

Item 1 – Cover Page

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This brochure (this “**Brochure**”) provides information about the qualifications and business practices of Trust Asset Management, LLP (“**TAM**”), an investment adviser registered with the United States Securities and Exchange Commission (the “**SEC**”). Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

If you have any questions about the contents of this Brochure, please contact us at (203) 861-8405. The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

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

Item 2 – Material Changes and General Information

Prior to the filing of its Form ADV with the SEC, TAM was not a registered investment adviser. Therefore, this Brochure does not contain any material changes from any previous brochure.

In the future, this Item 2 will discuss only specific material changes that are made to the previous brochure and provide clients with a summary of such changes. TAM will also reference the date of its last annual update of its brochure.

Pursuant to new SEC rules, TAM will ensure that you receive a summary of any material changes to this Brochure and subsequent brochures within 120 days of the close of TAM's fiscal year. You may request the most recent version of TAM's brochure by contacting Heather Garson, TAM's Chief Compliance Officer, at (203) 861-8405.

Item 3 -Table of Contents

Item 1 – Cover Page	i
Item 2 – Material Changes and General Information	ii
Item 3 -Table of Contents	iii
Glossary.....	1
Item 4 – Advisory Business	2
Item 5 – Fees and Compensation	5
Item 6 – Performance-Based Fees and Side-By-Side Management	11
Item 7 – Types of Clients.....	13
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	13
Item 9 – Disciplinary Information	27
Item 10 – Other Financial Industry Activities and Affiliations	27
Item 11 –Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	30
Item 12 – Brokerage Practices	32
Item 13 – Review of Accounts.....	36
Item 14 – Client Referrals and Other Compensation.....	37
Item 15 – Custody	37
Item 16 – Investment Discretion	37
Item 17 – Voting Client Securities.....	37
Item 18 – Financial Information.....	38
Other Information.....	38

Glossary

“Advisers Act” means the U.S. Investment Advisers Act of 1940, as amended.

“Brochure” has the meaning set forth on the cover page of this Brochure.

“Brokerage Costs” means, collectively, commission rates, mark-ups, mark-downs (and other transactional and non-transactional charges).

“Capital Introduction Events” means conferences and programs sponsored by a broker for investors interested in investing in hedge funds.

“CFTC” means the U.S. Commodity Futures Trading Commission.

“China Funds” means Fund No. 805-8043401505, Fund No. 805-5173699578 and Fund No. 805-4994091007, private equity funds managed by the China Managers. The Paloma Funds currently invest in the China Funds.

“China Managers” means New China Investment Management, Inc., New China Capital Management, LP and Cathay Master GP, Ltd.

“Client Funds” means the TAM Funds and the Portfolio Funds.

“CPP Offshore Fund” means Fund No. 805-5702848013.

“CPP Onshore Fund” means Fund No. 805-4518051164.

“CPP Funds” means CPP Onshore Fund and CPP Offshore Fund.

“Futures Fund” means Fund No. 805-2153711316.

“Initial Period” means, in respect of the TAM Management Fee payable by CPP Onshore Fund, the first 12 months following the admission of a member to that fund.

“Investment Persons” means TAM, PPMC and any of their respective partners, directors, members, officers and employees.

“Liquidity Capital Account Reduction” means monthly capital account reduction applied to the capital accounts of certain investors in the Paloma Funds (as described in more detail in [Item 5](#)).

“Other Fund” has the meaning set forth in [Item 5](#).

“Other Fund Fees” has the meaning set forth in [Item 5](#).

“Paloma Offshore Fund” means Fund No. 805-3007827982.

“Paloma Onshore Fund” means Fund No. 805-2425879089.

“Paloma Feeder Funds” means Paloma Onshore Fund and Paloma Offshore Fund.

“Paloma Fund Investment Amount” has the meaning set forth in Item 5.

“Paloma Funds” means the Paloma Feeder Funds and the Paloma Master Fund.

“Paloma Funds Managers” has the meaning set forth in Item 4.

“Paloma Master Fund” means Fund No. 805-5315493818.

“Portfolio Fund” means an external investment fund managed by an investment manager other than TAM (whether or not affiliated with TAM) in which a TAM Fund invests certain of its assets.

“Portfolio Fund Manager” means the investment manager of a Portfolio Fund.

“Portfolio Managers” means the Paloma Funds Managers and the Portfolio Fund Managers.

“PPMC” means Paloma Partners Management Company.

“Products and Services” means research and brokerage products and services.

“SEC” has the meaning set forth on the cover page of this Brochure.

“TAM” has the meaning set forth on the cover page of this Brochure.

“TAM Funds” means the Paloma Funds and the CPP Funds.

“TAM Funds Documentation” means, collectively, each TAM Fund’s respective confidential offering memorandum (if any) and governing documents.

“TAM Management Fee” means any management fees paid to TAM by the TAM Funds, as described in more detail in Item 5.

“1940 Act” means the U.S. Investment Company Act of 1940, as amended.

Item 4 – Advisory Business

TAM’s Business

A. TAM and its Principal Owners

TAM is a United States Virgin Islands limited liability partnership and has its principal place of business at 217 Commercial Street, 5th Floor, Portland, ME 04101. TAM was established in 2001. Capital Asset Management, Inc., a United States Virgin Islands corporation (wholly owned by S. Donald Sussman), is TAM’s managing partner and owns 1% of TAM. S. Donald Sussman is also a partner of TAM and owns 99% of TAM. In addition to providing advisory and other services to the TAM Funds (as outlined below), TAM owns 49.5% of New China Capital Management, L.P. (through

a limited partnership interest) and 45% of Cathay Master GP, Ltd., the investment manager and general partner, respectively, of Fund Nos. 805-8043401505 and 805-5173699578.¹

TAM is currently registered with the CFTC as a commodity pool operator. S. Donald Sussman is currently registered with the CFTC as an “associated person” of TAM.

B. Advisory and Other Services

All descriptions of the TAM Funds in this Brochure, including, but not limited to, their investments, the strategies used in managing the TAM Funds, the fees and other costs associated with an investment in the TAM Funds, and conflicts of interest faced by TAM in connection with management of the TAM Funds are qualified in their entirety by reference to the TAM Funds Documentation.

