securities Funds"). The PE Funds and the Marketable Securities Funds are collectively referred to in this Brochure as the "Funds" and the global alternative investment strategies are referred to herein as the "Emerging Markets" strategies. Zephyr also provides similar Emerging Markets strategies to separately managed accounts, as well as through sub-advisory arrangements with other investment advisers. Zephyr's Emerging Markets investment advice is generally with respect to private equity investments in India, Africa, and other emerging market regions; venture capital investments; and marketable securities investments in Latin America, Asia, and other emerging market regions.

Plimsoll Mark - Wealth Management Services

Plimsoll Mark provides wealth management services on a discretionary and non-discretionary basis. Plimsoll Mark specializes in providing personalized investment advice with respect to asset allocation, financial planning, tax & estate planning strategies, and income planning primarily for individuals and families. Plimsoll Mark generally recommends asset allocation models that are customized to meet clients' individual goals and objectives. In implementing the asset allocation model, Plimsoll Mark will provide advice regarding the selection of unaffiliated third party investment managers to manage components of a client's overall portfolio. Plimsoll Mark may recommend that clients engage a third party investment manager on a separate account basis, and may also recommend investments in mutual funds, ETFs and fixed income securities.

Joint Venture Services

Zephyr also provides investment advisory and other related back-office services to affiliated investment advisers that manage private equity funds in Africa (designated as Zephyr "Joint Venture Funds"). Under the terms of the agreement with these affiliates, Zephyr provides general management, investment oversight and support, accounting and administration, and investor relations services to the Joint Venture Funds.

With respect to all of the various advisory services described above, Zephyr will actively manage clients' portfolios, including the Funds, either directly or through the use of sub-advisers and third-party managers, in accordance with each client's investment guidelines and restrictions that are identified in individually negotiated investment advisory agreements, or with respect to the Funds, in accordance with the terms and conditions of the governing and organizational documents applicable to each Fund.

Zephyr's investment strategies are continually developing and evolving, and while it is anticipated that Zephyr will provide advisory services as discussed above, in many cases Zephyr has broad and flexible investment authority. Capital market conditions and client circumstances are continuously monitored, and portfolio adjustments are made as appropriate to reflect significant changes in the global investment environment.

As of December 31, 2011, Zephyr managed \$575 million of client assets (of which \$185 million is managed by Plimsoll Mark) .

Fees and Compensation

Emerging Markets Investment Services

Zephyr does not have a basic fee schedule for its Emerging Markets investment services. The compensation method is explained to and agreed with clients (including the Funds) and investors in advance before any services are rendered and are set forth in their respective investment management agreements and/or Fund offering documents, as applicable. Zephyr may waive or reduce all or any portion of its fees with respect to any investor in a Fund or separately managed account client. For more specific information regarding fees, prospective investors should review the offering documents for each Fund.

Private Equity

The PE Funds normally pay a management fee equal to a percentage of the Fund's capital commitments during the Fund's investment period, and thereafter equal to a percentage of capital invested. The PE Funds also provide for an incentive fee equal to a percentage of the Fund's profits after a preferred return to the Fund's investors. The incentive fees are generally structured as carried interest participation. Incentive fees payable by PE Funds that result in an over distribution to Zephyr are generally subject to a "claw back" arrangement. While Zephyr's compensation from the PE Funds may vary, the maximum asset based management fee paid by a PE Fund is 2.5% per year, and the maximum performance-based fee is 20% per year.

Zephyr may also receive transaction fees, monitoring fees, and break-up fees from its portfolio companies (collectively, "Other Fees"). A percentage of the Other Fees will be applied to reduce the quarterly management fee. Detailed information regarding Other Fees charged to the PE Funds is provided in each Fund's Confidential Information Memorandum and other governing documents.

In addition to management, incentive fees, and Other Fees as described above, investors will bear indirectly the fees and expenses charged to the PE Funds. Those fees and expenses will vary, but typically will include fees associated with making or selling portfolio investments, legal and accounting fees, taxes, Fund administration expenses, commissions and brokerage fees, custodial fees, registration expenses, fees to government regulatory agencies, the cost of directors' and officers' liability insurance, litigation or broken deal expenses, and any other expenses permitted by a Fund's organizational and offering documents. With respect to accounting fees, certain PE Funds (including Joint Venture Funds) may pay accounting fees for account and administrative services provided by Zephyr.

Marketable Securities

The Marketable Securities Funds and other clients investing in listed securities normally pay a management fee equal to a percentage of the client's assets under management. Clients, in most cases, also compensate Zephyr through a performance fee arrangement equal to a percentage of the clients' profits. While Zephyr's compensation from marketable securities advice may vary, the maximum asset based management fee is 1.5% per year, and the maximum performance-based fee is 15% per year.

Investment managed fees are paid in advance, on a quarterly basis, while the performance-based fees are generally paid when earned. For a Marketable Securities Fund, the fees are deducted directly from the assets of the Fund. For separately managed accounts, clients may either be invoiced for fees incurred in advance on a quarterly basis, or may agree in writing to allow Zephyr to deduct its fees directly from the client's custodian account. In the event an investment advisory agreement is terminated intra-quarter, a pro rata portion of any prepaid management fee will be returned to the client.

In addition to management and incentive fees, clients and investors will bear their respective brokerage commissions, exchange and regulatory authority fees, and other transaction costs with respect to securities transactions. Investors in a Fund will bear these costs indirectly, in addition to other fees and expenses charged to a Fund, such as legal and accounting fees, taxes, Fund administrative expenses, custodial fees, registration expenses, fees to government regulatory agencies, the cost of directors' and officers' liability insurance, and any other expenses permitted by a Fund's organizational and offering documents.

Plimsoll Mark

Plimsoll Mark's basic fee schedule is as follows:

<u>Assets Under Management</u>	<u>Annualized Rate</u>
The first \$ 5,000,000	0.75%

From \$5,000,001 to \$50,000,000	0.50%
Above \$50,000,000	0.25%

Plimsoll Mark's fees are generally negotiable. Plimsoll Mark may, in its discretion, waive, reduce or calculate differently the fee with respect to any client. The fee is typically paid in advance, billed quarterly based on the market value of assets in the account as of the prior quarter-end. Clients may either be invoiced for fees incurred, or may agree in writing to allow Plimsoll Mark to deduct its fees directly from the client's custodian account. In the event an investment advisory agreement is terminated, a pro rata portion of any prepaid management fee will be returned to the client.

