

PROTÉGÉ PARTNERS, LLC

BROCHURE

March 30, 2012

(PART 2A OF FORM ADV)

Item 1. Cover Page

This brochure provides information about the qualifications and business practices of Protégé Partners, LLC, an investment adviser registered with the United States Securities and Exchange Commission (the "SEC"), and certain affiliates. If you have any questions about the contents of this brochure, please contact Jessica Davis, Managing Director, Legal and Business Affairs and Chief Compliance Officer, at 212-784-6303 or jd@protegepartners.com. This information has not been approved or verified by the SEC or by any state securities authority.

Additional information about Protégé Partners, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

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Item 4. Advisory Business

Protégé Partners, LLC ("Protégé I") is an investment adviser with its principal place of business in New York, New York. Protégé I commenced operations as an investment adviser in early 2002 and has been registered with the SEC since February 2006.

Protégé I, Protégé Partners II, LLC and Protégé Partners III, LLC, each a limited liability company organized under the laws of the State of Delaware (collectively, the "Adviser"), provide investment supervisory services on a discretionary basis to pooled investment vehicles intended for sophisticated investors and institutional investors that are generally managed as hedge funds of funds (collectively, the "Funds"). Jeffrey Tarrant and Ted Seides are the principal owners of the Adviser (the "Principals").

The Adviser provides advice to the Funds based on specific investment objectives and strategies. The Adviser generally does not tailor advisory services to the individual needs of investors in the Funds (the "Investors") and has not done so to date. Under certain limited circumstances, the Adviser may consider tailoring advisory services in the form of a separately managed account, depending on the needs of the individual client and the size of the investment.

Investors may not impose restrictions on investing in certain securities or certain types of securities, although, as further discussed in Item 16 below, Funds that are typically managed on a *pari passu* basis may from time to time receive different allocations of securities based on total assets of each Fund eligible to participate in a particular investment (e.g., initial public offerings ("new issues")).

The Adviser does not participate in any wrap fee programs (advisory programs with an all-inclusive fee for both investment advisory services and brokerage execution).

As of December 31, 2011, the Adviser had approximately \$2,638,077,977 in assets under management, all on a discretionary basis.

Item 5. Fees and Compensation

The Funds pay the Adviser an investment management fee ranging from 0.15% to 1.0% per annum depending on various factors including, but not limited to, the size of the investment, an agreement by an Investor to maintain such investment for a significant period of time or other similar commitment by an Investor, or type of Fund. The investment management fees are calculated and paid quarterly in advance based on the value of each Investor's account(s) or commitments, as applicable, as of the beginning of each fiscal quarter. The investment management fees are prorated for periods less than a full quarter.

Certain Funds may receive cash flows ("Seed Cash Flows") from strategic relationships with hedge fund managers ("Seed Investments") in addition to the market-related return on their investments. Any portion of Seed Cash Flows directly attributable to the Funds' investment with such hedge fund manager or investment fund and which the Funds treat as a rebate or reduction on fees paid on their own capital investment will be included in the general net profits of the Funds and shared among all Investors (the "Discount from Seed Managers"). Seed Cash Flows net of the Discount from Seed Managers are referred to herein as "Net Seed Cash Flows". As of the end of each fiscal year, up to 25% of Net Seed Cash Flows will be allocated to the Adviser or its affiliate, subject to a loss carryforward ("Investment Manager Seed Cash Flows"). Receipt of Investment Manager Seed Cash Flows may be subject to a hurdle rate of 5.0%.

In addition, the Funds pay or allocate to the Adviser or its affiliate performance-based compensation. The performance-based compensation is calculated based on a percentage of the net profits of each Fund at the end of each fiscal year and ranges from 4.5% to 20.0% depending on various factors including, but not limited to, the size of the investment, an agreement by an Investor to maintain such investment for a

significant period of time or other similar commitment by an Investor, or type of Fund, and is subject to a loss carryforward. With respect to certain Funds, receipt of performance-based compensation may be subject to a hurdle rate of 5.0% or a minimum internal rate of return ranging from 5.0% to 25.0%. The performance-based compensation will not be charged on Net Seed Cash Flows, although all Seed Cash Flows will be included for purposes of determining whether the hurdle rate has been achieved.

The Adviser or its affiliate may, in effect, waive or reduce investment management fees, Investment Manager Seed Cash Flows and performance-based compensation for certain Investors.

Investment management fees are deducted from each Fund quarterly by instructing the administrator to the Funds to deduct the applicable fee.

Each Fund will pay its own expenses, including, but not limited to, the fees payable to the Adviser (a portion of which may be paid to any placement agents) and to the administrator, directors' fees, legal, accounting, tax, auditing and other external professional expenses (including background checks of hedge fund managers in which the Funds invest ("Hedge Fund Managers") and internal conflict reviews of the Adviser), investment expenses such as commissions, research and operational due diligence expenses, organizational expenses in the case of certain funds, interest on margin accounts and other indebtedness, custodial fees, bank service fees and direct and indirect fees and expenses paid to Hedge Fund Managers, including fees paid to Hedge Fund Managers with respect to any managed account with Hedge Fund Managers and the pooled managed account entity organized to facilitate such managed accounts and other reasonable expenses related to the purchase, sale or transmittal of the Fund's assets. Expenses associated with any currency hedging transactions conducted by a Fund will be charged to the euro shares where applicable. In addition, each Fund will pay a portion of the premiums for a liability insurance policy covering the Funds, the Adviser and certain affiliates. In general, any expenses which relate specifically to a particular Seed Investment will generally be charged only to that Seed Investment and applied against Net Seed Cash Flows. Certain Funds will pay any out-of-pocket expenses of their advisory committee. Further, because the Funds typically invest in other pooled investment vehicles that themselves pay advisory and performance-based fees to their respective advisors (including, without limitation, fees based on a percentage of assets under management and performance-based compensation), the Funds will bear a proportionate share of such fees in addition to those paid to the Adviser by the Funds. The Funds also bear their pro rata share of the underlying fund's operating and other expenses including, but not limited to, in addition to those listed above, sales expenses, legal expenses, internal and external accounting audit and tax preparation expenses and organizational expenses.

Fund assets may be invested in money market mutual funds, ETFs or other registered investment companies. In these cases, the Funds will bear their pro rata share of the investment management fee and other fees of the fund, which are in addition to the investment management fees paid to the Adviser.

To the extent the Funds are invested in master-feeder structures, the feeder funds bear a pro rata share of the expenses associated with the related master fund. In addition, Funds will incur brokerage and other transaction costs. Please refer to Item 12 of this Brochure for a discussion of the Adviser's brokerage practices.