TAM provides discretionary advisory services to private investment funds in the following capacities:

- General Partner of the Paloma Master Fund;
- Managing Member of Paloma Onshore Fund;
- Trading Advisor to Paloma Offshore Fund;
- Managing Member of CPP Onshore Fund;
- Trading Advisor to CPP Offshore Fund; and
- Managing Member of the Futures Fund.

TAM also provides administrative services to the CPP Funds and the Futures Fund, which include calculating the TAM Management Fee charged to the CPP Funds, middle and back office services, compliance and accounting.

Subject to TAM’s ultimate authority, PPMC, an SEC-registered investment adviser (SEC File Number 801-72796) and a TAM affiliate, provides investment advisory services to the Paloma Funds (separate and apart from TAM) on a discretionary basis and the CPP Funds on a non-discretionary basis. PPMC’s discretion can, depending upon the circumstances, be exercised by PPMC either alone or in consultation with TAM. Typically, PPMC’s exercise of discretion with respect to the Paloma Funds is in furtherance of the Paloma Funds’ investment program as determined by TAM. PPMC also provides non-advisory services to the TAM Funds, as described in more detail below.

The Paloma Funds

The Paloma Funds seek to combine entrepreneurial, independent trading with centralized controls and risk management. TAM and PPMC have overall responsibility for the Paloma Funds’ portfolios but have generally delegated the day-to-day investment activities to Portfolio Managers.

The majority of the Portfolio Managers utilized by the Paloma Funds are engaged as independent contractors to trade for the benefit of the Paloma Master Fund (pursuant to trading authorizations) (the “**Paloma Funds Managers**”). TAM and PPMC have position-level information on the

¹ S. Donald Sussman directly owns 50% of New China Investment Management, Inc., the investment manager of Fund No. 805-4994091007.

investments made by Paloma Funds Managers (on behalf of the Paloma Funds) on a T+1 basis (that is, one day after the transaction date).

PPMC's provision of services such as risk management, counterparty credit, and financing assistance in regard to the Paloma Funds, TAM and PPMC centralize the risk management and operational controls over those funds' trading activities. The Paloma Funds also make some opportunistic investments in Portfolio Funds. Portfolio Funds generally do not provide the same level of liquidity and transparency, and therefore PPMC and TAM do not have the same ability to centralize risk management and controls in respect of the Paloma Funds' investments in Portfolio Funds.

Most of the Paloma Funds' assets are currently managed for the benefit of the Paloma Master Fund on a discretionary basis by the Paloma Funds Managers. Notwithstanding the discretion given to the Paloma Funds Managers, TAM and PPMC retain ultimate investment discretion over the Paloma Funds' assets and currently directly manage a small portion of those funds' assets, and TAM and PPMC may in the future manage a greater portion of those funds' assets. The Paloma Funds currently maintain limited investments in Portfolio Funds, including investments in the China Funds.

The CPP Funds

The CPP Funds are "funds-of-funds" that directly or indirectly invest substantially all of their assets in Portfolio Funds. The Portfolio Funds may utilize a variety of investment strategies (as of the date of this Brochure, principally absolute return strategies are utilized) (see [Item 8](#) for a description of, and certain risks related to, these strategies). The CPP Funds are structured as "mini master" funds (that is, CPP Offshore Fund invests most of its assets in CPP Onshore Fund).

TAM provides discretionary advisory services, as well as administrative services, to the CPP Funds.

The Futures Fund

The Futures Fund was originally organized in 2003 to invest in Portfolio Funds which are typically commodities pools trading in futures contracts on commodities, including physical commodities and various financial instruments, options on such contracts, and other instruments with similar characteristics which may be either traded on recognized exchanges worldwide or offered through over-the-counter markets. However, as of the date of this Brochure, the only interests in the Futures Fund held by investors other than S. Donald Sussman are interests in a side pocket account pending liquidation of an asset by a Portfolio Funds Manager. One of the investors that holds an interest in the Futures Fund's side pocket account is the CPP Onshore Fund.

TAM, as managing member of the Futures Fund, provides discretionary advisory services to the Futures Fund, and PPMC provides certain administrative services to the Futures Fund, including tax and documentation systems services.

C. Tailoring of Advisory Services

TAM's investment decisions and advice are generally subject to each TAM Fund's investment objectives and guidelines, as set forth in the relevant TAM Funds Documentation.

D. Wrap Fee Programs

TAM does not participate in wrap fee programs by providing portfolio management services.

E. Assets Under Management

As of December 31, 2011, TAM managed \$4,186,800,000 on a discretionary basis.

Item 5 – Fees and Compensation

A. Compensation for Advisory Services

TAM Compensation

TAM generally receives the TAM Management Fee from:

- Paloma Onshore Fund: at an annual rate of 1.5% of each investor's capital account balance;
- Paloma Offshore Fund: at an annual rate of 1.5% of each investor's "net asset value" (as defined in the relevant TAM Funds Documentation);
- CPP Onshore Fund:
 - *at the end of the Initial Period*: the TAM Management Fee attributable to the member, when added together with all TAM Management Fees attributable to the member and paid since the member's admission to the fund, may not exceed the product of (a) 0.125% (1/12th of 1.5%), times (b) the number of months following admission of that member, (c) times the average capital account balance of that member for the first 12 month following its admission; and
 - *following the Initial Period*: if, as of the end of any month, a member's capital account had any net capital appreciation over the 12-month period then ended, the TAM Management Fee attributable to that member, when added together with all TAM Management Fees attributable to that member and paid during the preceding 11-month period, may not exceed an amount equal to 1.5% of the average capital account balance of that member as of the first day of such month and the last day of each of the 11 preceding months;
- CPP Offshore Fund:
 - if, as of the end of a month, the net asset value of the fund has increased over the 12-month period then ended, the TAM Management Fee for that month, when added together with all TAM Management Fees paid during the preceding 11-month period, may not exceed an amount equal to 1.5% of the average net asset value of

the Fund as of the first day of such month and the last day of each of the 11 preceding months; and

- the TAM Management Fee paid by CPP Offshore Fund will be reduced on a dollar-to-dollar basis to the extent that CPP Onshore Fund pays a TAM Management Fee.

For purposes of calculating the TAM Management Fee, “net capital appreciation” means the excess, if any, of increases in net asset value allocated to a capital account over decreases in net asset value so allocated during the relevant period.

