

Item 1. – Cover Page

Dorchester Capital Advisors, LLC Dorchester Capital Advisors International, LLC

Part 2A of Form ADV The Brochure

11111 Santa Monica Blvd., Suite 1250, Los Angeles, CA 90025
Tel. (310) 402-5090

www.dorchestercapital.com

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This brochure provides information about the qualifications and business practices of Dorchester Capital Advisors, LLC (“DCA”) and Dorchester Capital Advisors International, LLC (“DCAI” and, with DCA, “Advisors”). If you have any questions about the contents of this brochure, please contact us at (310) 402-5090. 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 the Advisors is also available on the SEC’s website at: www.adviserinfo.sec.gov.

In this brochure, DCA, DCAI and certain affiliates are referred to as registered investment advisers. This means that DCA, DCAI and the relevant affiliates are registered as investment advisers under the U.S. Investment Advisers Act of 1940, as amended (the “Advisers Act”). Advisers Act registration does not and should not be read to imply a certain level of skill or training.

Item 2. - Material Changes

This section discusses only material changes since the last annual update of this Brochure. Brochures were previously updated by DCA and DCAI on December 22, 2011.

Pursuant to an SEC No-Action Letter (American Bar Association, Business Law Section, pub. avail. Jan. 18, 2012), you are receiving this Part 2A of Form ADV from DCA for itself (as “filing adviser”) and on behalf of the DCAI (as a “relying adviser”). As such, this Brochure incorporates information from any previous Form ADV Part 2A that you may have received from DCA and/or DCAI into one document.

Other than the format of the Brochure, there are no material changes since the last annual update of each Advisor’s Brochure.

Item 3. - Table of Contents

	Page
Item 1. – Cover Page	1
Item 2. - Material Changes	2
Item 3. - Table of Contents	3
Item 4. - Advisory Business	4
Item 5. - Fees and Compensation	5
Item 6. - Performance Based Fees and Side-by-Side Management	7
Item 7. - Types of Clients	9
Item 8. - Methods of Analysis, Investment Strategies and Risk of Loss	9
Item 9. - Disciplinary Information	17
Item 10. - Other Financial Industry Activities and Affiliations	17
Item 11. - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	17
Item 12. - Brokerage Practices	19
Item 13. - Review of Accounts	19
Item 14. - Client Referrals and Other Compensation	20
Item 15. - Custody	20
Item 16. - Investment Discretion	20
Item 17. – Voting Client Securities	21
Item 18. - Financial Information	21

Item 4. - Advisory Business

Dorchester Capital Advisors, LLC (“DCA”) is the general partner of three Delaware limited partnerships: Dorchester Capital Partners, L.P., a Delaware limited partnership (“DCP”), Dorchester Capital Partners Select Opportunities, L.P., a Delaware limited partnership (“DCPSO”), Dorchester Capital Lakeside, L.P., a Delaware limited partnership (“DCL ” and, with DCP and DCPSO, the “Onshore Funds”). In its capacity as the general partner of each Onshore Fund, DCA is responsible for implementing each Onshore Fund’s investment objectives and strategies.

Dorchester Capital Advisors International, LLC (“DCAI” and, with DCA, the “Advisors”), a registered investment adviser under common control with DCA, is the investment manager for two Cayman Islands companies: Dorchester Capital International, Ltd. (“DCI”) and Dorchester Capital International Select Opportunities, Ltd. (“DCISO” and, with DCI, the “Offshore Funds”). DCAI is also the investment manager for Endowment Advisors Holdings, Ltd. (“EAH”), Dorchester SH2, Ltd. (“DSH2”) and HPEL Limited (“HPEL” and, with DSH2 and EAH, the “SPVs”), Cayman Island companies that were formed, for tax purposes, to hold shares of private funds managed by Underlying Managers (as defined below) and in which the sole investors are certain Affiliated Funds (as defined below). In its capacity as investment manager to each of the Offshore Funds and the SPVs, DCAI is responsible for implementing each Offshore Fund’s and SPV’s investment objectives and strategies.

Each of DCP, DCPSO, DCL, DCI, DCISO and the SPVs are referred to individually as a “Fund” and, collectively, as the “Funds.”

Dorchester Private Equity Management, LLC, a Delaware limited liability company (“DPEM” and, with DCAI, “Dorchester Affiliates”), is an SEC-registered investment adviser under common control with DCA and DCAI. DPEM serves as general partner of five Delaware limited partnerships and two Cayman Islands limited partnerships (collectively, the “Affiliated Funds”). The Affiliated Funds include Dorchester Capital Secondaries, L.P., a Delaware limited partnership (“DCS”), Dorchester Capital Secondaries Offshore, L.P., a Cayman Islands exempted limited partnership (“DCS Offshore”), Dorchester Capital Secondaries II, L.P., a Delaware limited partnership (“DCS II”), and Dorchester Capital Secondaries Offshore II, L.P., a Cayman Islands exempted limited partnership (“DCS II Offshore,” and, with DCS, DCS Offshore and DCS II, the “Secondaries Funds”).

DCA, DCAI and DPEM are collectively referred to herein as “Dorchester.”

The investment objective of each Fund is to generate attractive, risk-adjusted returns through a market cycle with a focus on capital appreciation and/or capital preservation. Each Fund seeks to achieve its investment objectives by investing in a diversified group of separate accounts and private funds (“Investment Funds”) sponsored by investment managers (“Underlying Managers”) that employ a variety of investment strategies that the relevant Advisor believes offer attractive rates of return over time. DCISO, managed by DCAI, seeks to achieve its investment object by

investing substantially all of its assets in DCPSO, managed by DCA. The strategies include long/short and primarily long only investment strategies, event driven and special situations investment strategies, distressed and value debt securities investment strategies and relative value investment strategies. The Advisors may cause the Funds to invest in Investment Funds directly or may cause the Funds to purchase interests or shares of Investment Funds (including private equity funds) from a current investor through a secondary market transaction.