Plimsoll Mark requires a minimum fee of \$15,000 unless waived or reduced by Plimsoll Mark in its sole discretion. Plimsoll Mark's minimum fee may be collected from one or more related accounts identified as related accounts by the client to Plimsoll Mark, provided that Plimsoll Mark retains the sole discretion to determine whether or not accounts are related accounts.

In addition to Plimsoll Mark's investment management fees, clients bear trading costs and custodial fees. To the extent that clients' accounts are invested in mutual funds, these funds pay a separate layer of management, trading, and administrative expenses.

Clients of Plimsoll Mark may, if they request, hold assets in their custodian accounts that Plimsoll Mark does not manage. These assets are referred to as Special Holdings. No fee will be taken with respect to Special Holdings by Plimsoll Mark. Plimsoll Mark will not take the Special Holdings into account in its asset allocation decision-making on client's behalf and will not be an investment adviser with respect to those assets unless specifically agreed to the contrary in writing with the client. While clients may hold Special Holdings in their account at their custodian, Plimsoll Mark will have no responsibility for managing, proxy voting or corporate actions with respect to Special Holdings.

Joint Venture Services

For services provided to the Joint Venture Funds, Zephyr is compensated through a fixed fee arrangement as well as a portion of the performance fees earned by the joint venture affiliated adviser for the management of the underlying investment pool.

Performance Based Fees and Side-by-Side Management

As stated in the Fees and Compensation section above, Zephyr may charge a performance-based fee which is based on a share of capital gains on or capital appreciation of a client's assets. Such arrangement will be described in the respective investment advisory agreement or Fund offering and organizational documents.

The fact that the Zephyr is compensated based on the investment profits may create an incentive for Zephyr to make investments on behalf of clients that are riskier or more speculative than would be the case in the absence of such compensation. In addition, the performance-based fee received by Zephyr with respect to Marketable Securities Funds is based primarily on realized and unrealized gains and losses. As a result, the performance-based fee earned with respect to such Funds could be based on unrealized gains that clients may never realize.

Additionally, some clients are not charged a performance-based fee, thus Zephyr has an incentive to favor accounts for which it receives a performance-based fee. In no instance will clients paying performance-based fees receive preferential treatment over clients not paying performance-based fees. As a fiduciary, Zephyr recognizes its duties to act in good faith and with fairness in all of its dealings with all clients.

Types of Clients

Zephyr provides investment advisory services to PE Funds and Marketable Securities Funds sponsored by Zephyr or other affiliated investment advisers, and to separately managed accounts of institutions, pension and profit sharing plans, trusts, estates, charitable organizations, or high net worth individuals and their family members.

Conditions for Managing Accounts

Zephyr imposes a minimum dollar size for an investment in its Funds. The minimum investment size varies by Fund. Details concerning applicable eligibility criteria for investors in the Funds are set forth in each Fund's respective offering documents. Zephyr maintains discretion to accept less than the minimum investment thresholds.

For the Plimsoll Mark division of Zephyr, the Firm generally requires that clients have \$2,000,000 managed by Plimsoll Mark, and/or a minimum fee of \$15,000 from each client, which may be accumulated in and paid out of one or more related accounts. Accounts are related accounts if identified to Plimsoll Mark by a client prior to Plimsoll Mark's billing the account(s) for the upcoming billing period. Plimsoll Mark reserves the discretion to determine whether or not accounts are related for the purpose of meeting Plimsoll Mark's account and fee minimum, each of which can be waived from time to time.

Side Letters

Zephyr may enter into separate agreements, commonly referred to as "side letters", with certain investors in the Funds to waive certain terms, or allow such investors to invest on different terms than those specifically described in the offering documents without obtaining the consent of any other investor in such Fund. Side letter terms may include, without limitation, more favorable fee and liquidity terms. Zephyr may also grant additional transparency or any form of additional disclosure with respect to performance or operation of a Fund to an investor without obtaining the consent of or granting similar rights to the other investors in such Fund. In addition, certain investors may negotiate for a "most favored nation" provision, permitting them to elect to receive the benefit of any modification or waiver of terms another investor participating in the same Funds receives. Under certain circumstances, these agreements could create preferences or priorities for such investors with respect to other limited partners.

Methods of Analysis, Investment Strategies and Risk of Loss

Emerging Markets Investment Strategies

Zephyr employs a "macro-micro" approach to managing client assets. Zephyr's investment process begins with a "macro phase" where it conducts global economic and political research to identify regions with favorable macro elements, such as economic growth, political stability, and promising demographics. Once a region of the world has been identified as having favorable macro-dynamics, Zephyr enters its "micro phase," and studies the area to seek specific investment opportunities which have the potential to realize superior returns. Based on knowledge and experience, Zephyr selects an investment strategy that it believes is most appropriate for a specific opportunity, whether it be a public or private equity strategy.

Each Zephyr investment strategy tends to share these unifying qualities:

- Sustainable secular growth opportunity, which is the basis for the investment strategy
- A full time, dedicated investment team for each strategy
- Investment results driven by fundamental research
- A portfolio size appropriate to the size of the investment universe of the strategy

Where possible and appropriate, the investment management teams seek to achieve:

- A concentrated portfolio constructed with a long-term investment perspective
- A conservative approach to valuation and risk management

In seeking investment opportunities, Zephyr conducts extensive fundamental research with the goal of producing attractive absolute returns over a 5 year period. Each client's unique investment objectives are described in detail in a confidential private placement memorandum or investment advisory agreement. There are no assurances that Zephyr will attain its investment objectives.

With respect to its private equity strategies, Zephyr generally takes significant minority and possibly majority positions in its portfolio companies and generally seeks opportunities where Zephyr can exert significant value added influence. Zephyr's post investment value added monitoring plan typically includes providing financial and operating expertise, sourcing additional equity capital or debt financing, and preparing the portfolio company for acquisition or for listing on a stock exchange.

With respect to its marketable securities strategies, Zephyr generally invests in a concentrated portfolio of equity securities of companies that are either listed outside or conduct the bulk of their business outside the major markets of North America, Western Europe, Japan, Australia and New Zealand. Zephyr will allocate client assets among the target geographical regions and will generally utilize one or more local investment managers that specialize in certain target investment markets to serve as sub-advisers for client portfolios. Each local manager selected by Zephyr will have investment discretion over the portion of the portfolio that Zephyr has allocated to such local manager, subject at all times to Zephyr's control, direction and supervision. However, Zephyr retains the right to directly manage clients' investments instead of utilizing the services of local managers.