The Futures Fund does not pay any asset-based or performance-based compensation to TAM, although the Futures Fund does bear its administrative fees and expenses as well as any fees and expenses charged by the Portfolio Funds in which it invests.

The TAM Management Fee may be subject to (i) any applicable fee waivers with respect to particular investors (as described further below under “Fee Waivers/Reductions”) and/or (ii) any TAM Funds’ terms which may limit TAM’s ability to collect a management fee from one or more of the TAM Funds (for example, the TAM Management Fee paid by the CPP Funds, as described above).

J.P. Morgan Hedge Fund Services (with respect to the Paloma Funds) and TAM (with respect to the CPP Funds) calculate the amount of the TAM Management Fee.

The Paloma Funds currently invest in the China Funds, which are managed by the China Managers. By virtue of his direct and indirect ownership interests in the China Managers, S. Donald Sussman directly or indirectly receives management fees and performance-based compensation from the China Funds. However, as described below, TAM waives the TAM Management Fee for the Paloma Funds’ investments in Other Funds such as the China Funds.

TAM does not currently have a fee schedule.

Waiver of TAM Compensation

In the event that a Paloma Fund invests or commits capital to invest (directly or indirectly) in a fund from which S. Donald Sussman is entitled (directly or indirectly) to “Other Fund Fees” (an “**Other Fund**”), Mr. Sussman will waive, or cause to be waived, the portion of the TAM Management Fee that would have otherwise been charged to the Paloma Fund with respect to an amount of net asset value equal to the “Paloma Fund Investment Amount.” For purposes of this provision: (i) “**Other Fund Fees**” means management fees, other asset-based fees and performance-based fees; and (ii) “**Paloma Fund Investment Amount**” means the amount of capital invested or committed by the Paloma Fund in the Other Fund upon which the Other Fund calculates its management fees.

PPMC Compensation

PPMC does not receive any management fees or performance compensation from the TAM Funds.

Expenses

In addition to the TAM Management Fee, the CPP Funds pay or reimburse (i) TAM's expenses related to the services it renders as the CPP Funds' administrator, including any operating and overhead expenses associated with TAM's provision of services to the CPP Funds, and (ii) the expenses associated with the retention of any other service providers (including PPMC) engaged to provide services related to the CPP Funds.

All expenses of PPMC (such as salaries and bonuses paid to PPMC employees and all other operating expenses of PPMC) are paid for by the TAM Funds (either by direct payments or reimbursement payments). Investors and prospective investors in the TAM Funds should carefully review these operating costs and expenses, as set forth in the relevant TAM Funds Documentation.

Investors with an interest in the Futures Fund's side pocket account (that is, investors other than S. Donald Sussman), through their interest in the Futures Fund, pay or reimburse (i) TAM's expenses related to the services it renders as the Futures Fund's administrator, including any operating and overhead expenses associated with TAM's provision of services to the Futures Fund, (ii) the expenses associated with the retention of any other service providers engaged to provide services related to the Futures Fund and (iii) PPMC's expenses related to the services it provides to the Futures Fund, including any operating and overhead expenses associated with PPMC's provision of services to the Futures Fund.

Expenses allocated to the TAM Funds are material, both on an absolute basis and as a percentage of the TAM Funds' assets. Investors and prospective investors should note that TAM and PPMC may have a conflict with respect to controlling its expenses, as the TAM Funds Documentation does not limit the amount of TAM's or PPMC's expenses that the TAM Funds may pay, advance or reimburse (with the exception of the CPP Funds' offering documentation, which limits "Allocable Expenses" – that is, the expenses of TAM and PPMC charged to the relevant CPP Fund - to 2% of the fund's net asset value for any given year).

TAM and PPMC have established policies and procedures to review their respective expenses for compliance with expense disclosures in the relevant TAM Funds Documentation.

TAM and PPMC seek to allocate their respective costs and expenses equitably among the TAM Funds in accordance with their expense allocation procedures. While TAM and PPMC believe their methodologies are reasonable, reasonable alternative methodologies may exist which could yield different results.

TAM and PPMC believe that their expense allocation procedures provide an objective methodology for allocating expenses among the TAM Funds, and serve to mitigate any potential conflict arising from their employees' investments in certain of those funds. Any questions regarding the allocation of a particular expense which are not addressed in the expense allocation procedures are resolved by PPMC's Administration Committee.

Liquidity Capital Account Reduction²

Investors in the Paloma Funds that elect a quarterly withdrawal cycle (instead of an annual withdrawal cycle) are subject to a **Liquidity Capital Account Reduction** at an annual rate of either 0.25% or 0.50% of the relevant capital account balance (depending on the value of the capital account balance). Any Liquidity Capital Account Reduction will be credited to the capital account balances of investors electing an annual withdrawal cycle on a *pro rata* basis; *provided* that any amount over and above the sum of (i) the TAM Management Fee and (ii) the Paloma Funds' administration and operating expenses (but not trading expenses) (each of (i) and (ii) as allocated to or otherwise borne by investors electing an annual withdrawal cycle in the aggregate) are payable to TAM.

Paloma Funds Manager Compensation

Each Paloma Funds Manager is entitled to receive a management fee and performance-based compensation calculated in accordance with the relevant investment management agreement.

Management fees paid to a Paloma Funds Manager are generally pre-determined through negotiations with TAM and/or PPMC and may be based on (i) committed capital, (ii) the Paloma Funds Managers' anticipated expenses and/or (iii) any other basis deemed reasonable by TAM and/or PPMC. Performance-based compensation is generally calculated based on a percentage of the Paloma Funds Manager's net profits calculated with respect to a discrete period of time, for example, as of each calendar year-end or as of the date of a Paloma Funds Manager's termination.

Performance-based compensation may be subject to a hurdle rate (that is, the minimum return necessary for a Paloma Funds Manager to start collecting performance-based compensation) and/or a high water mark (that is, a Paloma Funds Manager only collects performance based compensation on any value above the highest historical value of the assets), and may, but typically does not, exceed 20% of the relevant net profits. A high water mark may be waived if the relevant Paloma Fund deems that waiver to be in its best interests. The Paloma Master Fund also may, in its discretion, provide Paloma Funds Managers with advances, which may be non-refundable, on their performance-based compensation.

Performance-based compensation is generally payable to each Portfolio Manager based solely on their own performance. A TAM Fund may therefore pay performance-based compensation to a Portfolio Manager even if the overall performance of the relevant TAM Fund is negative.