Each Fund may also invest in short-term interest bearing investments, including, without limitation, United States government obligations, certificates of deposit, money market accounts, mutual funds, hedge fund indices and interest-bearing accounts located at commercial banks and/or registered broker-dealers, and other investment instruments that may hedge perceived directional exposure. Each Fund may also invest in shares, interests or units of other Funds or Affiliated Funds. No investment manager, general partner or adviser of such a fund will receive any management fees, incentive allocation or performance fees from a Fund's investment in the fund.

Each Advisor tailors its advisory services to the specific objectives of each Fund managed by that Advisor. It does not tailor its investment advice to the investment objectives or specific needs of any investor in a Fund.

DCA was founded in 2001 and DCAI was founded in 2004. Each of DCA and DCAI is primarily owned by Mark Steven Zucker and Michael Halpern. Messrs. Zucker and Halpern are managing members and co-Chief Investment Officers ("CIOs") of DCA and DCAI. As of March 1, 2012, DCA managed \$700 million on a discretionary basis and DCAI managed \$185 million on a discretionary basis. The Advisors do not manage any assets on a non-discretionary basis.

Item 5. - Fees and Compensation

For its services as general partner or investment adviser, each Advisor is entitled to receive both management fees and incentive allocations or performance fees with respect to each Fund it manages. No fees are paid to DCAI by EAH, DSH2 or HPEL.

Because this brochure is being delivered only to qualified purchasers under the Investment Company Act of 1940, as amended (the "1940 Act"), the Advisors are not providing a fee table showing the fees and allocations charged to each Fund. The fees and allocations charged to a Fund are described in that Fund's offering documents.

Each Fund's management fees are payable quarterly in advance and are generally computed as a percentage of an investor's capital account balance in an Onshore Fund or the net asset value of each applicable series of shares of the relevant Offshore Fund. The management fees range from 1-2% per annum. Investors that withdraw or redeem all or a portion of their investment in a Fund other than at the end of a quarter will be rebated an appropriate portion of the management fee with respect to the amount withdrawn by such investor. Management fees are also pro-rated for partial periods.

As noted above, Fund management fees are paid in advance, and are based on investors' capital account balances (or the net asset value of a tranche) as of the first day of each quarter. Generally, Dorchester requests a conservative amount of the quarterly management fee in the first week of the quarter (roughly 90% of the quarter's expected management fee). The applicable Fund's administrator/custodian makes the payment. Once the prior quarter numbers are finalized, Dorchester requests the balance of the management fee from the applicable Fund administrator/custodian, adjusting for new investments, if any. The Advisors reconcile their internal management fees and the amounts calculated by the applicable Fund administrator on a monthly basis, with any differences being included in the next quarterly payment.

The annual performance fee or incentive allocations paid by the Funds range from 0-5%. An incentive allocation is paid for each Onshore Fund and is computed by reallocating, as of the end of each fiscal year, a percentage of the net profits (including unrealized gains) allocated to an investor's capital account to the Advisor's capital account, subject to a loss carry-forward provision (or "high water mark"). An investor that makes a withdrawal from his or her capital account other than as of the end of a fiscal year will be charged an incentive allocation, if applicable and subject to the high water mark, on the amount withdrawn as of the effective date of the withdrawal. The incentive allocation is only earned at the end of the year, or when crystallized by a redemption during the year. DCA generally requests withdrawals from its capital account when it is tax efficient, and the withdrawals are typically reinvested in Dorchester funds by the co-CIOs.

A performance fee is charged for each Offshore Fund and is computed by charging, as of the end of each fiscal year, a percentage of the net profits (including unrealized gains) allocated to each series of shares of that Fund, subject to high water mark. An investor that redeems shares other than as of the end of a fiscal year will be charged a performance fee, if applicable and subject to the high water mark, on the amount redeemed as of the effective date of the redemption. The performance fee is only earned at the end of the year, or when crystallized by a redemption during the year.

Different classes or tranches of shares or interests within a Fund may pay different management fees or performance fees/incentive allocations. Fund-level management fees and performance fees/incentive allocations may be reduced or waived in certain circumstances, including with respect to investments (1) by a Fund in another Fund or in a fund managed by DPEM or (2) by members, officers and/or employees of Dorchester.

Although fees are generally not negotiable, an Advisor may cause a Fund to enter into separate agreements with certain Fund investors that provide for fee terms that are different than those generally applicable to investors in that class or tranche of a Fund.

Each Fund may also invest in shares, interests or units of other Funds or Affiliated Funds. No investment manager, general partner or adviser of such fund will receive any management fees, incentive allocation or performance fees from a Fund's investment in the fund.

The Funds purchase interests/shares in Investment Funds and, therefore, investors in the Funds are paying multiple layers of fees. Investors in a Fund pay a management fee and make an incentive

allocation to an Advisor and, indirectly through the Fund's investments in Investment Funds, pay an additional management fee and/or performance fee or allocation to the Underlying Managers.

Each Fund bears its transaction (e.g., brokerage commissions), administrative, custody, legal (including blue sky compliance), technology costs and expenses associated with the research and monitoring of Fund investments, insurance expenses (including a portion of the D&O and E&O policies covering the relevant Advisor and its personnel), tax preparation, accounting and audit expenses, directors fees, if any, and any expenses for services that the Fund investors require the relevant Advisor to obtain. Each Advisor is reimbursed for any of such expenses it bears on a Fund's behalf. In addition to a Fund's direct expenses, each Fund, as an investor in Investment Funds, indirectly bears its own *pro rata* share of the expenses of those Investment Funds. These indirect expenses may include, without limitation, a Fund's *pro rata* share of an Investment Fund's investment expenses (such as custodial fees and brokerage commissions) and overhead expenses (such as rent, personnel expenses, equipment, supplies, management and consulting fees and similar expenses) and any management fees and performance-related compensation for Underlying Managers.

Although the Funds will not pay management fees or performance fees or make an incentive allocation with respect to an investment in another Fund or an Affiliated Fund, a Fund will bear its *pro rata* share of the expenses of such Fund or Affiliated Fund as an investor therein.