Neither the Adviser nor its supervised persons receive(s) compensation directly or indirectly in connection with the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

The Adviser and its investment personnel provide investment management services to multiple portfolios for multiple Funds. The Adviser is entitled to be paid performance-based compensation by the Funds and Investment Manager Seed Cash Flows, and the Adviser's investment personnel are typically compensated on a basis that includes a performance-based component. In addition, certain Funds may have higher asset-based fees or more favorable performance-based compensation arrangements than

other Funds. When the Adviser and its investment personnel manage more than one Fund, a potential exists for one Fund to be favored over another. The Adviser and its investment personnel have a greater incentive to favor Funds that pay the Adviser (and indirectly the portfolio manager) performance-based compensation or higher fees.

The Adviser has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple Funds, including Funds with multiple fee arrangements, and the allocation of investment opportunities. The Adviser periodically (on at least an annual basis) reviews investment decisions for the purpose of ensuring that all Funds with substantially similar investment objectives are treated equitably. The performance of similarly managed Funds is also compared to determine whether there are any unexplained significant discrepancies. In addition, the Adviser's procedures relating to the allocation of investment opportunities require that similarly managed Funds participate in investment opportunities pro rata based on asset size and require that, to the extent orders are aggregated, the orders are price-averaged. Finally, the Adviser's procedures also require the objective allocation for limited opportunities (such as initial public offerings and private placements) to ensure fair and equitable allocation among Funds. These areas are monitored by the Adviser's Compliance Team in conjunction with the Chief Financial Officer and the respective portfolio manager. The Chief Financial Officer will also report any unexplained significant discrepancies to the Compliance Officer and senior management to determine appropriate action.

Item 7. Types of Clients

The Adviser's clients consist of the Funds.

Prospective Investors in any of the Funds should refer to the private offering memoranda and subscription agreements of the respective Fund(s) for further information regarding the subscription or commitment minimums, operative terms, risks and conditions of an investment in such Fund.

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

Methods of Analysis and Investment Strategies.

The Adviser utilizes a variety of methods and strategies to make investment decisions and recommendations. The Adviser invests Funds' assets with a diversified group of Hedge Fund Managers through managed account structures or in the investment funds sponsored by such Hedge Fund Managers. The Adviser's analytical process includes both quantitative and qualitative elements. The Adviser endeavors to analyze a Hedge Fund Manager's strategy, philosophy and decision making process, proprietary models, research and portfolio management systems, the quality of its investment professionals, and its organizational structure. In addition, the Adviser may enter into Seed Investments and may also make direct investments with certain Funds' assets.

These strategies involve risk of loss to Investors and Investors must be prepared to bear the loss of their entire investment. Prospective Investors in any of the Funds should refer to the private offering memoranda of the respective Fund for a more complete discussion of the risks involved in investing in each of the Funds.

Material Risks Relating to Investment Strategies and Risks Associated with Types of Securities.

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

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

Performance-Based Compensation Arrangements. Hedge Fund Managers are typically compensated, in whole or in part, based on the appreciation in value (including unrealized appreciation) of the account during specific measuring periods. Such performance-based arrangements may create an incentive for such Hedge Fund Managers to make investments that are riskier or more speculative than would be the case in the absence of such performance-based compensation arrangements. The Funds may be required to pay an incentive fee or incentive allocation to the Hedge Fund Managers who make a profit for the Funds in a particular fiscal year even though the Funds may in the aggregate incur a net loss for such fiscal year.

Expenses May Be a High Percentage of Assets. Expenses (including the payment of fees to Hedge Fund Managers and the Funds' pro rata share of expenses of any Hedge Fund Manager) may be a higher percentage of net assets than would be found in other investment entities. Strategies utilized by certain Hedge Fund Managers may require frequent trading and, as a result, portfolio turnover and brokerage commission expenses may significantly exceed those of other investment entities of comparable size.

Diversification. It is possible that several Hedge Fund Managers may take substantial positions in the same security or group of securities at the same time. This possible lack of diversification may subject the investments of the Funds to more rapid change in value than would be the case if the assets of the Funds were more widely diversified.

Segregated Portfolio Company. The Funds invest in or may invest in a number of segregated portfolios (each a "Segregated Portfolio") established by a Cayman Islands exempted company registered as a segregated portfolio company (the "SPC") to facilitate the Funds' investment in accounts managed by the Hedge Fund Managers. As a matter of Cayman Islands law and subject to compliance by the SPC with certain formalities, the assets of one Segregated Portfolio will not be available to meet the liabilities of another Segregated Portfolio. However, the SPC may operate or have assets held on a Segregated Portfolio's behalf or be subject to claims in other jurisdictions which may not necessarily recognize such segregation. In such event, the assets invested in one Segregated Portfolio (including by the Funds) might be used to offset liabilities of another portfolio to the detriment of an investor such as the Funds.

Relative Value Risk. Relative value strategies employed by a Hedge Fund Manager may include capital structure arbitrage, convertible arbitrage, equities pairs trading, fixed income arbitrage, and volatility arbitrage. In the event that the perceived mispricings underlying a Hedge Fund Manager's relative value trading positions were to fail to converge toward, or were to diverge further from, relationships expected by such Hedge Fund Manager, the Funds may incur a loss.

Event-Driven Investing. Hedge Fund Managers may seek to invest and trade in securities and obligations of companies that are involved in or likely to be involved in a balance sheet or other event-driven situation. Balance sheet events include all business combinations, such as mergers, cash tender offers, and leveraged buy-outs and all restructurings, such as bankruptcies, recapitalizations, exchange offers, spin-offs and liquidations. Hedge Fund Managers may invest in securities of companies involved in proxy contests, unusual litigation, stock buybacks and those operating under the threat of reorganization where the uncertainty of the non-operating event creates investment opportunities. Due to the inherently speculative nature of event-driven investing, the results may fluctuate from period to period and are not expected to correlate with the direction of the equity markets.

Distressed Investing. Hedge Fund Managers may invest in securities that trade at a significant discount to their underlying values. Distressed securities are the securities of companies or assets which are, or

are perceived to be, in financial trouble. Whether or not these companies are in default or bankruptcy, their securities are selling at steep discounts to their face value.

Activist Strategy. Investment strategies utilized by Hedge Fund Managers may involve aggressive shareholder activism that will attempt to influence the destinies of target companies. There exists the risk that the intended strategy for a particular company will be unsuccessful. Further, when securities are purchased in anticipation of influencing the future direction of a company, a substantial period of time may elapse between the purchase of the securities and the anticipated results. During this period, capital would be committed to the securities purchased, and the Hedge Fund Managers typically might finance some portion of such purchases with borrowed funds on which it must pay interest. Hedge Fund Managers may also attempt to build strong relationships with company management. In certain cases, attempts to influence a company's management may result in the Hedge Fund Managers taking a seat on the company's board of directors. In such a case, there exists the risk that the Hedge Fund Manager will be restricted in transacting in or withdrawing/redeeming its investment in that company as a result of, among other things, legal restrictions on transactions by company directors or affiliates. Because there is substantial uncertainty concerning the outcome of transactions involving the target companies in which the Hedge Fund Managers may invest, there exists a potential risk of loss by the Hedge Fund Manager of its entire investment in such companies. Moreover, because Hedge Fund Managers may participate in restructuring or similar activities, it is possible that a Hedge Fund may become involved in litigation (as either plaintiff or defendant). Litigation entails expense and the possibility of counterclaims against the Hedge Fund Managers and ultimately judgments may be rendered against the Hedge Fund Managers for which the Hedge Fund Managers may not carry insurance.