(See Item 6 for disclosure regarding certain potential conflicts regarding Portfolio Manager compensation.)

Portfolio Fund Fees and Expenses

² Investors in Paloma Offshore Fund are subject to a Liquidity NAV Reduction, which reduces the net asset value of shareholders with a quarterly redemption cycle at the same rate as the Liquidity Capital Account Reduction reduces investors' capital account balances.

The TAM Funds' investment in a Portfolio Fund is subject to that fund's asset-based and performance-based compensation as well as a share of that fund's expenses (which, in certain cases, will include all of the out-of-pocket expenses of the relevant Portfolio Fund Manager).

Because of the affiliation between TAM, PPMC and the China Managers, there may appear to be a conflict between TAM's and PPMC's fiduciary duties toward their clients and the benefits accruing to S. Donald Sussman (for example, increasing the assets under management of a China Fund) as a result of the Paloma Funds' investment in the China Funds. TAM believes that its allocation procedures help to mitigate this potential conflict (see [Item 10](#) for a description of TAM's allocation procedures). Further, as described above, TAM waives the TAM Management Fee in respect of a Paloma Fund's investments in Other Funds such as the China Funds.

Fee Waivers/Reductions

The TAM Funds, with the consent of TAM, may elect to reduce, waive, calculate differently, or provide rebates on:

- the TAM Management Fee with respect to certain investors, including, without limitation, investors that are partners, affiliates or employees of TAM and/or PPMC, members of the immediate families of those persons and trusts or other entities for their benefit, strategic or large investors or in connection with solicitation arrangements with placement agents and asset aggregators; and
- any Liquidity Capital Account Reduction with respect to certain Paloma Funds investors, including, without limitation, strategic or large investors or in connection with solicitation arrangements with placement agents and asset aggregators (but not Paloma Funds investors that are partners, affiliates or employees of TAM, PPMC, members of the immediate families of those persons and trusts or other entities for their benefit).

The TAM Funds' expenses, including TAM's and PPMC's expenses, cannot be waived, reduced, calculated differently or rebated for any investor.

As described above, TAM waives the TAM Management Fee in respect of a Paloma Fund's investments in Other Funds such as the China Funds.

Valuation

The value of the TAM Funds' investments is relevant to numerous aspects of the TAM Funds, including:

- the amount of the TAM Management Fee (which is generally based on the value of an investor's capital account or a fund's net asset value);
- the amount of Paloma Funds Managers' performance-based compensation (which is generally based on any increase in the Paloma Funds Managers' portfolios' net asset value);
- the amount to be paid to an investor that is withdrawing, in whole or in part, from a fund;

- the percentage interest to be assigned to an investor that is making a capital contribution to a fund; and
- the performance information to be provided to existing and potential investors in a fund.

J.P. Morgan will value the Paloma Funds' assets in accordance with TAM's Valuation Policy and Securities Pricing Procedures. If the relevant Paloma Fund determines that the valuation provided by J.P. Morgan does not fairly represent the value of an asset, that Paloma Fund, in its discretion, will value such asset as it reasonably determines based on guidelines established in TAM's policies. Net asset value will be calculated monthly as set forth in the Paloma Funds' offering memoranda based upon unaudited information and may be adjusted retroactively following completion of a year-end audit or revised unaudited information from the issuers of portfolio investments.

The Futures and CPP Funds' valuation procedures provide that the fair value of those funds' investment in a Portfolio Fund ordinarily will be the value determined by the relevant Portfolio Fund Manager in accordance with that Portfolio Fund's valuation policies. Although TAM retains the ultimate discretion with respect to the valuation of the Futures and CPP Funds' assets, and TAM generally receives audited financial statements on an annual basis from the Portfolio Funds, other than those audited financial statements, TAM will have little or no additional means of independently verifying valuations provided by those Portfolio Fund Managers.

There may be a potential conflict of interest related to TAM's valuation of the Paloma Funds' and the CPP Funds' assets. Specifically, TAM may overvalue those funds' assets to increase the amount of TAM's asset-based management fee and to attract and retain investors, and may undervalue those funds' assets to decrease the amount of any withdrawal payments (which would conflict with TAM's duty to act in the best interests of its clients). Any such potential conflicts of interest are mitigated by the fact that the majority of the Paloma Funds' assets are priced by J.P. Morgan using market prices.

Reserves

If, after giving effect to a withdrawal, an investor would be completely withdrawn from the relevant TAM Fund except for its interest in one or more illiquid investments, TAM may determine to reserve or hold back a portion of the proceeds with respect to such withdrawal that is required, in its reasonable discretion, to pay for the TAM Management Fee then expected to be earned (or owed, as applicable) and other expenses, liabilities and contingencies then expected to be accrued over the life of those illiquid investments (including general reserves for unspecified contingencies).

B. Method of Fee Payments

Pursuant to the terms of the relevant TAM Funds Documentation:

- for the Paloma Funds, the TAM Management Fee and any Liquidity Capital Account Reductions (or Liquidity NAV Reductions, as applicable) are deducted from the relevant Paloma Fund's assets on the first business day following the month to which those amounts relate; and

- for the CPP Funds, the TAM Management Fee is deducted from the relevant CPP Fund's assets upon the calculation of that CPP Fund's net asset value as of the last business day of the month to which that amount relates.

Other expenses borne by the TAM Funds, including TAM's and PPMC's expenses, are deducted from the relevant TAM Fund's assets periodically in advance or in arrears.

The management fees payable to the Paloma Funds Managers are paid periodically in advance and any performance-based compensation payable to the Paloma Funds Managers is accrued monthly and paid based on the calculation periods set forth in the investment management agreements.

C. Other Fees/Expenses

The TAM Funds will bear all of their respective direct expenses, including their organizational, ongoing operating, trading, offering, legal and audit expenses, and any other expenses of any nature related to the business of the TAM Funds. CPP Offshore Fund bears the services fee and other expenses (including any indemnification expenses) payable to its administrator, Harbour Financial Services Limited.

The Paloma Feeder Funds will each bear the fees and expenses of any direct investment activities in which it engages and, through its investment in the Paloma Master Fund, will bear its *pro rata* share of the expenses related to the administration and investment activities of the Paloma Master Fund.