Investments are generally denominated in the various local currencies; therefore, Zephyr may enter into foreign exchange forward and futures contracts and other derivatives contracts to hedge its currency risk. Such hedging is done solely for the purpose of reducing downside risk, not to enhance returns.

An investment in Zephyr's Emerging Markets investment strategies may be deemed a speculative investment and is not intended as a complete investment program. Zephyr's Emerging Markets investment services are designed for sophisticated investors who fully understand and are capable of bearing the risk of loss. The descriptions below offer a brief overview of the material market risks related to Zephyr's Emerging Markets investment strategies. It is not intended to serve as an exhaustive list or a comprehensive description of all risks and conflicts that may arise in connection with Zephyr's investment advice. Prospective investors should read a particular Funds' confidential private placement memorandum and other governing documents, prior to investing, for a complete description of the Fund's investment objectives, strategies, and inherent risks.

Foreign Investments - Zephyr intends to invest client assets primarily in companies headquartered outside of the United States. Investing outside the United States may involve greater risks than investing in the United States. In particular, the value of a client's investments in foreign securities may be significantly affected by changes in currency exchange rates, which may be volatile. Although Zephyr may attempt to

hedge against foreign currency exchange rate risks by utilizing spot and forward foreign exchange contracts, foreign currency options or other instruments, there can be no assurance that Zephyr will be able to do so successfully or cost-effectively, and may decide not to hedge against such risks or to do so only incompletely. Additional risks include: (i) risks of economic dislocations in the host country; (ii) less publicly available information; (iii) less well developed regulatory institutions; and (iv) greater difficulty of enforcing legal rights in a foreign jurisdiction. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

Considerations Relating to Investing in Emerging Markets - Investing in emerging markets involves certain risks and special considerations not typically associated with investing more established economies or securities markets. Such risks include, but are not limited to: social, economic and political uncertainty, including war and revolution; dependence on exports and the corresponding importance of international trade; price fluctuations, market volatility, lack of liquidity and smaller capitalization of securities markets; and longer settlement periods for securities transactions.

General Business Risk - Investments in equity securities involve general risks associated with the underlying businesses, including market conditions, changes in regulatory requirements, reliance on management at the company level, interest rate and currency fluctuations, general economic downturns, domestic and foreign political situations and other factors.

Lack of Diversification - Client portfolios will tend to be non-diversified. Poor performance by a few of the investments could have a material adverse effect on the total returns to investors.

Liquidity Issues - Private fund investments require a long-term commitment, with no certainty of return.

Private Equity Investments - Zephyr will invest in private equity securities where there is likely to be no actively traded market; therefore, it may be difficult to sell securities when it wants to, or may be forced to sell them at prices lower than if the securities were widely held or actively traded. It may be difficult to liquidate investments due to contractual and other limitations on transfer, or other restrictions that would interfere with sales of such investments or adversely affect the terms obtainable upon a disposition. Most private equity investments are not publicly traded and are required to be fair valued by Zephyr. When estimating fair value, Zephyr will apply a methodology based on its best judgment that is appropriate in light of the nature, facts and circumstance of the investments.

Attracting and Identifying Investment Opportunities - In order for Zephyr to meet its investment objectives, it must be able to quickly and accurately identify and attract potentially successful businesses, a process which is difficult even for those with extensive private equity investing experience. Investors must rely on the ability of Zephyr's dedicated investment teams to identify, structure and implement investments. If Zephyr is unable to identify and attract successful investment opportunities, investors may lose all or a portion of their investments.

Lack of Operational Control of Third Party Managers - Zephyr depends on third-party managers to develop the appropriate systems and procedures to control operational risks. Operational risks arising from mistakes made in the confirmation or settlement of transactions, or other similar disruption in operations may cause the client portfolios to suffer financial losses.

Plimsoll Mark

Plimsoll Mark employs a "dynamic core/satellite" approach to developing an asset allocation model for clients, by placing investments into two distinctive universes - the core and a higher risk non-core

periphery. Plimsoll Mark's over-arching goal is to generate superior returns while mitigating risk, and strives to achieve its goal by adhering to the financial principles of capital preservation, liquidity, and transparency.

Plimsoll Mark initially focuses on the lower risk core where the primary purpose is to preserve and prudently grow a client's financial assets. For the "core" allocations, Plimsoll Mark seeks investments that may provide the cash needed to fund clients' living expenses and meet shorter term obligations. At the heart of the core, Plimsoll Mark generally recommends investment managers that invest in global franchise companies with the goal of protecting clients' assets against inflation and deflation, while providing for moderate capital appreciation.

Outside of the core, on the higher risk periphery, Plimsoll Mark will recommend a set of specialized investment opportunities in non-traditional strategies such as private equity, hedge funds, emerging markets, high yield, micro-cap stocks and venture capital.

Plimsoll Mark relies on a Global Investment Committee comprised largely of senior investment professionals of Zephyr to provide a global view with regard to asset allocation and to assist with third party investment manager selection and ongoing investment manager research and due diligence. In order to identify and select potential third party investment managers, Plimsoll Mark conducts specific quantitative analytical screening of the investment manager universe, based on criteria which may include the following: 1) past investment performance results, 2) the variability of investment returns, 3) various measures of risk and risk adjusted returns, 4) investment style consistency, 5) portfolio composition and characteristics, 6) separate account manager changes, experience and tenure, 7) changes in firm ownership, structure and stability, and 8) management fees and expenses. Market benchmarks and peer groups of other separate account managers may also be considered as part of the screening process.

After analyzing the initial quantitative data, additional qualitative research will be conducted. Such research may include onsite visits and interviewing the portfolio management team as well as analyzing the manager's responses to a detailed due diligence questionnaire.

The Global Investment Committee will review the qualitative and quantitative research and determine whether to include the prospective investment manager on Plimsoll Mark's list of approved third party investment managers. Ongoing due diligence is performed on each investment manager that is included on the approved manager list. With respect to ETFs and mutual funds, the Global Investment Committee relies upon public information and its own analysis to evaluate mutual funds and ETFs. Occasionally, the Committee may use information that comes from third party research, ratings and ranking services, and from the mutual funds themselves. Plimsoll Mark portfolio managers conduct fundamental research with respect to individual fixed income securities.