Hedging Transactions. There can be no assurances that a particular hedge is appropriate, or that certain risk is measured properly. Further, while the Adviser or a Hedge Fund Manager may enter into hedging transactions to seek to reduce risk, such transactions may result in poorer overall performance and increased (rather than reduced) risk for the Adviser's or the Hedge Fund Manager's investment portfolios than if the Adviser did not engage in any such hedging transactions.

Leverage. Hedge Fund Managers may utilize a substantial degree of leverage particularly with regard to certain arbitrage strategies and, in addition, the Adviser may effect borrowings on behalf of the Funds to make leveraged investments in Hedge Funds or direct investments. This results in the Hedge Fund Manager and/or Adviser controlling substantially more assets than it has equity. Leverage increases returns to the investors if the Hedge Fund Manager earns a greater return on investments purchased with borrowed funds than the Hedge Fund Manager's cost of borrowing such funds. However, the use of leverage exposes the Funds to additional levels of risk including (i) greater losses from investments than would otherwise have been the case had the Hedge Fund Manager not borrowed to make the investments, (ii) margin calls or interim margin requirements may force premature liquidations of investment positions at prices below what the Hedge Fund Managers deem to be fair value for the positions and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the Hedge Fund Manager's cost of borrowing such funds. In the event of a sudden, precipitous drop in value of the Hedge Fund Manager's assets, the Hedge Fund Manager might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying the losses incurred by the Funds.

In an unsettled credit environment, Hedge Fund Managers may find it difficult or impossible to obtain leverage. Since leveraging its assets is an integral part of the investment strategy of certain Hedge Fund Managers, in such event those Hedge Fund Managers could find it difficult to implement their strategy. Hedge Fund Managers may also establish short-term unsecured loans from major banks. Finally, investments may be made in highly leveraged issuers or situations, including issuers that have engaged in leveraged buyouts or certain types of real estate related investments.

Short Sales. Short selling, which involves selling securities not currently owned (i.e., selling borrowed securities), necessarily involves certain additional risks. These transactions expose the Funds or the Hedge Funds in which they invest to the risk of loss in an amount greater than the initial investment, and the losses can increase rapidly and without effective limit. There is the risk that the securities borrowed in

connection with a short sale must be returned to the securities lender on short notice. If a request for return of borrowed securities occurs at a time when other short sellers of the security are receiving similar requests, a "short squeeze" can occur, and the Funds may be compelled to replace borrowed securities previously sold short with purchases on the open market at the most disadvantageous time, possibly at prices significantly in excess of the proceeds received in originally selling the securities short.

Equity Securities. The value of equity securities fluctuates in response to issuer, political, market, and economic developments. Fluctuations can be dramatic over the short as well as long term, and different parts of the market and different types of equity securities can react differently to these developments. For example, large cap stocks can react differently from small cap stocks, and "growth" stocks can react differently from "value" stocks. Issuer, political, or economic developments can affect a single issuer, issuers within an industry or economic sector or geographic region, or the market as a whole. Changes in the financial condition of a single issuer can impact the market as a whole. Terrorism and related geopolitical risks have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally.

Risk Arbitrage Securities. A merger, other restructuring, tender, or exchange offer proposed at the time the Adviser invests in risk arbitrage securities may not be completed on the terms or within the time frame contemplated, resulting in losses.

High Yield Securities. "High yield" bonds and preferred securities are rated in the lower rating categories by the various credit rating agencies (or in comparable non-rated securities). Securities in the lower rating categories are subject to greater risk of loss of principal and interest than higher-rated securities and are generally considered to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than securities with higher ratings in the case of deterioration of general economic conditions. Because investors generally perceive that there are greater risks associated with the lower rated securities, the yields and prices of such securities may tend to fluctuate more than those for higher-rated securities. The market for lower-rated securities is thinner and less active than that for higher-rated securities, which can adversely affect the prices at which these securities can be sold. In addition, adverse publicity and investor perceptions about lower-rated securities, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of such lower-rated securities.

Small and Medium-Capitalization Companies. While securities of small and medium-capitalization companies may provide significant potential for appreciation, the securities of certain companies, particularly smaller-capitalization companies, involve higher risks in some respects than do investments in securities of larger companies. For example, prices of small-capitalization and even medium-capitalization securities are often more volatile than prices of large-capitalization securities and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) is higher than for larger, "blue-chip" companies. In addition, due to thin trading in the securities of some small-capitalization companies, an investment in those companies may be illiquid.

High Growth Industry Related Risks. Hedge Fund Managers may have significant investments in the securities of high growth companies (e.g., technology, communications and healthcare) which may be volatile. Such companies may face undeveloped or limited markets, have limited products, have no proven profit-making history, may operate at a loss or with substantial variations in operating results from period to period, have limited access to capital and/or be in the developmental stages of their businesses, have limited ability to protect their rights to certain patents, copyrights, trademarks and other trade secrets, or be otherwise adversely affected by the extremely competitive markets in which many of their competitors operate.

Options. Purchasing put and call options, as well as writing such options, are highly specialized activities and entail greater than ordinary investment risks. Because option premiums paid or received by an investor will be small in relation to the market value of the investments underlying the options, buying and selling put and call options can result in large amounts of leverage. As a result, the leverage offered by

trading in options could cause an investor's asset value to be subject to more frequent and wider fluctuations than would be the case if the investor did not invest in options.

Derivatives. Swaps, and certain options and other custom derivative or synthetic instruments are subject to the risk of nonperformance by the counterparty to such instrument, including risks relating to the financial soundness and creditworthiness of the counterparty. In addition, investments in derivative instruments require a high degree of leverage, meaning the overall contract value (and, accordingly, the potential for profits or losses in that value) is much greater than the modest deposit used to buy the position in the derivative contract. Derivative securities can also be highly volatile. The prices of derivative instruments and the investments underlying the derivative instruments may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the Funds or the Adviser. Further, transactions in derivative instruments are not undertaken on recognized exchanges, and will expose the Funds or the Hedge Funds in which they invest to greater risks than regulated exchange transactions that provide greater liquidity and more accurate valuation of securities.