A discussion of Dorchester's brokerage policies and procedures is set forth in *Item 12*, to the extent applicable. These policies are extremely limited, however, because the Funds generally invest in Investment Funds in private transactions and do not use broker/dealers to effect securities transactions.

Item 6. - Performance Based Fees and Side-by-Side Management

As stated in the Fees and Compensation section above, the Advisors charge Fund investors an incentive allocation or performance fee based on a share of capital gains on or capital appreciation of a Fund's assets allocated to such investors, subject to a high water mark.

The fact that the Advisors are compensated based on performance may create an incentive for the Advisors to make investments on behalf of the Funds that are riskier or more speculative than would be the case in the absence of such compensation arrangements.

Each of DCA, DCAI and DPEM shares common employees, including portfolio managers, as discussed in *Item 10* below. These portfolio managers make investment decisions for the Funds and for Affiliated Funds. As a result, Dorchester may have an incentive to favor accounts through allocation of investments that pay a higher performance fee/incentive allocation or are above or near the applicable "high water mark" over those that pay a lower performance fee/incentive allocation or are significantly below the "high water mark." This is because Dorchester will not earn a performance-based fee/allocation from a Fund or Affiliated Fund, as applicable, unless the performance of that Fund or Affiliated Fund exceeds the applicable high water mark.

In counteracting such incentives, Dorchester has designed and implemented policies and procedures to ensure that all Funds and Affiliated Funds are treated fairly in connection with allocation of investment opportunities, and to prevent any conflict of interest from influencing allocations of these investment opportunities. In the event that one or more Funds and/or an Affiliated Fund purchases or sells interests or shares in the same Investment Fund, it is Dorchester's general policy to allocate purchase or sale opportunities on a *pro rata* basis to all appropriate Funds and Affiliated Funds. In the case of purchase opportunities, this determination will be made by reference to the approximate net asset value of the appropriate Funds and Affiliated Funds, and, in the case of sales, the approximate net asset value of interests or shares owned by all appropriate Funds and Affiliated Funds.

Allocations of purchases of interests or shares in secondary market purchases ("SMP," "Secondary" or "Secondaries") may be appropriate for DCS II (a Secondaries Fund that is not fully invested and is making new investments) and also for certain Funds and/or Affiliated Funds. Notwithstanding the *pro rata* allocation policy described above, allocations to Funds and Affiliated Funds may be made only if the size (based on purchase price) of the SMP is greater than 2% of committed capital in DCS II. When a Secondary exceeds 2% of the committed capital of DCS II at cost, and a Fund or Affiliated Fund other than DCS II would like to participate, then the allocations of the amount above 2% will be made *pro rata* to the requested amount so long as the requested amounts are within the sizing guidelines mentioned below. Wherever there is excess or it is hard to split, the bias is to allocate to DCS II as it is structured to better match the possible long tail liquidity, and less predictable and infrequent cash flows. In addition, the maximum allocation that Funds and Affiliated Funds (other than the Secondaries Funds) may take of any individual deal is generally 25% per fund (and 50% collectively). Additionally, any position taken in a Secondary by such a fund (other than a Secondaries Fund) should represent at least a 1% position for that particular fund in order to be considered. The participation of such funds (other than the Secondaries Funds) in secondary market transactions is, among other things, dependent on the cash flow and capacity of the relevant fund.

If an applicable member of management responsible for the Funds' and/or Affiliated Funds' investments, such as a Chief Investment Officer ("CIO") or a member of Dorchester's Investment Committee, believes that an exception should be made to Dorchester's general policy of the *pro rata* allocation of purchase or sale opportunities, or an exception should be made to the allocation policy relating to Secondaries, or that any other exception to the allocation policies should be made, that CIO will be required to raise such proposed exception before the entire Executive Committee (composed of the two co-CIOs and the Chief Operating Officer) and the Chief Compliance Officer (collectively the "Exception Committee"). The Exception Committee, as a whole, will then discuss the matter and will only recommend an exception to Dorchester's allocation policies if it determines that, under the circumstances, such exception would be in the best interests of the Funds and/or any applicable Affiliated Funds and their investors. The Exception Committee must record any recommendation that is not included within certain enumerated categories of exceptions, in writing, including the basis for such recommendation, and present the same to the Chief Compliance Officer, who will make final written determination with respect to the proposed exception.

Item 7. - Types of Clients

DCA is the general partner of the Onshore Funds and DCAI is the investment manager to the Offshore Funds and the SPVs. *See Item 4, above.*

Interests in the Onshore Funds generally will be sold only to persons who are “accredited investors,” as defined in Regulation D of the Securities Act of 1933, as amended, and “qualified purchasers” as such term is defined in Section 2(a)(51) of the 1940 Act, and the rules thereunder.

Each investor in DCISO generally must be (1) an “accredited investor,” as defined in Regulation D under the U.S. Securities Act of 1933, as amended (“1933 Act”), (2) a “qualified purchaser” under the U.S. Investment Company Act of 1940, as amended (“1940 Act”), and the rules thereunder, and (3) if a “United States person” as defined in the U.S. Internal Revenue Code of 1986, as amended (“Code”), be exempt from U.S. income taxation under the Code.

Each investor in DCI that is a “United States person” (as defined in the Code) must be (1) an accredited investor, as defined in Regulation D under the 1933 Act, (2) a qualified purchaser or “knowledgeable employee” under the 1940 Act and the rules thereunder, and (3) exempt from U.S. income taxation under the Code. Each other investor in DCI must not be a “U.S. person,” as defined in Regulation S under the 1933 Act, or a “United States person” as defined in the Code, and must be a “Non-United States person” as defined in Rule 4.7 under the U.S. Commodity Exchange Act (“CEA”).

Shares EAH, DSH2, and HPEL are held only by Affiliated Funds, which are qualified purchasers under the 1940 Act and the rules thereunder.