The Paloma Funds bear the services fee and other expenses (including any indemnification expenses) payable to their respective administrators (J.P. Morgan Hedge Fund Services for the Paloma Master Fund and Paloma Onshore Fund and Harbour Financial Services Limited for Paloma Offshore Fund).

D. Prepayment of Fees

As described in "Method of Fee Payments" above, the TAM Management Fee and, for the Paloma Funds, any Liquidity Capital Account Reductions (or Liquidity NAV Reductions, as applicable) are deducted from the relevant TAM Fund's assets after the month to which those amounts relate.

E. Compensation for the Sale of Securities

Neither TAM nor its supervised persons accepts compensation for the sale of securities or other investment products.

Item 6 – Performance-Based Fees and Side-By-Side Management

Generally

As described in Item 5 above, Portfolio Managers generally receive performance-based compensation from the TAM Funds. S. Donald Sussman receives, directly and indirectly (including through his interest in TAM), a portion of the performance-based compensation paid by the Paloma

Funds to the China Funds. TAM does not currently receive any performance-based compensation from any of its clients.

TAM expects that all performance-based fees and allocations are calculated and paid or allocated in accordance with Section 205 and Rule 205-3 under the Advisers Act. Further, the TAM Funds will not accept investors who do not satisfy the eligibility criteria of Rule 205-3.

Conflicts

Performance-based compensation may incentivize Portfolio Managers to engage in riskier investment behavior

The receipt of performance-based compensation may incentivize Portfolio Managers to make investments that are riskier or more speculative than they would make if they did not receive performance-based compensation. Further, “net appreciation,” which is the basis for most performance-based compensation, includes unrealized appreciation of client assets, and may result in that person receiving greater performance-based compensation than would be the case if net appreciation was based only on realized gains. TAM discloses this conflict in the relevant TAM Funds Documentation to potential investors and investors in the TAM Funds.

Portfolio Managers may be incentivized to favor a client that pays performance-based compensation over a client that does not pay, or pays lower, performance-based compensation

Portfolio Managers may be incentivized to favor a client that pays performance-based compensation over a client that does not pay, or pays lower, performance-based compensation. For example, Portfolio Managers may be incentivized to allocate more profitable assets (or dedicate a great portion of their time) to clients that pay higher performance-based compensation than the TAM Funds. TAM expects that the Paloma Funds Managers maintain policies and procedures that seek fair allocation of time and investment opportunities among all clients.

Performance-based compensation may encourage Portfolio Managers to overvalue assets in order to increase the amount of that performance-based compensation

Performance-based compensation may encourage Portfolio Managers to overvalue assets in order to increase the amount of that performance-based compensation. To mitigate this conflict in the context of the Paloma Funds Managers, J.P. Morgan values, and TAM ultimately determines, the value of the Paloma Funds’ assets. With respect to the Portfolio Fund Managers:

- disclosure is made in the CPP Funds’ offering documents that, while TAM will generally receive annual audited financial statements from the Portfolio Funds, TAM will have little or no means of independently verifying valuations provided by the Portfolio Fund Managers, and that TAM may not have information about the securities in which the Portfolio Funds invest or their valuation; and

- disclosure is made in the Paloma Funds' offering documents that TAM may rely on information provided by outside parties, and such information may be inaccurate, incomplete, out of date or otherwise unreliable.

Item 7 – Types of Clients

As noted in Item 4 above, TAM provides discretionary portfolio management services (and certain administrative services) to the TAM Funds (which may be organized as domestic or foreign partnerships, corporate or other incorporated or unincorporated entities).

Interests in the TAM Funds and the TAM Funds themselves are not registered under the U.S. Securities Act of 1933, as amended or the 1940 Act, respectively. Accordingly, interests in the TAM Funds are offered exclusively to investors satisfying the applicable eligibility and suitability requirements either in private placement transactions within the United States or in offshore transactions, and the TAM Funds are excepted from the definition of an “investment company” under Section 3(c)(7) of the 1940 Act.

Investors in the TAM Funds are required to complete and submit a subscription agreement binding them to the terms of the relevant TAM Funds Documentation. The minimum investment is generally \$10 million for the Paloma Funds, \$5 million for the CPP Funds and \$1 million for the Futures Fund. However, that minimum investment amount for TAM Fund investors may be modified, depending on the investor relationship and in accordance with the relevant TAM Funds Documentation.

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

A. Investment Strategies, Instruments and Certain Related Risks

Generally

The Paloma Funds are multi-manager, multi-strategy hedge funds which impose no material limitations on the investment instruments, markets or countries in which the Paloma Funds may invest. TAM provides discretionary advisory services to the Paloma Funds.

Paloma Funds Managers generally have discretion with respect to their trading mandate, which may be modified from time-to-time and is subject to PPMC's and/or TAM's general direction concerning matters of risk and strategy.

Paloma Funds Managers have established, and may in the future establish, one or more Portfolio Funds (in which the TAM Funds have invested and may in the future make additional investments). The Paloma Funds may share in the management fees and performance-based compensation generated by those Portfolio Funds. Such interests may be in the form of equity in the applicable Paloma Funds Manager, a special class of shares or limited partnership interest in the Portfolio Fund (or an affiliated fund), or a contractual agreement with the Portfolio Fund (or an affiliated

fund) or its portfolio manager. Such investments may be subject to restrictions on disposition or other conditions that make it difficult to value currently such securities in an equitable manner. In addition, such investments may not have a readily ascertainable market value. Such investments and investments in other types of illiquid securities need not necessarily be held as illiquid investments and may give rise to additional risks.

TAM also provides discretionary advisory services (and certain administrative services) to the CPP Funds and the Futures Fund. The CPP Funds are “funds-of funds” that invest primarily in other private investment vehicles that use and may in the future use a variety of strategies. As described above in Item 4, interests in the Futures Fund held by investors other than S. Donald Sussman are limited to interests in a side pocket account pending liquidation of a fund asset by a Portfolio Fund Manager.

Investment Strategies, Instruments and Related Risks

The following is a summary of (i) the strategies and methods TAM, PPMC and/or the Portfolio Managers use in formulating advice or managing assets (and their material risks) for the Client Funds and (ii) certain material risks associated with the types of securities that TAM, PPMC and/or the Portfolio Managers primarily recommend to their respective Client Funds. Any or all of the strategies described below may be undertaken in developing or emerging markets, or in the securities of companies based in developing or emerging markets (see “Investments in Developing and Emerging Markets” under “TYPES OF SECURITIES AND CERTAIN RELATED RISKS” below).