Commodity and Futures Contracts. Commodity futures markets (including financial futures) are highly volatile and are influenced by factors such as changing supply and demand relationships, governmental programs and policies, national and international political and economic events and changes in interest rates. Because of the low margin deposits normally required in commodity futures trading, a high degree of leverage is typical of a commodity futures trading account. As a result, a relatively small price movement in a commodity futures contract may result in substantial losses to the trader. Commodity futures trading may also be illiquid. Certain commodity exchanges do not permit trading in particular futures contracts at prices that represent a fluctuation in price during a single day's trading beyond certain set limits. If prices fluctuate during a single day's trading beyond those limits -- which conditions have in the past sometimes lasted for several days in certain contracts -- the Funds or the Hedge Funds in which they invest could be prevented from promptly liquidating unfavorable positions and thus be subject to substantial losses.

Fixed-Income and Debt Securities. Investment in fixed-income and debt securities such as bonds, notes and asset-backed securities, subject portfolios to the risk that the value of these securities overall will decline because of rising interest rates. Similarly, portfolios that hold such securities are subject to the risk that the portfolio's income will decline because of falling interest rates. Investments in these types of securities will also be subject to the credit risk created when a debt issuer fails to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that debt to decline. Lastly, investments in debt securities will also subject the investments to the risk that the securities may fluctuate more in price, and are less liquid than higher-rated securities because issuers of such lower-rated debt securities are not as strong financially, and are more likely to encounter financial difficulties and be more vulnerable to adverse changes in the economy.

Non-U.S. Securities. Investing in securities of companies domiciled or operating in one or more non-U.S. countries involves considerations and possible risks not typically involved in investing in securities of companies domiciled and operating in the United States, including instability of some non-U.S. governments, the possibility of expropriation, limitations on the use or removal of funds or other assets, changes in governmental administration or economic or monetary policy (in the United States or abroad) or changed circumstances in dealings between nations. The application of foreign tax laws (e.g., the imposition of withholding taxes on dividend, interest or other payments) or confiscatory taxation may also affect investment in non-U.S. securities. Higher expenses may result from investment in non-U.S. securities than would from investment in domestic securities because of the costs that must be incurred in connection with conversions between various currencies and foreign brokerage commissions that may be higher than the United States. Non-U.S. securities markets also may be less liquid, more volatile and less subject to governmental supervision than in the United States. Investments in non-U.S. countries could be affected by other factors not present in the United States, including lack of uniform accounting, auditing and financial reporting standards and potential difficulties in enforcing contractual obligations.

Emerging Markets. The risks of foreign investments typically are greater in less developed countries, sometimes referred to as emerging markets. For example, political and economic structures in these countries may be less established and may change rapidly. These countries also are more likely to experience high levels of inflation, deflation, or currency devaluation, which can harm their economies and securities markets and increase volatility. Restrictions on currency trading that may be imposed by emerging market countries will have an adverse effect on the value of the securities of companies that trade or operate in such countries.

Emerging Market Debt Securities. Emerging market debt securities, including short-term and long-term securities denominated in various currencies, may be unrated or rated in the lower rating categories by the various credit rating agencies. These securities are subject to greater risk of loss of principal and interest than higher-rated securities and are generally considered to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. They are also generally subject to greater risk than securities with higher credit ratings in the case of deterioration of general economic conditions. Evaluating credit risk for non-U.S. debt securities involves great uncertainty because credit rating agencies throughout the world have different standards, making comparisons across countries difficult. The market for emerging market debt securities is thinner and less active than that for higher-rated securities, which can adversely affect the prices at which securities are sold. In addition, adverse publicity and perceptions about emerging market debt securities, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of such securities.

Repurchase Agreements. In the event of the bankruptcy or other default of a seller of a repurchase agreement, the Funds or Hedge Fund Managers could experience both delays in liquidating the underlying securities and losses including: (i) possible decline in the value of the underlying security during the period while it seeks to enforce its rights thereto; (ii) possible lack of access to income on the underlying security during this period; and (iii) expenses of enforcing its rights.

Reverse Repurchase Agreements. Reverse repurchase agreements involve the risk that the market value of the securities retained by the Funds or Hedge Fund Managers may decline below the price of the securities the Funds or Hedge Fund Managers have sold but is obligated to repurchase under the agreement. In the event the buyer of securities under a reverse repurchase agreement files for bankruptcy or becomes insolvent, the use of the proceeds of the agreement may be restricted pending a determination by the other party, or its trustee or receiver, whether to enforce the Funds' or Hedge Fund Managers' obligation to repurchase the securities.

Lack of Liquidity of Assets. Assets (i.e., through the Funds or Hedge Fund Managers retained by the Funds) may, at any given time, consist of securities and other financial instruments or obligations which are thinly-traded or for which no market exists and/or which are restricted as to their transferability under applicable securities laws. The sale of any such investments may be possible only at substantial discounts and it may be extremely difficult to accurately value any such investments.

Mortgage Backed Instruments and Other Real Estate Related Securities. The investment characteristics of mortgage-backed instruments differ from traditional debt securities. Major differences include the fact that interest and principal payments are made more frequently, usually monthly, and that principal may be prepaid at any time because the underlying mortgage loans generally may be prepaid at any time. Prepayments may have an adverse impact on mortgage-backed instruments in two ways. Particular investments may experience outright losses, as in the case of an interest-only security in an environment of faster actual or anticipated prepayments, and may under-perform relative to hedges that a Hedge Fund Manager may have constructed for these investments, resulting in a loss.

Investments in real estate investment trusts and other real estate related securities are subject to the risks incident to the ownership and operation of real estate generally, including declines in the value of real estate, risks related to general and local economic conditions, dependency on management skill, heavy cash flow dependency, possible lack of availability of mortgage funds, overbuilding, extended vacancies of properties, increased taxes and operating expenses, changes in zoning laws, losses due to costs resulting from the clean up of environmental problems, liability to third parties for damages resulting

from environmental problems, casualty or condemnation losses, limitations on rents, changes in neighborhood values and the appeal of properties to tenants and changes in interest rates.

Item 9. Disciplinary Information

This Item is not applicable.

Item 10. Other Financial Industry Activities and Affiliations

The Adviser is not registered nor does it have an application pending to register as a broker-dealer, a registered representative of a broker-dealer, a futures commission merchant, a commodity pool operator, or an associated person of the foregoing entities. It is likely that the Adviser will be required to register as a commodity trading advisor by December 31, 2012.

Jeffrey Tarrant, Managing Member and CEO of the Adviser, is also the President and sole owner of Arista Group, Inc., an unregistered investment adviser which provides investment management services to a private advisory client. To the extent that such client is also an Investor in the Fund(s), advisory fees for such assets are assessed solely through the Funds, consistent with the Funds' offering memoranda. Assets managed outside of the Funds by Arista Group, Inc. are managed on a non-discretionary basis, and Arista Group, Inc. does not earn any advisory fees on such investments.

Daniel Federmann, Member and Chief Operating Officer of the Adviser, is a Board Member of the Hedge Fund Business Operations Association. As further discussed in Item 11 below, authorization by the Compliance Officer to serve on a board of directors is based upon a determination that the board service would not be inconsistent with the interest of any Fund.