Each Fund (other than the SPVs) also has a minimum required investment amount of between \$1,000,000 and \$2,000,000. An investor in a Fund generally may not effect a partial withdrawal or redemption of its investment in a Fund if, after such withdrawal or redemption, the value of its investment in such Fund would be less than the minimum investment amount described above. The foregoing investment minimums may be waived or modified in the sole discretion of the relevant Advisor.

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

The Advisors’ Investment Process begins with Strategy Selection, followed by Manager Sourcing, Manager Selection, Portfolio Management and Portfolio Construction. Risk Management is integrated into every level of the Advisors’ Investment Process.

The Advisors’ Investment Process begins with Strategy Selection, narrowing down the number of Underlying Managers the Advisors need to evaluate. They focus primarily in four hedge fund strategies broadly defined: Trading Strategies, Event Driven & Special Situations, Long/Short Equity, and Distressed & Value Debt. Generally, each Advisor prefers strategies with low correlation to the stock market that can deliver absolute returns. Generally, each Advisor likes “bottom up” strategies where returns are derived from a fundamental assessment of a company’s balance sheet, cash flow statements and earnings growth.

The second stage of the Advisors' Investment Process is Manager Sourcing. The Advisors' broad experience within various parts of the investment management industry provides a large network from which they can source and cross reference many of their investment ideas. The Research Team's expertise comes from a variety of backgrounds including Wall Street investment banking, research and trading, private equity, institutional investment and hedge fund management. The Advisors' team includes professionals who have built relationships over more than 20 years each in their respective disciplines. Michael Halpern and Mark Zucker, the Advisors' Managing Members and co-CIOs, both previously founded and ran their own hedge funds. David Mann, the Advisors' Chief Operating Officer, worked at Goldman Sachs for more than twelve years, where he headed up their Prime Brokerage business in Asia and their Fund Administration business in the Cayman Islands. These backgrounds provide many relationships and references.

The next step of the Advisors' Investment Process is Manager Selection. The Advisors seek out Underlying Managers who have demonstrated an ability to earn positive returns in both up and down markets. The Advisors generally prefer mid-sized Investment Funds that are nimble enough to move fast, small enough to exploit inefficient markets and large enough to have appropriate infrastructure. The Advisors ultimately invest with Underlying Managers who have built an organization with talented people and an investment process that emphasizes original research, independent thinking and risk management. Specifically, the Advisors prefer Underlying Managers who: have demonstrated investment experience, have long term orientation and a fundamental bias, have a disciplined investment process, have a relationship with Wall Street, have a stable investor base, provide high quality client service, commit to their back office, have consistent valuation procedures, and use an independent administrator.

The next stage of the Investment Process is Portfolio Management.

The Advisors' process emphasizes both a "top down" and "bottom up" decision model. The "top down" approach focuses on the Advisors' view of current market conditions including geography, asset class, strategies, liquidity, and risk premiums, all of which guide Strategy Selection. The "bottom up" approach focuses on (1) allocating capital to a diversified Underlying Manager pool within a strategy, and (2) allocating more capital to those Underlying Managers the Advisors expect to generate more attractive risk adjusted returns. The ultimate goal of the Portfolio Management process is to create a fund of funds within risk guidelines that is composed of uncorrelated Underlying Managers with attractive return potential.

The Portfolio Construction process involves three particular areas: Strategy Allocation, Manager Allocation, and Manager Monitoring.

- Strategy Allocation: Depending on how the Advisors view the relative attractiveness of each strategy, the Advisors allocate to those they feel provide the most attractive market opportunities.
- Manager Allocation: The Advisors allocate to Underlying Managers who will: (1) provide incremental return to a Fund's portfolio without meaningfully increasing risk, (2) reduce a Fund's drawdown risk without meaningfully harming return, or

(3) that have attractive reward/risk characteristics with little to no correlation to the applicable Fund's portfolio.

- Manager Monitoring: The Advisors' Research Team monitors existing Underlying Managers to ensure that the applicable Fund's investment objectives are being met and limits adhered to. This includes monthly conference calls and at least one yearly on-site visit. In addition, the Advisors run monthly proprietary quantitative models to assess changes in manager risks, covariance among all Underlying Managers and a Fund's portfolio, and individual Underlying Manager risk and return profiles.

The Advisors integrate Risk Management into every step of their Investment Process. Risk Management controls are embedded throughout the Advisors' organization:

- Co-CIO's and Director of Research oversee Risk Management at the Strategy Selection, Asset Allocation and Manager Selection level.
- The Research Team oversees Risk Management at the portfolio and Investment Fund and Underlying Manager level. If the Advisors are unable to achieve an adequate level of risk control through asset diversification, the Advisors are willing to "mind the gap" with separate accounts or an options overlay (although the Advisors would always prefer to "fill the gap" with an Underlying Manager because Underlying Managers provide an "alpha" component). The Associate in charge of Risk Management oversees the Advisors' separate account and options overlay programs.
- The Chief Operating Officer oversees Risk Management at the Underlying Manager due diligence level as it relates to back office operations.
- The Chief Compliance Officer oversees Risk Management at the Advisors' level by monitoring and seeking to ensure the Advisors' operational, reporting, accounting, client service and marketing efforts adhere to the highest of professional industry standards.

All investing involves a risk of loss, including loss of principal invested. There are certain risks involved in the strategy pursued by the Advisors for the Funds. Certain of these risks are described below. A potential investor in a Fund, however, will be provided with offering documents that contain a more fulsome discussion of the risks involved in such an investment and the applicable Fund's investment activities.

Investment Strategies. The success of the Advisors' strategies depends on their ability to select and allocate among individual Investment Funds and other investments. Success also depends on each Underlying Manager's ability to select individual securities, to correctly interpret market data, predict future market movements and otherwise implement its investment strategy. The Advisors will actively allocate and reallocate assets among various Investment Funds and investment strategies. No assurance can be given that the investment strategies to be used by the

Advisors or the Underlying Managers of the Investment Funds will be successful under all or any market conditions.