The description provided above is a brief overview of Plimsoll Mark's methods of analysis and investment strategy and is not intended to be complete. All investing involves a risk of loss and the investment strategy offered by Plimsoll Mark could lose money over short or even long periods. Performance could be hurt by a number of different market risks including but not limited to:

Market Conditions – The prices of, and the income generated by, the securities owned by clients may decline due to market conditions and other factors, including those directly involving the issuers of securities held by clients. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.

Identifying Appropriate Third Party Investment Managers - In order for Plimsoll Mark to meet its investment objectives, it must be able to successfully identify third party investment managers that will deliver strong investment results, a process which is difficult even for those with extensive investing experience. Investors must rely on the ability of Plimsoll Mark's investment team to identify successful third party investment managers. If Zephyr is unable to identify and invest with successful investment managers, investors may lose all or a portion of their investments.

Lack of Control of Third Party Managers – Plimsoll Mark will not have a direct role in the management of clients' assets that have been allocated to third party investment managers and will likely not have the opportunity to evaluate in advance the specific investments made by any third party managers. As a result, a client's investment results will primarily depend upon the choice of investments and other investment management decisions of third party managers. Investment returns could be adversely affected by unfavorable performance of such managers. Further, Plimsoll Mark depends on third party managers to develop the appropriate systems and procedures to control operational risks. Operational risks arising from mistakes made in the confirmation or settlement of transactions, or other similar disruption in operations may cause the client portfolios to suffer financial losses.

Disciplinary Information

Zephyr and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the company or its personnel.

Other Financial Industry Activities and Affiliations

Kingdom Zephyr Africa Management Company

Zephyr owns 25% of Kingdom Zephyr Africa Management Company (KZAM). KZAM is a pan-African private equity investment advisory firm that manages private investment funds. The KZAM private funds have made investments across all regions of Africa. Zephyr provides general administrative and management support services, investment oversight and support, accounting and administration, and investor relations services to KZAM. Employees of Zephyr may serve on the investment committees of KZAM. KZAM compensates Zephyr for providing those services through a fixed fee arrangement and through a portion of the performance fees earned by KZAM for the management of the private funds.

Zephyr Management, U.K. Ltd

Zephyr owns 100% of Zephyr Management, U.K. Ltd (ZMUK). ZMUK is located in London and is registered with the Financial Services Authority. ZMUK is the investment manager of one of Zephyr's Marketable Securities Funds and a separately managed account.

Affiliated General Partners

Zephyr has created related party entities to serve as the general partners of certain private investment partnerships created and managed by Zephyr. Zephyr or the affiliated general partners can have a material investment in the Funds. Therefore, Zephyr may be considered to participate indirectly in transactions effected for those clients. The foregoing relationships, fees, and any other actual or potential conflicts of interest arising therefrom are disclosed in the respective Fund's offering documents.

Other affiliated advisory companies

Zephyr has created wholly-owned or controlled subsidiaries to facilitate its advisory activities. Zephyr Peacock Management, LLC is a wholly owned Delaware limited liability company that acts as investment manager of Zephyr Peacock India Fund I, L.P. Zephyr Peacock Management II Limited is a wholly owned Mauritius company that acts as investment manager to Zephyr Peacock India Fund II Limited and Zephyr Peacock India Fund III Limited. Zephyr Peacock Management India Private Limited is an Indian company with India-based personnel and provides services to the Zephyr companies in connection with the management of the Indian private equity funds. ZP India Advisory Private Limited is an Indian company owned by Zephyr personnel and controlled by Zephyr, which acts as investment manager to Zephyr Peacock India II Fund, the Indian private equity fund that co-invests with Zephyr Peacock India Fund II Limited, and Zephyr Peacock India III Fund, the Indian private equity fund that co-invests with Zephyr Peacock India Fund III Limited. These advisory companies are controlled by Zephyr, and Zephyr does not believe their activities create or is likely to create a material conflict of interest with clients. In the event a conflict of interest arose, Zephyr would identify the conflict to the advisory committees of the client funds involved, and would resolve the conflict in a manner approved by such advisory committees.

Other affiliated investment companies

Zephyr has formed private investment companies to facilitate co-investments by private equity funds and to facilitate employee investment in private equity funds.

ZPII Trimax Limited is a Mauritius company that holds the investment of Zephyr Peacock India Fund II Limited and its non-India-resident co-investors in Trimax IT Infrastructure & Services Limited, an Indian portfolio company. ZPII Trimax Co-Investment Trust is an Indian trust that holds the investment of Zephyr Peacock India II Fund and its India-resident co-investors in Trimax.

Zephyr Peacock II Associates, LLC is a Delaware limited liability company that holds investments of Zephyr and its affiliates and employees in Zephyr Peacock India Fund II Limited.

Zephyr Peacock II GP, L.P. is a Cayman Islands limited partnership, whose general partner is a wholly owned subsidiary of Zephyr, which holds the carried interest in Zephyr Peacock India Fund II Limited.

Zephyr Peacock II Carry Trust, whose trustee is a wholly owned subsidiary of Zephyr, is an Indian trust that holds the carried interest in Zephyr Peacock India II Fund.

Zephyr PAIP-PCAP Class B Holder, LLC is a Delaware limited liability company that holds the investments of Zephyr personnel and affiliates in the Pan-African Investment Partners and Pan-Commonwealth African Partners private equity funds.

KZAM PAIP-PCAP Class C Holder, L.P., whose general partner is Zephyr, is a Delaware limited partnership that holds the carried interest in the Pan-African Investment Partners and Pan-Commonwealth African Partners private equity funds.

PAIP-PCAP-FMO-Letshego Limited is a Mauritius company through which Pan-African Investment Partners, Pan-Commonwealth African Partners, and a co-investor hold their investment in Letshego Holdings Limited, a portfolio company.

PAIP II Class B Holder, L.P., whose general partner is Zephyr, is a Delaware limited partnership that holds the investments of Zephyr personnel and affiliates in Pan-African Investment Partners II Limited.

PAIP II Class C Holder, L.P., whose general partner is a wholly owned subsidiary of Zephyr, is a Delaware limited partnership that holds the carried interest in the Pan-African Investment Partners II Limited.

ZP III Class B Holder, LLC, whose managing member is Zephyr, is a Delaware limited liability company that holds the investments of Zephyr personnel and affiliates in Zephyr Peacock India Fund III Limited.