Because, in certain circumstances, the Adviser receives Investment Manager Seed Cash Flows from Seed Investments in addition to investment management fees and performance-based compensation, the Adviser may be faced with a potential conflict of interest in determining how much of the Funds' capital to allocate to those Hedge Fund Managers with which such Funds have a Seed Investment.

The Funds may invest in an entity controlled by the Adviser that will pool managed accounts with Hedge Fund Managers.

Finally, the Adviser has entered into and may enter into additional agreements, or "side letters," with certain prospective or existing Investors whereby such Investors may be subject to terms and conditions that are more advantageous than those set forth in the offering memoranda of the Funds. For example, such terms and conditions may provide for special rights to make future investments in the Funds and such other rights as may be negotiated by the Funds and such Investors. The modifications are solely at the discretion of the Funds and may, among other things, be based on the size of the Investor's investment in the Funds, an agreement by an Investor to maintain such investment in the Funds for a significant period of time or other similar commitment by an Investor to the Funds. Further, existing Investors in certain Funds may be subject to reduced fees in exchange for investments in other Funds.

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

The Adviser has adopted a Code of Ethics (the "Code") that obligates the Adviser and its Covered Persons (as defined below) to put the interests of the Adviser's Funds before their own interests and to act honestly and fairly in all respects in their dealings with Funds. All of the Adviser's personnel are also required to comply with applicable federal securities laws. Investors or prospective Investors may obtain a copy of the Code by contacting Jessica Davis (Chief Compliance Officer) by email at jd@protegepartners.com, or by telephone at 212-784-6303. See below for further provisions of the Code as they relate to the pre-clearing and reporting of securities transactions by Covered Persons.

The Adviser, in the course of its investment management activities, may come into possession of confidential or material nonpublic information about issuers, including issuers in which the Adviser or its related persons have invested or seek to invest on behalf of Funds. The Adviser is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, regardless of whether such other person is a Fund. The Adviser maintains and enforces written policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and to ensure that the Adviser is meeting its obligations to Funds and remains in compliance with applicable law. In certain circumstances, the Adviser may possess certain confidential or material, nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security, but the Adviser will be prohibited from communicating such information to the Fund or using such information for the Fund's benefit. In such circumstances, the Adviser will have no responsibility or liability to the Fund for not disclosing such information to the Fund (or the fact that the Adviser possesses such information), or not using such information for the Fund's benefit, as a result of following the Adviser's policies and procedures designed to provide reasonable assurances that it is complying with applicable law.

To the extent of any principal transactions, the Adviser will disclose to the Funds in writing before the completion of the transaction the capacity in which the Adviser is acting with respect to the arrangement/relationship, and will obtain the Funds' consent to such transaction as required by Section 206(3) of the Advisers Act. The Adviser has not engaged in any principal transactions to date.

"Access Person" means any member, officer, director or employee of the Adviser, or other person who provides investment advice on behalf of the Adviser and is subject to the supervision and control of the Adviser who (i) has access to nonpublic information regarding any Funds' purchase or sale of securities, or nonpublic information regarding portfolio holdings of any reportable fund or (ii) is involved in making securities recommendations to Funds (or who has access to such recommendations that are nonpublic). "Covered Person" means any director/manager, officer, employee or Access Person of the Adviser. For purposes of the Code, the Adviser considers all employees of the Adviser to be Covered Persons. Accounts of Covered Persons, including accounts of spouses, immediate family members living in the same household are all subject to the Code.

High ethical standards are essential for the success of the Adviser and to maintain the confidence of the Funds and Investors in the Funds. The Adviser's long-term business interests are best served by adherence to the principle that the interests of the Funds and their Investors come first. The Adviser has a fiduciary duty to the Funds to act solely for their benefit. All Covered Persons of the Adviser must put the interests of the Funds before their own personal interests and must act honestly and fairly in all respects in dealings with the Funds and their Investors. All personnel of the Adviser must also comply with all federal securities laws. The Code contains provisions designed to prevent improper personal trading, identify conflicts of interest and provide a means to resolve any actual or potential conflicts in favor of the Funds. Adherence to the Code and the related restrictions on personal investing is considered a basic condition of employment by the Adviser.

Covered Persons are generally discouraged from making personal investments in (a) hedge funds, investment products linked to the returns of hedge funds or other products utilizing strategies other than long-only strategies or (b) the equity, debt or other related derivative instruments of publicly traded operating companies. The Adviser believes that such Covered Persons should bring such perceived investment opportunities to the attention of the Adviser for the potential benefit of the Funds. It is the responsibility of each Covered Person to ensure that a particular securities transaction being considered for his or her personal account is not subject to a restriction contained in the Code or otherwise prohibited by any applicable laws. Personal securities transactions for Covered Persons may be effected only in accordance with the Code.

A Covered Person must obtain the prior written approval of the Compliance Officer before engaging in any transaction (including distributions of stock) involving Reportable Securities as such term is defined in

the Code in his or her personal account provided, with the exception of exempted transactions (which include purchases or sales that are non-volitional on the part of the Covered Person such as purchases that are made pursuant to a merger, tender offer or exercise of rights; purchases or sales pursuant to an automatic investment plan; transactions in securities that are not Reportable Securities; transactions effected in, and the holdings of, any account over which the Covered Person has no direct or indirect influence or control (i.e., blind trust, discretionary account or trust managed by a third party), purchases or sales of closed-end index funds; and purchases or sales of exchange traded funds that are based on a broad-based securities index). The Compliance Officer generally will not approve transactions involving the purchase or sale of the equity, debt or related derivative instruments of publicly traded operating companies. Exceptions to this will be made on a case by case basis (i.e. sales of securities purchased prior to the adoption of the Code or prior to the Covered Person's employment with the Adviser). The Compliance Officer may approve other transactions if the Compliance Officer concludes that the transaction would comply with the provisions of the Code and is not likely to have any adverse economic impact on the Funds. A request for pre-clearance must be made by completing a pre-clearance form and submitting it to the Compliance Officer in advance of the contemplated transaction. Generally, any security owned or contemplated by the Funds for purchase or sale will not be approved for personal trading. Any approval given will remain in effect for 24 hours or such longer period as specified by the Compliance Officer.

A Covered Person may not acquire any direct or indirect beneficial ownership in any securities in any initial public offering without prior written approval of the Compliance Officer. A Covered Person may not acquire any beneficial ownership in any securities in any private placement of securities or investment opportunity of limited availability unless the Compliance Officer has given express prior written approval; provided, however, that the Compliance Officer generally will not approve transactions involving the purchase or sale of interests in hedge funds or hedge fund related products. The Compliance Officer, in determining whether approval should be given, will take into account, among other factors, whether the investment opportunity should be reserved for the Funds, whether the opportunity is being offered to the Covered Person by virtue of his or her position with the Adviser and whether the investment by such Covered Person may create a conflict of interest with the Adviser or the Funds (e.g., personal investments in vendors or suppliers with respect to which the Covered Person negotiates or makes decisions on behalf of the Adviser or the Funds).