The information included in this Brochure does not include every potential risk associated with each investment strategy or security. Investors and prospective investors in the TAM Funds are urged to ask questions regarding risk factors applicable to a particular investment strategy or security, read all product-specific risk disclosures (for example, the relevant TAM Fund’s confidential private offering memorandum) and determine whether a particular strategy or type of security is suitable for his/her/its own account in light of his/her/its circumstances, investment objectives and financial situation. Investing in securities involves risk of loss that investors should be prepared to bear.

STRATEGIES AND CERTAIN RELATED RISKS

1. Capital Structure/Relative Value

Description of strategy: This strategy focuses on extracting value by investing in different portions of the entire capital structure, ranging from debt to equity, of one or more companies. This type of trading involves determining whether different types of securities are mispriced relative to one another or are underpriced or overpriced relative to some measure of intrinsic worth. Positions may also include related hedges involving the utilization of credit default swaps, options, and other financial instruments. The overall portfolio can range from being market neutral to having significant directional exposure.

One sub-set of this strategy is convertible security arbitrage, which involves buying a bond or preferred stock that is convertible into the common stock of the same or a different issuer and

simultaneously selling short the underlying common stock, either directly or through the use of options.

Certain related risks:

- The success of this strategy will depend on identifying and exploiting the relationships and discrepancies in price between movements in different securities and instruments within an issuer's capital structure (for example, bank debt, convertible and non-convertible senior and subordinated debt and preferred and common stock). Identification and exploitation of these opportunities involve uncertainty.
- A Client Fund could incur a loss in the event that the perceived pricing inefficiencies underlying an issuer's securities were to fail to materialize.
- The securities may turn out to have no relationship.

2. Distressed Investing

Description of strategy: This strategy involves buying the securities of companies involved in spin-offs, bankruptcies, liquidations, workouts, financial reorganizations, operational turnarounds or other similar events in anticipation that those securities will appreciate. This strategy involves, at times, purchasing bank debt related to the issuer and may also involve selling short the relevant securities for hedging or investment purposes. Portfolio managers may also focus on companies with significant real estate assets and invest in securities backed by, or closely related to, the underlying real estate assets of the issuer. In addition, this strategy may encompass investments in the obligations of sovereigns, government agencies, or municipal securities, among other possible investments.

Certain related risks:

- This strategy involves investments in "below investment grade" securities and obligations of issuers that may be: (i) in weak financial condition; (ii) experiencing poor operating results; (iii) having substantial capital needs or negative net worth; (iv) facing special competitive or product obsolescence problems (including companies involved in bankruptcy or other reorganization and liquidation proceedings).
- Among the risks inherent in investments in troubled entities is the fact that it frequently may be difficult to obtain information as to the true condition of those entities. Laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court's power to disallow, reduce, subordinate or disenfranchise particular claims may also adversely affect these investments.

3. Equity Long/Short

Description of strategy: This strategy involves taking positions in the equity securities of companies based on an assessment of fundamental value of those companies compared to market prices. A Client Fund may take a long position in securities that it considers undervalued and sell

short securities that it considers overpriced. Portfolio structures can range from market neutral to having some correlation to general market movements. The strategy may also involve taking long or short positions in specific securities versus an index, exchange traded fund, or basket of securities. The overall portfolio aims to modulate correlation to major market directional movements.

Certain related risks:

- Short selling activities are significantly different from the investment activities commonly associated with conservative stock funds. Short securities' positions are speculative and more risky than "long" positions (purchases) because the cost of the replacement security is unknown. The potential loss on an uncovered short sale is unlimited.
- Prices of stocks can fall rapidly in response to developments affecting a specific company or industry, or to changing economic, political or market conditions. A Client Fund's investments may underperform either the securities markets generally or particular segments of the securities markets.

4. Event Driven, Special Situations, Merger Arbitrage

Description of strategy: This strategy involve investing in the securities of publicly-traded companies surrounding events including, but not limited to, corporate restructurings, dividend announcements, mergers, cash tender offers, exchange offers, acquisitions, spin-offs, recapitalizations and corporate governance situations, in expectation of profiting from the difference between the price of such securities at the inception of the investment and the price of such securities in expectation of, or upon, consummation of the event. In mergers and acquisitions, the portfolio manager frequently will simultaneously purchase the security of the company being acquired and sell short toe security of the acquiring company. In connection with this strategy, some portfolio managers may engage in activist investing. The portfolio may contain value-driven long or short positions in listed or unlisted equities, convertible bonds, and other securities.

One subset of this strategy is activist investing, which generally involves taking an ownership stake substantial enough, alone or in conjunction with others, to influence the management of the companies within a portfolio. A portfolio manger may build a cooperative relationship with management or may pursue hostile strategies. This strategy may include going-private transactions, management changes, divestitures, and acquisitions.

Certain related risks:

- Event driven investing requires predictions about (i) the likelihood that an event will occur and (ii) the impact such event will have on the value of a company's securities. If the event fails to occur or it does not have the effect foreseen, losses can result.
- Because of the inherently speculative nature of event driven investing, the results of a Client Fund's operations may be expected to fluctuate from period to period. Accordingly, Client Fund investors should understand that the results of a particular period will not necessarily be indicative of results that may be expected in future periods.

- A Client Fund, acting either alone or with others, may acquire a “control” position in an issuer’s securities. This may subject the Client Fund to additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations and other types of liability in which the limited liability characteristic of business operations may be ignored.
- While holding board positions will be important to the investor Client Fund’s investment strategy, director positions may also have the effect of impairing a Client Fund’s ability to sell the related securities when, and upon the terms, it may otherwise desire (for example, due to possession of material non-public information).

5. Fixed Income Relative-Value Trading

Description of strategy: This strategy involves the purchase and sale of fixed-income securities and related derivatives in order to capture inefficiencies in the relative pricing of similar fixed-income instruments. Typically, inefficiencies occur when supply-and-demand issues or other factors affect bonds at specific maturities along the yield-curve and a portfolio manager can buy or sell the inefficiently priced security and hedge the risk with securities of similar maturities. This type of relative-value trading involves the use of sovereign debt, interest-rate swaps, futures contracts, forward contracts, government-sponsored enterprise debt (i.e., “agency” securities) and options on all the aforementioned securities. Fixed-income relative value trading in agency and non-agency residential mortgage-backed securities, commercial mortgage-backed securities, and asset-backed securities and options may also be undertaken. At times of significant market dislocations, this strategy may involve taking significant directional, unhedged positions in certain securities.