ZP III Class C Holder, LLC, whose managing member is Zephyr, is a Delaware limited liability company that holds the carried interest in Zephyr Peacock India Fund III Limited.

Zephyr does not believe the use of these vehicles creates or is likely to create a material conflict of interest with clients. In the event a conflict of interest arose, Zephyr would identify the conflict to the advisory committees of the client funds involved, and would resolve the conflict in a manner approved by such advisory committees.

Plimsoll Mark

In order for Plimsoll Mark to operate with independence, Plimsoll Mark does not recommend to its clients that they invest in, or withdraw from, a Zephyr or KZAM Fund as part of their overall strategy. Nevertheless, some of Plimsoll Mark's clients may request to invest in a Zephyr or KZAM Fund. A client investing in a Zephyr or KZAM Fund will not be charged any investment advisory fee from Plimsoll Mark on that portion of the client's portfolio. Nevertheless, such recommendation can result in a conflict of interest because Zephyr is compensated based in part on the amount of assets managed by these Funds. In most cases, such compensation is greater than the standard Plimsoll Mark advisory fee that is waived. Accordingly, Plimsoll Mark clients should consider this financial advantage to Zephyr when requesting to invest in a Zephyr or KZAM Fund. In addition, William Hall, a Managing Director of Plimsoll Mark, is the sole proprietor of Hazzard and Hall CPA. Mr. Hall devotes approximately 15% of his time to tax preparation work for a limited number of Plimsoll Mark clients and non-clients for which he receives additional compensation separate from his activities at Zephyr. Mr. Hall is not seeking additional tax preparation engagements.

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

Code of Ethics

Zephyr has adopted a code of ethics pursuant to Rule 204A-1 under the Investment Advisers Act of 1940 ("Code") which expresses Zephyr's operating principles of integrity, honesty and fiduciary duties that it owes its clients. It sets forth a standard of business conduct expected of all its employees as well as policies and procedures that each employee must follow to prevent activities which may lead to or give the appearance of conflicts of interest, insider trading, and other forms of prohibited or unethical business conduct. Zephyr maintains records of all personal securities accounts of its employees in an effort to monitor all such activity. Generally, employees are restricted from purchasing or selling securities that are held in client accounts or being considered for purchase in client accounts; however, employees may request pre-approval from a Compliance Officer to trade in such restricted security. Approval may be granted on a case-by-case basis, subject to conflict of interest review by a Compliance Officer. If the possibility of a conflict or interest occurs, the client's interest will prevail. It is the policy of Zephyr that priority will always be given to the client's orders over the orders of an employee. Zephyr's Code is available for review and will be provided to any client or investor upon request.

Related Financial Interest in Client Recommendations

As disclosed above in the “*Other Financial Industry Activities and Affiliations*” section of this Brochure, Plimsoll Mark does not recommend to its clients, or use its discretion to buy or sell for its clients, a Zephyr or KZAM Fund. However, a client may request to invest in these affiliated Funds on an unsolicited basis. Because Zephyr has a material financial interest in these Funds, a conflict of interest may exist in such arrangement. To address this conflict of interest, a client investing in a Zephyr or KZAM Fund will not be charged any investment advisory fee from Plimsoll Mark on that portion of the client’s portfolio. Clients are also advised that Zephyr is compensated based on the amount of assets managed by these Funds and therefore will receive greater compensation as a result of the client’s investment in an affiliated Fund.

Zephyr, its employees or a related entity (collectively “Related Persons”), will generally have an investment in the Funds it manages. Related Persons are subject to the same terms as investors with the exception of management and incentive fees. Such fees may be waived or reduced for Related Persons.

Principal and Cross Trades

Zephyr does not engage in Principal Transactions with any of its clients. On rare occasions, Zephyr may arrange for a cross transaction between two of its clients, in which one client buys a security from, or sells a security to, the account of the other client. Zephyr generally utilizes cross transactions to address account funding issues and when it specifically deems the practice to be advantageous for each participant. Zephyr receives no compensation (other than its advisory fee), directly or indirectly, for effecting a particular cross transaction. Zephyr may only engage in such transactions after determining that such securities are suitable and appropriate for each participating client account and will seek to ensure that the terms of the transaction, including the consideration to be paid or received, are fair and reasonable, and the transactions are done for the sole benefit of the clients.

Clients who are Zephyr Employees

Plimsoll Mark may provide wealth management services for Zephyr employees in the same manner that it provides such services to non-employee clients. As such, Plimsoll Mark may direct that employees who are clients buy or sell the same securities at the same time as any other client, if such direction is consistent with the employee client’s investment objectives and goals. Such employees who are clients of Plimsoll Mark will be treated like any other client. Plimsoll Mark will trade these employee accounts in accordance with the Firm’s trade allocation policies and procedures.

Co-Investment Opportunities

In some cases, employees of Zephyr may be permitted to invest in securities of a company in which a PE Fund managed by Zephyr has invested. Any such proposed investment by an employee would require permission from Zephyr.

In addition, because of the performance fees described above, Zephyr could be deemed to have an investment interest in a portfolio investment of a Fund. Because of overlapping investment objectives or strategies, Zephyr may recommend to another Fund that it invest in the same portfolio investment. Such investments by more than one Fund in the same underlying portfolio company would require review and consent by each Fund’s Advisory Committees or other governing body that has been established to review such conflicts of interest.

Brokerage Practices

Emerging Markets Investment Services

Research and Other Soft Dollar Benefits

With regard to clients for which Zephyr has engaged a sub-adviser to carry out the investment supervisory services, the responsibility for broker selection and the commission rates paid is delegated to the sub-advisers.

To the extent that Zephyr directly places orders with brokers to execute client transactions, Zephyr seeks to obtain the best execution for clients, taking into consideration a number of factors, including but not limited to: 1) the broker's expertise with respect to the volume and size of the transaction; 2) the broker's ability to provide liquidity in the desired security or other instrument traded; 3) the financial strength, integrity and stability of the broker; 4) the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread, if any); 5) the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution; 6) the quality, comprehensiveness and frequency of available research services and investment ideas considered to be of value; and 7) the competitiveness of commission rates in comparison with other brokers satisfying Zephyr's other selection criteria.