A Covered Person shall not serve as a director (or similar position) on the board or a member of a creditors committee of any company unless the Covered Person has received written approval from the Compliance Officer and the Adviser has adopted policies to address such service. Authorization will be based upon a determination that the board service would not be inconsistent with the interest of any Fund account. At the time a Covered Person submits the initial holdings report upon employment, the Covered Person must submit to the Compliance Officer a description of any business activities in which the Covered Person has a significant role.

No Covered Person may purchase and sell the securities of the same issuer within 30 days or engage in more than 20 personal securities transactions during any 30 day period.

All Covered Persons must direct their brokers or custodians or any persons managing the Covered Person's account in which any Reportable Securities are held to supply the Compliance Officer with:

- Duplicate copies of securities trade confirmations within 30 days after the Covered Person's transaction.
- The Covered Person's monthly and quarterly brokerage statements.

All Covered Persons must submit to the Compliance Officer a report of their securities transactions no later than 30 days after the end of each calendar quarter or as soon as available from their securities broker. The report must set forth each transaction in a Reportable Security in which the Covered Person had any beneficial interest during the period covered by the report.

Each Covered Person must notify the Compliance Officer promptly if the Covered Person opens any new account in which any Reportable Securities are held with a broker or custodian or moves such an existing account to a different broker or custodian.

All Covered Persons will, within 10 days of commencement of employment with the Adviser, submit an initial statement to the Compliance Officer listing all of the securities in which the Covered Person has any beneficial ownership and the names of any brokerage firms or banks where the Covered Person has an account in which ANY securities are held. The report must be dated the day the Covered Person submits it, and must contain information that is current as of a date no more than 45 days prior to the date the person becomes a Covered Person of the Adviser.

Item 12. Brokerage Practices

Hedge Fund Managers:

Hedge Fund Managers may consider a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation. Such factors may include net price, reputation, financial strength and stability, efficiency of execution and error resolution and offering to the Hedge Fund Manager on-line access to computerized data regarding a client's accounts. In selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation, a Hedge Fund Manager need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It may not be a Hedge Fund Manager's practice to negotiate "execution only" commission rates, thus a client may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate.

Hedge Fund Managers may receive research or other products or services other than execution from a broker-dealer in connection with securities transactions. This is known as a "soft dollar" relationship. It is expected, but cannot be guaranteed, that Hedge Fund Managers will limit the use of "soft dollars" to obtain research and brokerage services to services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)"). Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self regulatory organization such as comparison services, electronic confirms or trade affirmations.

The use of client commissions (or markups or markdowns) to obtain research and brokerage products and services raises conflicts of interest. For example, Hedge Fund Managers will not have to pay for the products and services themselves. This creates an incentive for Hedge Fund Managers to select or recommend a broker-dealer based on its interest in receiving those products and services.

Hedge Fund Managers may also be paying for services other than research and brokerage that are included in the commission rate. These other services may include, without limitation, office space, facilities and equipment; administrative and accounting support; supplies and stationery; telephone lines, usage and equipment and other items which might otherwise be treated as an expense of the Hedge Fund Manager.

To the extent a Hedge Fund Manager utilizes commissions to obtain items that would otherwise be an expense of the Hedge Fund Manager, such use of commissions in effect constitutes additional compensation to the Hedge Fund Manager.

It is noted that certain of the foregoing commission arrangements are outside the parameters of Section 28(e) which permits the use of commissions or “soft dollars” to obtain “research and brokerage” services. Finally, it is noted that since commission rates are generally negotiable, selecting brokers on the basis of considerations which are not limited to applicable commission rates may result in higher transaction costs than would otherwise be obtainable.

Direct Investments:

With respect to direct investments, the Adviser considers a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation. Such factors include net price, reputation, financial strength and stability, efficiency of execution and error resolution and offering to the Adviser on-line access to computerized data regarding accounts. In selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not the Adviser's practice to negotiate “execution only” commission rates, thus a Fund may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate. The Adviser's Compliance Team and the relevant traders and portfolio managers meet periodically to evaluate the broker-dealers used by the Adviser to execute trades using the foregoing factors.

The Adviser may receive research or other products or services other than execution from a broker-dealer in connection with securities transactions. This is known as a “soft dollar” relationship. To the extent the Adviser receives such other products or services, the Adviser will limit the use of “soft dollars” to obtain research and brokerage services to services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934 (“Section 28(e)"). Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self regulatory organization such as comparison services, electronic confirms or trade affirmations.

To the extent the Adviser uses commissions to obtain Section 28(e) eligible research and brokerage products and services, the Adviser's Compliance Team and the relevant traders and portfolio managers will periodically review and evaluate soft dollar practices and to determine in good faith whether, with respect to any research or other products or services received from a broker-dealer, the commissions used to obtain those products and services were reasonable in relation to the value of the brokerage, research or other products or services provided by the broker-dealer. This determination will be viewed in terms of either the specific transaction or the Adviser's overall responsibilities to the accounts or portfolios over which the Adviser exercises investment discretion.

The use of commissions (or markups or markdowns) to obtain research and brokerage products and services raises conflicts of interest. For example, the Adviser will not have to pay for the products and

services itself. This creates an incentive for the Adviser to select or recommend a broker-dealer based on its interest in receiving those products and services.

Research and brokerage services obtained by the use of commissions arising from a Fund's portfolio transactions may be used by the Adviser in its other investment activities, including, for the benefit of other Fund accounts. It is not the Adviser's policy to seek to allocate soft dollar benefits to Fund accounts proportionately to the soft dollar credits the accounts generate.

In some instances, the Adviser may obtain a product or service that is used, in part, by the Adviser for Section 28(e) eligible purposes and, in part, for other purposes. In such instances, the Adviser will make a good faith effort to determine the relative proportion of the product or service used to assist the Adviser in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e). Such determination will be made based on the actual use of the product or service by the Adviser's personnel. The proportion of the product or service attributable to assisting the Adviser in carrying out its investment decision-making responsibilities will be paid through brokerage commissions generated by Fund transactions and the proportion attributable to administrative or other purposes outside Section 28(e) will be paid for by the Adviser from its own resources. The determination of the appropriate allocation of "mixed use" products and services creates a potential conflict of interest between the Adviser and the Funds.

From time to time, the Adviser may participate in capital introduction programs arranged by broker-dealers, including firms that serve as prime brokers to a private fund managed by the Adviser or recommend these private funds as an investment to Funds. The Adviser may place portfolio transactions with firms who have made such recommendations or provided capital introduction opportunities, if the Adviser determines that it is otherwise consistent with seeking best execution. In no event will the Adviser select a broker-dealer as a means of remuneration for recommending the Adviser or any other product managed by the Adviser (or an affiliate) or affording the Adviser with the opportunity to participate in capital introduction programs.