Multiple Investment Managers. Because the Funds invest in Investment Funds managed by unaffiliated Underlying Managers who make their trading decisions independently, it is theoretically possible that one or more of such Underlying Managers may, at any time, take investment positions that are opposite of positions taken by other Underlying Managers. It is also possible that the Underlying Managers selected by the Advisors may on occasion be competing with each other for similar positions at the same time. Also, a particular Underlying Manager may take positions for its other clients that are opposite to positions taken for an Investment Fund selected by the Advisors.

Multiple Layers of Fees and Expenses. The Funds invest a substantial portion of their assets in Investment Funds. While providing investors with diversification, this multi-manager approach also exposes investors to several layers of fees, incentive allocations and expenses. In addition to the fees paid and allocations made to the Advisors, each Investment Fund may charge a management fee, an incentive allocation and/or a performance fee and may incur expenses. It is expected that Investment Funds' management fees will generally be 1% to 2% and the incentive allocations and/or performance fees will generally be 15% to 25%. These fees and expenses reduce the returns generated by a Fund and, in the aggregate, may be higher than fees charged by investment funds with a single manager. The returns realized by Fund investors may be substantially less than the returns the investors would realize from engaging in the same activities directly, if they were able to make such investments directly without investing in a Fund.

Access to Information from Underlying Managers. An Advisor may request information from each Underlying Manager regarding the Underlying Manager's historical performance and investment strategy. The Advisors may also request detailed portfolio information on a continuing basis from each Underlying Manager retained on behalf of a Fund. However, the Advisors may not always be provided with such information because certain of this information may be considered proprietary information by the particular Underlying Manager. This lack of access to information may make it more difficult for the Advisors to select, allocate among, evaluate and monitor Underlying Managers and their Investment Funds.

Limited Ability to Verify Valuation Information. The value of a Fund's investment in an Investment Fund will generally be determined in accordance with the valuation policies of the Investment Fund and its Underlying Manager. Such valuations will generally be calculated by the Investment Fund, the Underlying Manager or its agent, not by the Fund, any Fund administrator or the Advisors. A Fund, as an investor in an Investment Fund, has only limited access to the portfolio holdings of such Investment Fund and, thus, the Fund and the Advisors may have a limited ability or no ability to independently verify the valuation information provided by the Investment Fund and Underlying Manager.

Liquidity Risk. Each Fund represents a long-term investment. There is no public market for the interests/shares in the Funds, which interests/shares may generally not be withdrawn, redeemed, assigned, transferred or encumbered without the relevant Advisor's prior written approval (which it may withhold in its sole and absolute discretion). Investments in Investment

Funds will generally be illiquid, and could be subject to lock-up periods, withdrawal penalties or other restrictions on redemption. Additionally, an Investment Fund's investments may at any given time be illiquid such that either no market exists for them or they are restricted as to their transferability under applicable laws. Thus, the sale of these investments may be made at substantial discounts, delayed or impossible. This may result in a reduced ability or an inability of a Fund to redeem its investment from an Investment Fund, even when the Fund otherwise might have the right to do so under the terms of the Investment Fund's governing documents.

Certain strategies and investments implemented by the Investment Funds may be highly volatile and involve a significant degree of risk. The following risks are intended only to highlight certain key risks in the Investments Funds' investments and strategies; the list below is not exhaustive.

Risk Management Control Issues. Underlying Managers to the Investment Funds may use proprietary investment strategies that are not fully disclosed to the Advisors. These strategies may involve risks under certain market conditions that have not been anticipated by the Underlying Managers to the Investment Funds. The Advisors' inability to control the frequency, quantity or quality of information obtained from Investment Funds regarding their investment portfolios may make it difficult or impossible for the Advisors to implement their risk management strategies as intended. There can be no assurance or guarantee that a Fund investment will be profitable even if the Advisors are able to implement their risk management strategies as intended.

Leverage. Certain Investment Funds will seek to enhance returns through the use of leverage, which can be described as exposure to changes in price at a ratio greater than 1:1 in reference to the amount invested. Leverage magnifies both the favorable and unfavorable effects of price movements in the investments made by an Investment Fund, all of which may subject a Fund to substantial risk of loss.

Short Selling. Some of the Investment Funds will engage in short selling, both as part of their general investment strategy and for hedging purposes. Short selling involves selling securities that are not owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows an Investment Fund to profit from declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. However, since the borrowed securities must be replaced by purchases at market prices in order to close out the short position, any appreciation in the price of the borrowed securities would result in a loss upon such repurchase. An Investment Fund's obligations under its securities loans will be marked to market daily and collateralized by that Investment Fund's assets held at the broker, including its cash balance and its long securities positions. Because securities loans must be marked to market daily, there may be periods when the securities loan must be settled prematurely, and a substantial loss would occur.

Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Short selling exposes an Investment Fund (and thus a Fund) to unlimited risk with respect to that security due to the lack of an upper limit on the price to which an instrument can rise.

Equity Securities. The value of the equity securities held by the Investment Funds are subject to market risk, including changes in economic conditions, growth rates, profits, interest rates and the market's perception of these securities. The value of a Fund's investment in an Investment Fund will increase and decrease, reflecting fluctuations in the value of the underlying securities held by the Investment Fund.

Debt and Other Income Securities. Investment Funds may invest in fixed-income and adjustable-rate securities. Income securities are subject to interest rate, market and credit risk. Interest rate risk relates to changes in a security's value as a result of changes in interest rates generally. Even though such instruments are investments that may promise a stable stream of income, the prices of such securities are generally inversely affected by changes in interest rates and, therefore, are subject to the risk of market price fluctuations. In general, the values of fixed income securities increase when prevailing interest rates fall and decrease when interest rates rise. Because of the resetting of interest rates, adjustable rate securities are less likely than non-adjustable rate securities of comparable quality and maturity to increase or decrease significantly in value when market interest rates fall or rise, respectively. Market risk relates to the changes in the risk or perceived risk of an issuer, country or region. Credit risk relates to the ability of the issuer to make payments of principal and interest. The values of income securities may be affected by changes in the credit rating or financial condition of the issuing entities. Income securities denominated in non-U.S. currencies are also subject to the risk of a decline in the value of the denominating currency relative to the U.S. dollar.