The term "soft dollars" refers to a means of paying brokerage firms for research and other products or services through commission revenue from securities transactions executed on behalf of advisory clients. Zephyr does not currently have any formal soft dollar arrangements or receive soft dollar credits from brokers. However, Zephyr receives proprietary research from broker-dealers used to execute securities transactions. To the best of our knowledge, these services are generally made available to all institutional investors doing business with such broker-dealers. Zephyr does not separately compensate such broker-dealers for the research and does not pay higher transaction costs to receive such services. These bundled services are made available to us on an unsolicited basis and without regard to the rates of commissions charged or paid by our clients. Nonetheless, Zephyr may have an incentive to select a broker based on our interest in receiving the research services offered by such broker, rather than on the clients' interests in receiving most favorable execution rates.

As stated above, the receipt of research services may be a factor considered in selecting brokers for the execution of client transactions. In some cases, brokers may charge marginally higher commissions than brokers who do not provide research services. The types of broker provided research services that are generally useful to Zephyr include, but are not limited to, equity and fixed-income (including municipal securities) research reports, industry analysis, macro-economic reports, information regarding foreign currency outlook, portfolio allocation strategy reports, statistical analysis and performance analysis. Research services are received primarily in the form of written reports, computer generated services, telephone contacts, and personal meetings with security analysts. In addition, such services may be provided in the form of meetings arranged with corporate and industry spokespersons, economists, academics and government representatives. Research services received from brokers may be useful in providing investment management services to all of Zephyr's clients, not just the clients whose commission dollars were used to pay for such research and brokerage services.

Research services received from brokers are supplemental to Zephyr's own research effort and, when utilized, are subject to internal analysis before being incorporated by Zephyr into its investment process. As a practical matter, it would not be possible for Zephyr to generate internally all of the information

presently provided by brokers. The receipt of research and brokerage services obtained through the use of client commissions is a benefit to Zephyr, because it is relieved from having to generate such additional information through its own staff. To the extent that brokers provide research services of value, Zephyr is relieved of expenses, which it may otherwise bear. Therefore, Zephyr has an incentive to select or recommend brokers based on its interest in receiving such research, rather than on a client's interest in receiving lower transaction costs. Zephyr addresses this conflict of interest by periodically reviewing and assessing the reasonableness of commissions paid in light of the total brokerage and research services provided by each particular broker-dealer.

Brokerage for Client Referrals

Zephyr may direct brokerage business to brokers who introduce or refer prospective clients or investors to Zephyr. While Zephyr does not compensate these brokers based on client or investor introductions or referrals, Zephyr may be incentivized to use the trade execution services of a specific broker due to the broker's ability to introduce clients or investors to Zephyr. Such introductions or referrals are likely to benefit Zephyr because the Firm's management fees are generally based upon a percentage of assets managed. Thus, the more assets the Firm has under management, the higher its management fee income and, potentially, its incentive fee income. Zephyr believes that this conflict of interest is mitigated by the oversight provided by its "best execution" reviews. To prevent brokerage commissions from being used to pay client or investor referral fees, Zephyr will not allocate brokerage business to a referring broker unless Zephyr determines in good faith that the commissions payable to such broker are reasonable in relation to those available from non-referring brokers offering services of substantially equal value to Zephyr.

Directed Brokerage

Zephyr will permit clients with a separately managed account to direct it to use a specific broker to execute their transactions. If a client requests such directed brokerage ("Directed Brokerage Account"), then the client should understand that Zephyr may not be able to negotiate commissions for such Directed Brokerage Account, obtain volume discounts, or obtain the most favorable execution of their transactions. The brokerage commissions charged to a Directed Brokerage Account may be higher than the commissions charged to Zephyr's clients pursuing similar investment strategies who do not direct the use of a particular broker or dealer because Zephyr may not be able to aggregate their orders to reduce transaction costs. Also, the client may receive less favorable prices. Certain transactions, such as purchase of ordinary shares in some countries or markets where the directed broker does not act, may not be available to the Directed Brokerage Account, or available at the same time or the same price, that are executed by Zephyr's other clients pursuing similar investment strategies. Clients that direct their brokerage should also be aware that Zephyr will generally place such trades after the completion of trades for clients that do not direct their brokerage.

Insofar as a client's directed broker may refer other clients to Zephyr in the future, a conflict of interest could arise.

Trade Errors

It is the policy of Zephyr that the utmost care be taken in making and implementing investment decisions of behalf of client accounts. To the extent that any trading errors occur, they are to be (a) corrected as soon as practicable without disadvantaging the client or benefiting Zephyr, (b) reported to Zephyr's management, and (c) scrutinized carefully with a view toward implementing procedures to prevent or reduce future errors, if necessary. Generally, where the error has occurred as a result of negligence or

gross misconduct by an employee or associate of Zephyr, the client will be fully compensated for any loss suffered as a result of the error. Where the error results in a 'profit', or net gain to the client, the client will receive the benefit.

Plimsoll Mark

Research and Other Soft Dollar Benefits

To implement Plimsoll Mark's asset allocation advice, Plimsoll Mark will generally recommend that clients engage one or more unaffiliated third party investment managers to manage components of a client's overall portfolio. In such cases, the third party investment manager is solely responsible for broker selection and the commission rates paid with respect to the portion of the client's portfolio under the third party manager's investment supervision.

Historically, Plimsoll Mark has recommended that clients arrange for their assets to be held with Fidelity Brokerage Services LLC ("Fidelity"), as custodian, because the Firm believes that Fidelity has excellent technology systems and reporting capabilities.

To the extent that Plimsoll Mark directly places orders with brokers to execute client transactions, Plimsoll Mark will generally be given the discretion to select the brokers with whom to trade on clients' behalf. However, Plimsoll Mark will generally direct securities transactions to the client's custodian, which in most cases will be Fidelity. Plimsoll Mark may trade with other brokers, provided that the client appoints a prime broker to the account, and provided further that Plimsoll Mark can achieve better execution by trading with another broker. The factors that Plimsoll Mark considers in assessing a broker's ability to provide best execution include, but are not limited to: 1) execution capability; 2) counterparty risk; 3) access to inventory; 4) the nature and quality of the execution services provided by the broker; 5) the broker's willingness to commit capital; 6) the broker's propensity to bid on holdings that Plimsoll Mark accounts may have from time to time; and 7) the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread, if any).

In practice, Plimsoll Mark will rarely trade through a broker that is not the client's custodian because of additional trade-away fees that custodian's generally charge to administer such transactions. Plimsoll Mark believes these fees generally outweigh any benefits when placing trades with other brokers.