The Adviser does not engage in directed brokerage.

When appropriate, the Adviser may, but is not required to, aggregate orders to achieve more efficient execution or to provide for equitable treatment among accounts, although Funds may purchase identical securities on the same day without aggregating such orders. Funds participating in aggregated trades will be allocated securities based on the average price achieved for such trades subject to odd lots, rounding, and market practice. If an aggregated order is only partially filled, the Adviser's procedures provide that the securities or proceeds are to be allocated in a manner deemed fair and equitable to Funds. Depending on the investment strategy pursued and the type of security, this may result in a pro rata allocation to all participating Funds. When the Adviser does not engage in the practice of aggregating orders, the Funds may not receive the potential benefits of aggregation, such as lower commission rates and uniform pricing. As a result, the Funds may pay a higher commission rate and receive less favorable prices than if the Adviser aggregated orders.

Item 13. Review of Accounts

Each Fund portfolio will be reviewed on a periodic basis by its respective portfolio manager to determine whether the portfolio is being managed in a manner that is consistent with the Fund's investment objectives, guidelines and/or restrictions, as disclosed in the offering documents for each Fund. The investment research team also maintains an Investment Manual detailing the processes and procedures used to vet investment opportunities and thereby identify those opportunities which are consistent with a Fund's investment objectives. The offering memorandum for each such Fund is periodically reviewed for consistency and compliance.

Periodically, the Compliance Team, the Chief Financial Officer and the respective portfolio manager of each Fund will compare the performance of the Funds' portfolios with that of Funds with substantially similar investment objectives, guidelines and restrictions. The Chief Financial Officer will also report any unexplained significant discrepancies to the Compliance Officer and senior management to determine appropriate action.

Periodically, a Compliance Team member, with the assistance of the Chief Financial Officer or other personnel of the Adviser if necessary, will determine whether each Fund is in compliance with legal requirements including but not limited to Section 12(d) of the Investment Company Act of 1940 and Section 13 and Section 16 of the Securities Exchange Act of 1934. In addition, the Adviser will monitor compliance with its anti-money laundering procedures.

Significant market events affecting the prices of one or more securities in a Fund's account may trigger reviews of Fund accounts on other than a periodic basis.

Investors receive reports from the Funds pursuant to the terms of each Fund's offering memorandum or as otherwise described in the offering document of the Fund.

Item 14. Client Referrals and Other Compensation

The Adviser may receive certain research or other products or services from broker-dealers through "soft-dollar" arrangements. These "soft-dollar" arrangements create an incentive for the Adviser to select or recommend broker-dealers based on the Adviser's interest in receiving the research or other products or services and may result in the selection of a broker-dealer on the basis of considerations that are not limited to the lowest commission rates and may result in higher transaction costs than would otherwise be obtainable by the Adviser on behalf of the Funds. Please see Item 12 for further information on the Adviser's "soft-dollar" practices, including the Adviser's procedures for addressing conflicts of interest that arise from such practices.

Personnel of the Adviser may receive or give a gift, favor, special accommodation, or other items of value in the course of carrying out the business of the Adviser. To address conflicts that may arise, the Adviser places restrictions on gifts and certain types of business entertainment. Set forth below is the Adviser's policy relating to gifts and business entertainment:

Gifts

- **General** - No Covered Person may give or receive any gift, service, or other item of more than de minimis (approximately \$250) value to or from any person or entity that does business with or potentially could conduct business with or on behalf of the Adviser.
- **Solicited Gifts** - No Covered Person may use his or her position with the Adviser to obtain anything of value from a Fund Investor, supplier, person to whom the Covered Person refers business, or any other entity with which the Adviser does business.
- **Cash Gifts** - No Covered Person may give or accept cash gifts or cash equivalents to or from an Investor, prospective Investor, or any entity that does business with or potentially could conduct business with or on behalf of the Adviser.

Business Entertainment

- **General** - Covered Persons may provide or accept a business entertainment event, such as dinner or a sporting event, of reasonable value, if the person or entity providing the entertainment is present.

- Extravagant Entertainment - No Covered Person may provide or accept extravagant or excessive entertainment to or from an Investor, prospective Investor, or any person or entity that does or potentially could do business with or on behalf of the Adviser.

Each Covered Person must report any gifts in excess of \$250 value received in connection with the Covered Person's employment to the Compliance Officer. The Compliance Officer may require that any such gift be returned to the provider or that an expense be repaid by the Covered Person. Similarly, each Covered Person must report any event likely to be viewed as so frequent or of such high value as to raise a question of impropriety. Any such event must be approved by the Compliance Officer. The Compliance Officer will maintain records of any gifts and/or business entertainment events so reported.

As set forth in Items 5 and 10 above, the Adviser seeks to enter into strategic relationships with Seed Managers such that certain Funds receive Seed Cash Flows in addition to the market related return on their investment. Further, should the Adviser negotiate rights to invest in the future capacity of a Seed Manager, those rights may be shared with Investors in the Funds, with additional rights offered to Investors that refer a Seed Manager to the Adviser.

The Adviser may make cash payments to third-party solicitors for Investor or client referrals, provided that, to the extent required, each such solicitor has entered into a written agreement with the Adviser pursuant to which the solicitor will provide each prospective Investor or client with a copy of the Adviser's Form ADV Part 2, and a disclosure document setting forth the terms of the solicitation arrangement, including the nature of the relationship between the solicitor and Adviser and any fees to be paid to the solicitor. Where applicable, cash payments for Investor or client solicitations will be structured to comply fully with the requirements of Rule 206(4)-3 under the Advisers Act and related SEC staff interpretations. The Adviser currently employs one such independent consultant based in Dubai.

Item 15. Custody

This Item is not applicable.

Item 16. Investment Discretion

The Adviser provides investment advisory services on a discretionary basis to the Funds.

Prior to assuming full discretion in managing assets, the Adviser enters into an investment management agreement or other agreement that sets forth the scope of the Adviser's discretion.

Unless otherwise instructed or directed by a discretionary client, the Adviser has the authority to determine (i) the securities to be purchased and sold for each Fund (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines) and (ii) the amount of securities to be purchased or sold for the Fund. Because of the differences in investment objectives and strategies, risk tolerances, tax status and other criteria, there may be differences among Funds in invested positions and securities held. The Adviser submits an allocation statement to the Adviser's trading desk describing the allocation of securities to (or from) Fund accounts for each trade/order submitted. The Adviser may consider the following factors, among others, in allocating securities among Funds: (i) investment objectives and strategies; (ii) risk profiles; (iii) tax status and restrictions placed on a portfolio by the client or by applicable law; (iv) size of the account; (v) nature and liquidity of the security to be allocated; (vi) size of available position; (vii) current market conditions; and (viii) account liquidity, account requirements for liquidity and timing of cash flows. Although it is the Adviser's policy to allocate investment opportunities to eligible Funds on a pro rata basis (based on the value of the assets of each participating account relative to value of the assets of all participating accounts), these factors may lead the Adviser to allocate securities to Funds in varying amounts. Even Funds that are typically managed on a pari passu basis may from time to time receive differing allocations of securities based on total assets of each account eligible to invest in the particular investment type (e.g., new issues) divided by the total assets of all accounts eligible to invest in the particular investment.