The debt securities in which the Investment Funds may invest are not necessarily required to satisfy any minimum credit rating standard and may include instruments that are considered to be of relatively poor standing and have predominantly speculative characteristics with respect to capacity to pay interest and repay principal. The Investment Funds may invest in bonds rated lower than investment grade, which may be considered speculative. The Investment Funds may also invest a substantial portion of their assets in high-risk instruments that are low rated or unrated.

Convertible Securities. Some of the Investment Funds will invest in convertible securities ("Convertibles"), which are generally debt securities or preferred stocks that may be converted into common stock. Convertibles typically pay current income as either interest (debt security convertibles) or dividends (preferred stocks). A Convertible's value usually reflects both the stream of current income payments and the value of the underlying common stock. The market value of a Convertible performs like that of a regular debt security; that is, if market interest rates rise, the value of a Convertible usually falls. Since it is convertible into common stock, the Convertible generally has the same types of market and issuer risk as the underlying common stock. Convertibles that are debt securities are also subject to the normal risks associated with debt securities, such as interest rate risks, credit spread expansion and ultimately default risk, as discussed below. Convertibles are also prone to liquidity risk, as demand can dry up periodically, and bid/ask spreads on bonds can widen significantly.

An issuer may be more likely to fail to make regular payments on a Convertible than on its other debt because other debt securities may have a prior claim on the issuer's assets, particularly

if the Convertible is preferred stock. However, Convertibles usually have a claim prior to the issuer's common stock.

Derivatives. Certain Investment Funds may invest in derivatives. Derivatives are financial contracts whose values depend on, or are derived from, the value of an underlying asset, reference rate or index. Investment Funds may use derivatives for any number of purposes including, among other things, as a substitute for taking a position in the underlying asset or as part of a strategy designed to reduce or increase exposure to other risks, such as interest rate or currency risk. An Investment Fund's use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Derivatives are subject to a number of risks described elsewhere in this section, such as interest rate risk, market risk and credit risk. They also involve the risk of mispricing or improper valuation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index. If an Investment Fund invests in a derivative instrument, it could lose more than the principal amount invested. Also, suitable derivative transactions may not be available in all circumstances and there can be no assurance that an Investment Fund will engage in these transactions to reduce exposure to other risks when that would be beneficial.

Option Transactions. The purchase or sale of an option by an Investment Fund involves the payment or receipt of a premium payment and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument does not change price in the manner expected, so that the option expires worthless and the investor loses its premium. Selling options, on the other hand, involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security or other instrument in excess of the premium payment received.

OTC Transactions. Certain Investment Funds may invest in derivative instruments that are not traded on organized exchanges and, as such, are not standardized. These transactions are known as over-the-counter ("OTC") transactions. In general, there is less governmental regulation and supervision in the OTC markets than of transactions entered into on an organized exchange. In addition, many of the protections afforded to participants on some organized exchanges, such as the performance guarantee of an exchange clearinghouse, will not be available in connection with OTC transactions. This exposes an Investment Fund to the risks that a counterparty will not settle a transaction because of a credit or liquidity problem or because of disputes over the terms of the contract. In addition, an Investment Fund will be subject to the risk of the inability of counterparties to perform with respect to transactions, whether due to insolvency, bankruptcy, governmental prohibition or other causes, which could subject the Investment Fund, and thus the investing Fund, to losses.

Futures Contracts and Options on Futures Contracts. In entering into futures contracts and options on futures contracts, there is a credit risk that a counterparty will not be able to meet its obligations to an Investment Fund. The counterparty for futures contracts and options on futures contracts traded in the United States and on most foreign futures exchanges is the clearinghouse associated with such exchange. In general, clearinghouses are backed by the

corporate members of the clearinghouse who are required to share any financial burden resulting from the non-performance by one of its members and, as such, should significantly reduce this credit risk. In cases where the clearinghouse is not backed by the clearing members (*i.e.*, some foreign exchanges), it is normally backed by a consortium of banks or other financial institutions. There can be no assurance that any counterparty, clearing member or clearinghouse will be able to meet its obligations to an Investment Fund.

In addition, under the Commodity Exchange Act (“CEA”), futures commission merchants are required to maintain customers’ assets on a segregated basis. If an Investment Fund engages in futures and options contract trading and the futures commission merchants with whom the Investment Fund maintains accounts fail to so segregate the Investment Fund’s assets or are not required to do so, the Investment Fund will be subject to a risk of loss in the event of the bankruptcy of any of its futures commission merchants. Even where customers’ funds are properly segregated, an Investment Fund might be able to recover only a *pro rata* share of its property pursuant to a distribution of a bankrupt futures commission merchant’s assets.

Non-U.S. Investments. Investment in non-U.S. issuers or securities principally traded outside the United States may involve certain special risks due to economic, political and legal developments, including favorable or unfavorable changes in currency exchange rates, exchange control regulations (including currency blockage), expropriation of assets or nationalization, imposition of withholding taxes on dividend or interest payments, and possible difficulty in obtaining and enforcing judgments against non-U.S. entities. Furthermore, issuers of non-U.S. securities are subject to different, often less comprehensive, accounting reporting and disclosure requirements than domestic issuers. The securities of some foreign governments and companies and foreign securities markets are less liquid and at times more volatile than comparable U.S. securities and securities markets. The foregoing risks associated with non-U.S. investments are even greater in emerging markets.