Fidelity provides Plimsoll Mark with research or other tools and services that are useful for managing and administering client accounts ("soft dollar benefits"). The term "soft dollars" refers to a means of paying brokerage firms for this research and other products or services through commission revenue from securities transactions executed on behalf of advisory clients. Federal securities law permits investment advisers to pay brokers more than the lowest commission available in order to obtain research and brokerage services without breaching its fiduciary duties to clients, if certain conditions are met.

The receipt of such research and other products and services are factors considered by Plimsoll Mark in recommending Fidelity to clients for custody and brokerage services. In some cases, Fidelity may charge marginally higher commissions than other brokers who do not provide Plimsoll Mark with soft dollar benefits. The types of research, products and services that are generally useful to Plimsoll Mark include, but are not limited to, investment research, both Fidelity's and that of third parties. Plimsoll Mark will use this research to service all or some substantial number of clients' accounts, including accounts not maintained at Fidelity. In addition to investment research, Fidelity makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping and client reporting.

The receipt of research and brokerage services obtained through the use of client commissions is a benefit to Zephyr, because it is relieved from having to generate such additional information through its own staff. To the extent that brokers provide research services of value, Zephyr is relieved of expenses, which it may otherwise bear. Therefore, Zephyr has an incentive to select or recommend brokers based on its interest in receiving such research, rather than on a client's interest in receiving lower transaction costs. Zephyr addresses this conflict of interest by periodically reviewing and assessing the reasonableness of commissions paid in light of the total brokerage and research services provided by each particular broker-dealer.

Brokerage for Client Referrals

Plimsoll Mark is included in Fidelity's referral program, which is designed to connect Fidelity's high-net-worth customers with independent advisory firms. While Zephyr or Plimsoll Mark does not compensate Fidelity for inclusion in this program, Plimsoll Mark may be incentivized to recommend Fidelity's custodial services and use Fidelity's trade execution services due to the broker's ability to introduce clients to Plimsoll Mark. Such introductions or referrals are likely to benefit Plimsoll Mark because the Firm's management fees are generally based upon a percentage of assets managed. Thus, the more assets the Firm has under management, the higher its management fee income. Zephyr and Plimsoll Mark believe that this conflict of interest is mitigated by the oversight provided by its "best execution" reviews. Plimsoll Mark periodically reviews the nature and extent of the services provided by Fidelity and the reasonableness of their compensation to determine whether such recommendation continues to be warranted.

Trade Aggregation and Allocation

To the extent that Plimsoll Mark directly places orders with brokers to execute client transactions, it will seek to aggregate orders for the same security for more than one client. By aggregating orders it ensures that no particular client is favored over other clients. Specifically, each client that participates in an aggregated order will participate at the average share price for all transactions in that security on that business day. Securities are allocated in proportion to the size of the order placed for each account. In the event an order is partially filled, Plimsoll Mark will allocate securities pro rata based on the original order instructions. However, the Firm may increase or decrease the amount of securities allocated if it would be impractical to allocate a small number of securities among the accounts participating in the transaction. Employees of the Firm may participate in any trading done on an aggregate basis.

Directed Brokerage

Plimsoll Mark will permit clients to direct it to use a specific broker to execute their transactions. If a client requests such directed brokerage ("Directed Brokerage Account"), then the client should understand that Plimsoll Mark may not be able to negotiate commissions for such Directed Brokerage Account, obtain volume discounts, or obtain the most favorable execution of their transactions. The brokerage commissions charged to a Directed Brokerage Account may be higher than the commissions charged to Plimsoll Mark's other clients who do not direct the use of a particular broker or dealer because Plimsoll Mark may not be able to aggregate their orders to reduce transaction costs. Also, the client may receive less favorable prices.

Insofar as a client's directed broker may refer other clients to Zephyr in the future, a conflict of interest could arise. Clients that direct their brokerage should also be aware that Plimsoll Mark will generally place such trades after the completion of trades for clients that do not direct their brokerage.

Trade Errors

It is the policy of Plimsoll Mark that the utmost care be taken in making and implementing investment decisions of behalf of client accounts. To the extent that Plimsoll Mark makes any trading errors, they are to be (a) corrected as soon as practicable without disadvantaging the client or benefiting Plimsoll Mark or Zephyr, (b) reported to Zephyr's management, and (c) scrutinized carefully with a view toward implementing procedures to prevent or reduce future errors, if necessary. Generally, where the error has occurred as a result of negligence or gross misconduct by an employee or associate of Zephyr, the client will be fully compensated for any loss suffered as a result of the error. Where the error results in a 'profit, or net gain to the client, the client will receive the benefit.

Review of Accounts

Emerging Markets Investment Services

Private Equity

The PE Funds are actively managed by the respective portfolio management teams. All Funds are reviewed at least once a quarter, although the specific frequency varies across the Funds. Each review analyzes portfolio positions, market trends, and investment opportunities. Most of Zephyr's PE Funds have investment committees, which review the Funds' investments whenever a new investment or divestment is proposed. The number of reviewers, their titles and functions are set forth in each fund's Private Placement Memorandum, which is available upon request.

Investors in the PE Funds receive written quarterly reports, which include unaudited financial statements, a description of current holdings of the portfolio, transaction updates and capital account balances. Annual reports are also sent to investors and include audited financial statements, where applicable. Zephyr holds an annual investor meeting for most of its PE Funds.

Marketable Securities

The Marketable Securities Funds are actively managed by the respective portfolio management teams and the performance of the Marketable Securities Funds is reviewed daily. In addition the portfolio management teams continuously review the portfolios to assure conformity with the objectives and guidelines of such Fund. In addition, the Funds are reviewed in light of emerging trends and developments as well as market volatility. The Marketable Securities Funds hold semi-annual meetings of the investment policy or advisory committee at which the Funds' holdings, transactions and overall performance are reviewed in detail. In addition, the portfolio managers meet with investors on request. The number of reviewers, their titles and functions are set forth in each Fund's Private Placement Memorandum, which is available upon request.

Investors in the Marketable Securities Funds receive written monthly newsletters and account statements, quarterly unaudited financial statements and annual audited financial statements. Zephyr typically holds at least two general investor calls for each of its Marketable Securities Funds.

From time to time, Fund investors may request information about their accounts or Fund performance in addition to what is routinely provided to investors, and may include more frequent reports or more detailed information. These requests will be accommodated whenever possible.