Allocations will be made among Funds eligible to participate in new issues and secondary offerings on a pro rata basis, except when the Adviser determines in its discretion that a pro rata allocation is not appropriate, which may include an Investor's inability to participate in new issues or secondary offerings and an Investor's status as a "restricted person" or "covered investor" under applicable regulations.

Securities acquired by the Adviser for the Funds through a limited offering will be allocated pursuant to the procedures set forth in the Adviser's allocation policy. The policy provides that the Adviser will determine the proposed allocation of limited offering securities after considering the factors described above with respect to general allocations of securities and determining those Funds eligible to hold such securities. Eligibility will be based on the legal status of the Funds and the Fund's investment objectives and strategies. However, there can be no assurance that an investment opportunity that comes to the attention of the Adviser will not be allocated wholly or primarily to a specific Fund or Funds, with other Funds being unable to participate in such investment opportunity or participating only on a limited basis.

In particular, while it is anticipated that there will, at times, be some or significant overlap between the positions in certain Funds' portfolios that are not generally managed *pari passu*, the respective portfolios may trade very differently from each other because the mandates, objectives, liquidity, concentration, risk tolerance and other parameters will be very different between the portfolios. Accordingly, there may be times where certain Funds take a position which is not in another Fund's portfolio, reduce in whole or in part a position which continues to be maintained in another Fund's portfolio or maintains or increase a position which is being reduced in another Fund's portfolio.

The Adviser may effect cross transactions between Funds, except as otherwise noted below. Cross transactions enable the Adviser to effect a trade between two Funds for the same security at a set price, thereby possibly avoiding an unfavorable price movement that may be created through entrance into the market and saving commission costs for both accounts. Cross transactions include rebalancing transactions that are undertaken so that, after withdrawals/redemptions or contributions/subscriptions have occurred, the portfolio compositions of similarly managed Funds remain substantially similar. The Adviser has a potentially conflicting division of loyalties and responsibilities regarding both parties to cross transactions. Cross transactions between Funds are not permitted if they would constitute principal trades or trades for which the Adviser or its affiliates are compensated as a broker unless consent has been obtained based upon written disclosure to the Investors of the capacity in which the Adviser or its affiliates will act. In addition, cross transactions are not permitted for benefit plan or other similar accounts that are subject to ERISA.

The Adviser uses its best efforts to ensure that trade orders are entered correctly. If an error is made on behalf of a Fund account, the Adviser will use its best efforts to break or mitigate the trade as soon as possible upon discovery of the error.

Trading errors (i.e., when an order is not executed according to the portfolio manager's instructions due to a mistake of fact, processing error or other similar reason) and order errors (i.e., when an order is not suitable and appropriate for the Funds because of investment restrictions or regulatory limitations, changed circumstances, inadvertent duplication or other similar reason) that are attributable to the Adviser shall be corrected in accordance with the following principles:

1. The Adviser will use its best efforts to ensure that orders are entered correctly; however, to the extent that an error occurs, it is to be (i) corrected or mitigated as soon as practicable; and (ii) reported to the Compliance Officer. The Adviser is not liable to and will be indemnified by the Funds for any losses due to trade errors except to the extent of the Adviser's willful misconduct or gross negligence.
2. Trades that are simply misallocated to the wrong Fund account ("trade misallocations") and are discovered prior to settlement date shall be reallocated to the originally intended Fund account at the price of the original trade.

3. If an error (other than a trade misallocation) is discovered on the trade date or thereafter, the trade shall be broken or mitigated, if possible. To the extent the trade cannot be corrected or mitigated, the error should be reported to the Compliance Officer, who will investigate the matter and will determine an otherwise appropriate resolution.

4. After a complete investigation and evaluation of the circumstances surrounding an error, the Compliance Officer has discretion to resolve a particular error in a manner other than specified in these procedures. Any errors resulting from unique circumstances shall be resolved on a case by case basis.

5. Broker-dealers may not be permitted to assume responsibility for trading error losses caused by the Adviser, nor may there be any reciprocal arrangements with respect to the trade in question or any other trade(s) to encourage the broker to assume responsibility for such losses. In cases where the error is attributable to the broker or other third party, adequate records of the trade and its correction must be maintained together with an indication in such records of the reason for such correction, e.g., "broker error."

Item 17. Voting Client Securities

To the extent the Adviser has been delegated proxy voting authority on behalf of the Funds, the Adviser complies with its proxy voting policies and procedures that are designed to ensure that in cases where the Adviser votes proxies with respect to Fund securities, such proxies are voted in the best interests of each of the Funds, which may result in different voting results for proxies for the same issuer. The Adviser votes proxies in the interest of maximizing value for the Funds and the Investors in the Funds. To that end, the Adviser endeavors to vote proxies in the manner that it determines in good faith will be the most likely to cause the Funds' investments to increase the most or decline the least in value. Consideration is given to both the short and long-term implications of the proposal to be voted on when considering the optimal vote. The Adviser believes that voting proxies in accordance with the following guidelines is in the best interests of the Funds.

- Generally, the Adviser will vote in favor of routine corporate housekeeping proposals, including election of directors (where no corporate governance issues are implicated), selection of auditors, and increases in or reclassification of common stock.
- Generally, the Adviser will vote against proposals that make it more difficult to replace members of the issuer's board of directors, including proposals to stagger the board, cause management to be overrepresented on the board, introduce cumulative voting, introduce unequal voting rights, and create supermajority voting.

For other proposals, the Adviser shall determine whether a proposal is in the best interests of Funds and may take into account the following factors, among others:

- whether the proposal was recommended by management and the Adviser's opinion of management;
- whether the proposal acts to entrench existing management; and
- whether the proposal fairly compensates management for past and future performance.

If a material conflict of interest between the Adviser and a Fund exists, the Adviser will determine whether voting in accordance with the guidelines set forth in the proxy voting policies and procedures is in the best interests of the Fund or take some other appropriate action. The Adviser does not make any qualitative judgment regarding the Funds' investments.

Investors may obtain a copy of the Adviser's proxy voting policies and procedures and information about how the Adviser voted a Fund's proxies by contacting Jessica Davis, Chief Compliance Officer by email at jd@protegepartners.com or by telephone at 212-784-6303.

Item 18. Financial Information

This Item is not applicable.

Appendix: Item 2. Material Changes

This Item is not applicable.