Non-U.S. Exchanges and Markets. An Investment Fund may engage in trading on non-U.S. exchanges and markets. Trading on such exchanges and markets may involve certain risks not applicable to trading on U.S. exchanges and is frequently less regulated. For example, certain of those exchanges may not provide the same assurances of the integrity (financial and otherwise) of the marketplace and its participants, as do U.S. exchanges. There also may be less regulatory oversight and supervision by the exchanges themselves over transactions and participants in such transactions on those exchanges. Some non-U.S. exchanges, in contrast to U.S. exchanges, are “principals’ markets” in which performance is the responsibility only of the individual member with whom the trader has dealt and is not the responsibility of an exchange or clearing association. Furthermore, trading on certain non-U.S. exchanges may be conducted in such a manner that all participants are not afforded an equal opportunity to execute certain trades and may also be subject to a variety of political influences and the possibility of direct government intervention. Investment in non-U.S. markets is also subject to the risk of fluctuations in the exchange rate between the local currency and the dollar and to the possibility of exchange controls. Foreign brokerage commissions and other fees are also generally higher than in the United States.

Currency. The value of an Investment Fund’s assets may be affected favorably or unfavorably by the changes in currency rates and exchange control regulations. Some currency

exchange costs may be incurred when an Investment Fund changes investments from one country to another. Currency exchange rates may fluctuate significantly over short periods of time. They generally are determined by the forces of supply and demand in the respective markets and the relative merits of investments in different countries, actual or perceived changes in interest rates and other complex factors, as seen from an international perspective. Currency exchange rates can also be affected unpredictably by intervention by governments or central banks (or the failure to intervene) or by currency controls or political developments.

Item 9. - Disciplinary Information

The Advisors and their employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to an investor's evaluation of the Advisors or their personnel.

Item 10. - Other Financial Industry Activities and Affiliations

DPEM, an affiliate of the Advisors, serves as the general partner to five Delaware limited partnerships and two Cayman Islands limited partnerships. Certain of these investment vehicles invest, directly or in the secondary market, in private equity funds (including, without limitation, buyout funds, mezzanine funds, hedge funds and venture capital funds) and individual private equity investments, while others (the "Secondaries Funds") invest in interests in existing hedge funds in secondary market transactions. DPEM does not receive any fees, carried interests or incentive allocations from the Funds.

DCA, DCAI and DPEM share common offices and share all of the same employees, including portfolio managers.

Certain purchases of Investment Fund interests or shares in secondary market transactions may be appropriate for one or more of the Funds and Affiliated Funds. Allocation procedures are described in *Item 6*.

Dorchester serves as general partner and/or investment manager to several private investment funds and thus may maintain nominal capital accounts or investments with respect to such funds. In addition, certain members, officers or employees of Dorchester invest in such funds. These members, officers or employees may pay or make reduced or no fees or allocations in such funds, as applicable.

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

Dorchester has adopted a Code of Ethics (the "Code") that sets forth standards of conduct expected of advisory personnel and addresses potential conflicts that arise from personal trading by advisory personnel. Dorchester also has policies involving the safeguarding of proprietary and non-public information by Dorchester personnel along with restrictions on the use of insider information and the use of non-public information.

Under the Code, employees are required to provide both initial and annual securities holdings reports as well as periodic transactions reports.

In addition, Investment Persons (as defined below) are prohibited from investing in initial public offerings of securities. Under the Code, “Investment Person” means (i) any employee who is involved in making securities recommendations to Dorchester; (ii) any employee of Dorchester who, in connection with his or her regular functions or duties, makes or participates in making recommendations regarding the purchase or sale of securities by a Fund or an Affiliated Fund; (iii) any natural person who controls Dorchester and who obtains information concerning recommendations made to a Fund or an Affiliated Fund regarding the purchase or sale of securities by the Fund or Affiliated Fund; and (iv) any employee otherwise designated by the Chief Compliance Officer in writing that such person is an Investment Person. The definition of Investment Person is applied so as to include, without limitation, all Dorchester employees that would be “access persons” under the Advisers Act and the rules thereunder.

Under the Code, Dorchester’s employees and their family members are prohibited from purchasing interests/shares in any Private Fund unless permission is received in advance from the Chief Compliance Officer. Under the Code, a “Private Fund” is defined to include any private investment fund, including a private investment fund that relies on the exclusion from the definition of “investment company” set forth in either Section 3(c)(1) or Section 3(c)(7) of the 1940 Act. Employees and their family members are permitted to own interests in Private Funds if they owned such interests prior to the initial effective date of the Code or prior to becoming employees (or, in the case of family members, prior to the relevant access person becoming an access person). In such cases, Advisor employees and their family members must seek the prior written approval of Dorchester’s Chief Compliance Officer prior to redeeming or transferring such interests.

Craig Carlson, Dorchester’s Chief Compliance Officer, currently is required to report issues that arise under the Personal Trading Policy to Dorchester’s co-CIOs at least annually. Fund investors and prospective investors can obtain a copy of the Code by contacting Dorchester at (310) 402-5090.

As noted above, Dorchester serves as general partner and/or investment manager to several private investment funds and thus maintain nominal capital accounts with respect to such funds. Certain of these capital accounts represent only a nominal investment. In addition, certain members, officers or employees of Dorchester invest in such funds (including the Funds and the Affiliated Funds). These members, officers or employees may pay or make reduced or no fees or allocations in such funds (including the Funds and the Affiliated Funds), as applicable. As noted above, investments in “Private Funds,” including the Funds and the Affiliated Funds, by members, officers or employees of Dorchester requires pre-approval by the Chief Compliance Officer. The Chief Compliance Officer and/or his or her designee periodically reviews the trades of members, officers and employees listed on the quarterly transactions reports in order to monitor any conflicts of interest relating to such persons’ investments.

Dorchester does not engage in cross trades whereby the investments of one Fund are sold to one or more other Funds. Dorchester also does not engage in principal transactions with the Funds for

its own account. However, from time to time, one Fund or Affiliated Fund will redeem from an Investment Fund, and another Fund or Affiliated Fund will invest in the same Investment Fund at approximately the same time, and such redemptions and subscriptions may be coordinated with the Underlying Manager in order to, for example, preserve Investment Fund capacity for the Funds and Affiliated Funds, preserve high water marks and/or minimize the need for an Underlying Manager to sell investments to meet redemption requests, if otherwise consistent with the Dorchester's and such affiliate's portfolio management decisions for the affected Funds and Affiliated Funds.