Plimsoll Mark

Each of Plimsoll Mark's Managing Directors reviews the performance of their respective client accounts, on no less than a quarterly basis, and acts as liaison between each such client and the third party investment managers appointed by such client. Factors triggering additional reviews, and perhaps triggering buy or sell recommendations, include changed circumstances of the clients; changed general conditions in the stock and bond markets; changes in mutual funds or individuals securities owned by clients; and changes in third party investment managers.

Clients receive account statements directly from the account's custodian, at least quarterly, that detail the portfolio holdings and securities transactions made in the account. Clients should compare the statements they received from their custodian with those provided by Plimsoll Mark.

Plimsoll Mark will attempt to meet with clients in person at least annually to review the performance of their accounts, each third party investment manager's investment philosophy and portfolio management results, and to review each client's investment objectives to determine whether the investment strategy should be modified to meet the client's needs.

Client Referrals and Other Compensation

Zephyr has arrangements with various placement agents that have agreements to sell the Funds advised by Zephyr on a non-exclusive basis. For the Marketable Securities Funds, the compensation paid to each of the placement agents is based upon the amount of capital raised by the placement agents and ranges from between 10% and 20% of gross management fees and between 10% and 20% of net incentive fees to the advisors. For the PE Funds, the compensation paid to each of the placement agents is typically 2% of the amount of capital raised by such placement agent.

Custody

Emerging Markets Investment Services

Zephyr is deemed to have custody over the funds and securities held by the Zephyr Funds due to its, or an affiliated person's, role as General Partner (or similar control capacity) of the Funds. To the extent possible and practicable, the Funds' assets are held in custody by unaffiliated broker/dealers or banks. Generally, investors will not receive Fund account statements from the custodians. Instead the Funds are subject to an annual audit and the audited financial statements, prepared in accordance with generally accepted accounting principles, are distributed to each investor within 120 days of the Funds' fiscal year end.

However, investors in Zephyr Internet Partners, L.P. will receive quarterly, or more frequent, account statements directly from the fund's custodian. Investors should carefully review those statements, and should compare those statements to any Fund information provided by Zephyr.

Plimsoll Mark

Zephyr is deemed to have custody over the funds and securities in many of Plimsoll Mark clients' accounts through the following arrangements which give it or its employees access to clients' funds or securities: 1) Zephyr has the ability to debit investment advisory fees directly from Plimsoll Mark clients' custodian accounts; and 2) Zephyr employees may serve as trustee for certain client's trusts.

All Plimsoll Mark clients' funds and securities are held in custody by unaffiliated broker/dealers or banks. The custodians send account statements directly to the account owners on at least a quarterly basis. Clients should carefully review these statements, and should compare these statements to any account information provided by Zephyr.

Investment Discretion

Emerging Markets Investment Services

Zephyr accepts discretionary authority to manage securities accounts on behalf of clients, including the Funds. If Zephyr has not delegated its investment discretion to a sub-adviser, Zephyr's discretionary authority is not limited, other than by the client's investment policies, except that in the case of PE funds, Zephyr generally must also obtain the consent of the respective PE Fund's investment committee.

For separately managed account clients, restrictions on Zephyr's discretionary authority may be individually negotiated, and will be documented in each client's investment management agreement.

With regard to the clients for which Zephyr has engaged a sub-adviser to carry out the investment supervisory services, the sub-advisers ordinarily determine which securities are purchased and sold for client accounts and the amount of such purchases and sales.

Plimsoll Mark

Plimsoll Mark accepts discretionary authority to manage securities accounts on behalf of clients. However, Plimsoll Mark does not have discretionary authority to engage a third party investment manager on a client's behalf. Clients will agree in advance to any third party investment manager recommended by Plimsoll Mark and will enter into a separate investment adviser agreement directly with the selected investment manager. The terms for those agreements and the fees are negotiated by each Plimsoll Mark client separately. Plimsoll Mark does not provide any legal review or legal services with respect to contractual arrangements with third party investment managers. Each client should obtain their own legal advice and contractual review. In addition to security selection, each portfolio manager will have power of attorney over the client's brokerage and/or custody account. Each client will be obliged to instruct its custodian and/or broker to accept instructions from each portfolio manager to purchase or sell securities on behalf of such client.

Clients may instruct Plimsoll Mark to terminate advisory agreements with third party investment managers upon written notice to Plimsoll Mark, effective upon the acknowledgement of its receipt by Plimsoll Mark and the expiration of any applicable notice period under the investment manager's advisory agreement. In addition, once a client has appointed at least one third party investment manager, Plimsoll Mark has discretion in determining the portion of such client's account to allocate to any one portfolio manager in a separately managed sub-account. Plimsoll Mark's Managing Directors have the authority to remove some or all assets advised by any third party investment manager and to reallocate such assets into securities, mutual funds, or such other separately managed sub-account managed by investment managers as may

have been previously selected by such client. Plimsoll Mark may, in its sole discretion, discontinue working with any investment manager at any time.

Voting Client Securities

Emerging Markets Investment Services

Where Zephyr is the primary portfolio manager with respect to a stock, Zephyr monitors corporate actions and receives and votes client proxies for portfolio securities consistent with the best economic interests of its clients. It is Zephyr's policy to disclose any known conflicts of interest with respect to a proxy vote to clients, or in the case of a Fund, to the Fund's Advisory Committee or other investor body of the Fund in accordance with the Fund's governing documents. On routine matters, Zephyr may elect not to vote proxies where it would not prejudice the interest of clients to do so. Ordinarily, and especially in the case of a relatively liquid publicly traded stock, Zephyr will vote proxies in accordance with the recommendations of management. In the case of a private equity investment, Zephyr may or may not vote in accordance with the request of management.

Where Zephyr has delegated its investment supervisory authority to sub-advisers, the sub-advisers have been granted the authority and responsibility to vote proxies for portfolio securities.

Clients or investors may contact Zephyr for more detailed information regarding Zephyr's or any of the sub-advisers' proxy voting policies and procedures (including copies of such procedures) and for information on how the securities in Clients' portfolios were voted.

Plimsoll Mark

Plimsoll Mark's policy is generally not to vote proxies for its clients, absent an express written agreement to do so. For securities that have been selected by a third party investment manager, subject to a separate written investment advisory agreement between the client and the investment manager, the investment manager will generally be responsible for all proxy voting and corporate action decisions, subject to the terms of the respective investment manager's investment advisory agreement with the client.

To the extent that fixed income securities from time to time give rise to rights to bond holders to vote, these votes will be passed on to clients for each client to vote separately.

Financial Information

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