Certain related risks:

- Evaluating credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult.
- The market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments.
- It is likely that any economic downturn could adversely affect the ability of the issuers of debt securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

6. High Yield Investing

Description of strategy: This strategy involves buying and selling the debt of unrated companies or companies with ratings below investment grade. Positions both long and short are generally established based on an assessment of fundamental value. This strategy may employ credit derivatives, bank debt, senior and subordinated bonds, equity or other securities.

Certain related risks:

- High-yield securities are generally not exchange traded and, as a result, these instruments trade in the over-the-counter marketplace, which is less transparent than the exchange-traded marketplace.
- High-yield securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments.
- It is possible that a major economic recession could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, it is possible that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default of such securities.
- Higher-yielding debt securities are generally unsecured and may be subordinated to certain other outstanding securities and obligations of the issuer, which may be secured on substantially all of the issuer's assets.

7. Statistical Arbitrage/Algorithmic Trading

Description of strategy: This strategy involves algorithmic process-driven trading in which the investing is driven by quantitative methods and statistical models. These models generate trading decisions by identifying mispricings based on different metrics such as deviations from equilibria, momentum, pattern recognition, volume or flow-driven momentum effects and factors underlying security price variations. The frequency of trading varies by model, but may be high. These portfolios have low outright market exposures and the objective is to generate returns with minimal correlation to directional moves of the major markets.

Certain related risks:

- This strategy depends on selected mispricings returning to historical or predicted norms. In the event that the perceived mispricings were to fail to normalize as expected, a Client Fund could incur a loss.
- The liquidation of portfolios at times of stress may result in losses.
- Quantitative models may be ineffective and a Client Fund could incur a loss.
- Models used by portfolio managers may contain human or electronic errors (in coding, inputs or otherwise) that are either not discovered by or not disclosed by the portfolio managers (and which could have either positive or negative effects on a Client Fund's net asset value).

8. Systematic futures trading

Description of strategy: This strategy involves investing in a portfolio of futures contracts, including financial futures, equity indices, currencies and commodities contracts, using algorithmic or discretionary techniques in markets. Generally, individual market positions may have some directional exposure.

Certain related risks:

- The value of futures depends upon the price of the instruments, such as commodities, underlying them. The prices of futures are highly volatile, and price movements of futures contracts can be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies.
- Investments in futures are also subject to the risk of the failure of any of the exchanges on which a Client Fund's positions trade or of its clearinghouses or counterparties.
- Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." This could prevent a Client Fund from promptly liquidating unfavorable positions and subject the Client Fund to substantial losses or from entering into desired trades.

9. Volatility and Correlation Relative-Value/Arbitrage

Description of strategy: This strategy involves the purchase and sale of derivatives (typically instruments in which optionality plays a role) that are mispriced relative to their theoretical value. These strategies can also involve the purchase or sale of derivatives that are hedged by the simultaneous purchase or sale of the underlying security or financial contract.

Certain related risks:

- The success of the volatility arbitrage strategy will depend on a portfolio manager's ability to identify and take advantage of mispriced levels of implied volatility in securities (i.e., purchase "cheap" volatility and short "expensive" volatility in anticipation of the price convergence). Such volatilities are implied in various securities such as convertible bonds, options and futures. Identification and exploitation of these opportunities involve uncertainty and, in the event that the perceived volatilities underlying an issuer's securities were to fail to materialize as expected by the portfolio manager, a Client Fund could incur a loss.
- At times, a Client Fund may have significant directional exposure to the volatility of one or more assets or the correlation of two or more assets.

10. Macro Economic Strategies

Description of strategy: This strategy involves the purchase or sale of securities or derivatives for the purpose of profiting from price movements in equity market indices, bond prices, currencies, commodities, and other markets based, typically, on a macro-economic or broader economic analysis than would be applied to the purchase or sale of specific securities issued by corporations or governments. These strategies may be directional or seek to exploit the relative mispricing across markets and geographies.

Certain related risks:

- Macro-economic based strategies depend on successfully exploiting larger economic themes in highly liquid markets such as equity indices, bond futures, currencies, and commodities.
- These markets have the potential to adjust extremely quickly to new information and, as such, a Client Fund may not be able exit a losing position until such adjustments have fully occurred, thus incurring a substantial loss.
- These strategies also typically employ significant leverage which has the potential to magnify gains and losses.

11. Leverage

Description of strategy: this strategy involves the use of various financial instruments or borrowed capital, such as margin, to increase the potential return of an investment. A Client Fund may pledge its securities in order to borrow additional funds for investment purposes. A Client Fund may also leverage its investment return with options, short sales, swaps, forwards and other derivative instruments.

Certain related risks:

- The amount of borrowings outstanding at any time attributable to an investor's interest in a Client Fund may be large in relation to the capital contributed to that Client Fund by the investor.
- While leverage presents opportunities for increasing a portfolio's total return, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of a Client Fund's investment would be magnified to the extent the Client Fund's account is leveraged. This may result in a substantial loss to the Client Fund and its investors, which would be greater than if leverage had not been employed in managing the account.

12. Hedging

Description of strategy: this strategy seeks to offset the risks associated with an individual position, the markets, a portfolio strategy or any other risks identified which the portfolio manager believes can be hedged. Hedging employs various techniques but, generally involves taking equal and opposite positions in two different markets (such as cash and futures markets).

Certain related risks:

- There can be no assurance that such hedging techniques will be effective or that they will result in higher or more stable returns than would have been the case had they not been employed.
- Hedging techniques will tend to limit any potential gain that might result from an increase in the value of a hedged position.
- Under certain circumstances, hedging techniques intended to reduce certain forms of risk may actually increase risk, whether due to the unintended market impact of hedging transactions, leverage effects associated with hedging positions, unexpected adverse price

movements of a hedging instrument relative to the hedged instrument (i.e., adverse changes in the “basis” between the hedging and hedged instrument), lower liquidity of the hedged and hedging positions relative to an unhedged position, the risks related to the use of derivative instruments, or other factors.