Item 12. - Brokerage Practices

Each Advisor is responsible for implementing each relevant Fund's investment objectives and strategies, as set forth in the applicable Fund's offering memorandum or limited partnership agreement.

The Advisors expect to achieve each Fund's investment objectives by investing in Investment Funds managed by Underlying Managers that employ a variety of investment strategies. While the Advisors make decisions concerning the investment of assets in Investment Funds, each Underlying Manager arranges for the placement of buy and sell orders and the execution of portfolio transactions on behalf of the Investment Fund managed by that Underlying Manager. If a Fund invests with an Underlying Manager through a separate account, the relevant Advisor will seek to obtain a report from the Underlying Manager regarding the execution of trades made for the Fund in that account.

If an Advisor were ever called upon to select a broker, it would do so in accordance with its duty to seek best execution for the Funds.

The Advisors do not direct brokerage in the case of investments made with an Underlying Manager through a separate account. No investor in a Fund can direct any Advisor to select a broker for any purpose.

The Advisors have adopted procedures to address the allocation of investment opportunities between or among the Funds and/or Affiliated Funds. The procedures generally require the *pro rata* allocation of investment opportunities between or among the Funds and Affiliated Funds for which the investment opportunity would be appropriate. *See Item 6, above.* The Advisors have developed special allocation policies relating to the allocation of investment opportunities in secondary market purchases of Investment Fund and private equity fund interests or shares. *See Item 6, above.*

Item 13. - Review of Accounts

The Advisors' ongoing risk management process is described in *Item 8, above.*

In addition, each Fund's portfolio is reviewed by the co-CIOs and the Risk Manager on at least a monthly basis. The review includes an analysis of the diversification of each Fund's assets,

including exposure to market and other risks, and a review of the performance of the various Investment Funds and Underlying Managers in which and with which that Fund invests.

The Chief Financial Officer and Controller are responsible for monitoring accounting, administration and regulatory matters relating to the Funds. In addition, certain Funds have engaged an administrator and each Fund's auditor performs interim testing and annual reviews of the Funds, including verification of each Fund's cash flows, position valuations, and accounting.

Monthly performance estimates and capital account statements, written quarterly reports and annual audited reports and K-1s are furnished to each investor in the Onshore Funds. Monthly performance estimates and account statements, written quarterly reports and annual audited reports are furnished to each investor in the Offshore Funds.

Item 14. - Client Referrals and Other Compensation

The Advisors have entered into a number of agreements with broker-dealers (each, a "Solicitor") for the purpose of introducing prospective Fund investors to the Advisors. The Advisors pay fees to such Solicitors, which fees generally consist of a portion of the management fees earned and may include a portion of the incentive allocations or performance fees received by an Advisor from the investor introduced by the Solicitor.

Item 15. - Custody

As general partner or investment manager of the Funds, the Advisors are deemed to have custody of the Funds' assets. All non-Investment Fund securities of a Fund are held in custody by unaffiliated broker-dealers or banks and many Investment Fund positions are also held in custody by unaffiliated broker-dealers or banks; however an Advisor may have access to Fund accounts since it serves as the general partner or investment manager of the Funds and certain of its officers and employees serve on the Offshore Funds' boards of directors. Investors will not receive statements from the custodian. Instead, each Fund is subject to an annual audit by independent public accountants and the audited financial statements are distributed to each investor. The audited financial statements of a Fund will be prepared in accordance with U.S. generally accepted accounting principals and distributed to Fund investors within 180 days of such Fund's fiscal year end.

Item 16. - Investment Discretion

The Advisors are responsible for implementing each Fund's investment objectives and strategies, as set forth in the applicable Fund's offering memorandum. The Advisors have full discretionary authority over the investment activities of each Fund pursuant to each Fund's limited partnership agreement or investment management agreement. Any limitations on the Advisor's discretionary authority with respect to a Fund's investments are set forth in that Fund's limited partnership agreement or investment management agreement and/or the Fund's offering memorandum.

Item 17. – Voting Client Securities

The Advisors do not anticipate owning equity securities granting the Funds the right to vote proxies other than interests in the Investment Funds in which the Funds invest. However, should the Funds acquire the right to vote proxies, the Advisors will exercise such voting authority in accordance with the policies and procedures it has adopted governing such voting.

The Advisors generally will vote proxies so as to promote the long-term economic value of the underlying securities held by the Funds. Each proxy proposal will be considered on its own merits, and an independent determination will be made whether to support or oppose management's position. The Advisors believe that the recommendation of management should be given substantial weight, but the Advisors will not support management proposals that they believes may be detrimental to the underlying value of the Funds' positions.

The Advisors generally characterize proxy voting issues into three Levels (I, II and III). Proxies are reviewed by the CIO most familiar with the company or fund issuing the proxy. The Level of a proposal will determine the depth of research required by the applicable CIO when deciding how to vote each proxy.

The Advisors will receive and forward each proxy statement to the appropriate CIO to review. The CIO will examine the materials and then decide on how to vote based on the Level of the issue raised by the proxy. The CIO will communicate the decision to the Chief Compliance Officer, who will then arrange for the votes to be entered. The Chief Compliance Officer may employ a third-party or utilize specialized software to record and transmit proxy votes electronically. The communication between the CIO and the Chief Compliance Officer will be kept in its original form for the period required by the Advisers Act and the rules thereunder. After votes are cast, the Chief Compliance Officer will perform a review to ensure that all proxies received, and for which a voting obligation exists, have been voted.

The Chief Compliance Officer is responsible for administering and overseeing the proxy voting process. An investor may obtain a copy of the Advisors' proxy voting policies as well as information about how an Advisor has voted proxies for the Fund(s) in which that investor is a limited partner by calling (310) 402-5072.

Item 18. - Financial Information

The Advisors are not aware of any financial condition that is expected to affect its ability to manage the Funds.