13. Investments in Private Companies/Private Equity

Description of strategy: this strategy encompasses a broad range of medium- and long-term investments in private companies that are not freely tradable on a public stock market and may be subject to significant restrictions on transfer and be otherwise illiquid. A Client Fund may also invest in mezzanine debt or other types of financing to private companies in connection with acquisitions or similar transactions. A Client Fund seeks to profit from a successful disposition of these investments either in a “going public” transaction or in a private sale of the Client Fund’s interest.

Certain related risks:

- See “Investments in Private Companies/Private Equity; Related Risks” below in “TYPES OF SECURITIES AND CERTAIN RELATED RISKS.”

14. Investments in Real Assets

Description of strategy: opportunistic investing in physical, tangible assets which may include, without limitation, commodities, equipment, natural resources and property.

Certain related risks:

- These investments may require a longer holding period as well as related transactions to unlock value.
- There may be the lack of a transparent pricing mechanism for these assets.

15. Commodities

Description of strategy: This strategy involves using both technical and fundamental analysis to invest in commodities or futures, options or derivatives in relation to commodities, including agricultural products, energy products, metals and minerals, among others, utilizing both technical and fundamental analysis of relevant markets. A Client Fund may invest in the equity of companies that produce, process, convert, transport and service commodities, such as agricultural products, energy products, metals and minerals.

Certain related risks:

- The prices of commodities contracts and derivative instruments, including futures and options, are highly volatile.
- A Client Fund’s assets are subject to the risk of the failure of any of the exchanges on which its positions trade or of its clearinghouses or counterparties.

- Swaps and certain options and other custom instruments are subject to the risk of non-performance by the swap counterparty, including risks relating to the creditworthiness of the swap counterparty, market risk, liquidity risk and operations risk.

TYPES OF SECURITIES AND CERTAIN RELATED RISKS

1. Common and Preferred Stock

Certain related risks:

- Equity securities fluctuate in value in response to many factors, including the activities and financial conditions of individual companies, the business market in which individual companies compete, industry market conditions and general economic environments.

2. Debt Securities

Certain related risks:

- Debt securities, including convertible debt securities, may be subject to price volatility due to various factors including changes in interest rates, market perception of the creditworthiness of the issuer and general market liquidity.
- In addition to the sensitivity of debt securities to overall interest rate movements, debt securities involve a fundamental credit risk based on the issuer's ability to make principal and interest payments on the debt it issues.

3. Government Securities

Certain related risks:

- There is a risk that a decline in interest rates will cause these investments' yields to decline.
- There is a risk that a rise in interest rates will cause these investments' prices to decline.

4. Currencies

Certain related risks:

- While a Client Fund will generally operate in U.S. dollars, the Client Fund's assets may be invested in non-U.S. securities and any income or capital received by the Client Fund will be denominated in the local currency of investment. Accordingly, changes in currency exchange rates (to the extent unhedged) will affect the value of the Client Fund's portfolio and the unrealized appreciation or depreciation of investments.
- A Client Fund may incur costs in connection with conversions between various currencies.

5. High-yield Securities

Certain related risks:

- High-yield securities are generally not exchange traded and, as a result, these instruments trade in the over-the-counter marketplace, which is less transparent than the exchange-traded marketplace.
- High-yield securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments.
- It is possible that a major economic recession could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, it is possible that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default of such securities.
- Higher-yielding debt securities are generally unsecured and may be subordinated to certain other outstanding securities and obligations of the issuer, which may be secured on substantially all of the issuer's assets.

6. Options

Certain related risks:

- The writing or purchasing of an option runs the risk of losing the entire investment in such option or of causing significant losses to a Client Fund in a relatively short period of time.
- Because any option premiums paid or received by a Client Fund 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 a Client Fund's asset value to be subject to more frequent and wider fluctuations than would be the case if the Client Fund did not invest in options.
- Upon the exercise of a put option written on securities, a Client Fund may suffer a loss equal to the difference between the price at which it is required to purchase the underlying securities and their market value at the time of the option exercise, less the premium received from writing the option.

7. Futures

Certain related risks:

- The prices of futures are highly volatile, and price movements of futures contracts can be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies.
- Investments in futures are also subject to the risk of the failure of any of the exchanges on which a Client Fund's positions trade or of its clearinghouses or counterparties.
- Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price

fluctuation limits” or “daily limits.” This could prevent a Client Fund from promptly liquidating unfavorable positions and subject the Client Fund to substantial losses or from entering into desired trades.

8. Swaps/Other Derivatives

Certain related risks:

- A Client Fund’s assets are subject to the risk of the failure of any of the exchanges on which its positions trade or of its clearinghouses or counterparties.
- Swaps and certain options and other custom instruments are subject to the risk of non-performance by the swap counterparty, including risks relating to the creditworthiness of the swap counterparty, market risk, liquidity risk and operations risk.
- When a Client Fund buys an option, a decrease (or inadequate increase) in the price of the underlying security in the case of a call, or an increase (or inadequate decrease) in the price of the underlying security in the case of a put, could result in a total loss of a Client Fund’s investment in the option (including commissions).
- When a Client Fund sells (writes) an option, the risk can be substantially greater than when it buys an option. The seller of an uncovered call option bears the risk of an increase in the market price of the underlying security above the exercise price. The risk is theoretically unlimited unless the option is “covered.” If it is covered, a Client Fund would forego the opportunity for profit on the underlying security should the market price of the security rise above the exercise price. If the price of the underlying security were to drop below the exercise price, the premium received on the option (after transaction costs) would provide profit that would reduce or offset any loss the Client Fund might suffer as a result of owning the security.
- Due to the new requirements imposed by the Wall Street Transparency and Accountability Act of 2010, a Client Fund may experience increased transaction costs to pay for the clearing, execution and segregation obligations. The application of position limits to swap contracts may also limit a Client Fund’s ability to concentrate in any particular contract or exposure to an underlying commodity and may negatively impact a Client Fund’s ability to take advantage of current market trends or conditions.

9. Credit Default Swaps

Certain related risks:

- Credit default swaps involve the risk of an unlimited increase in the market price of a particular security.
- An investment in a credit default swap involves the posting of collateral that will be returned to the Client Fund upon the termination of the credit default swap. Amounts posted as collateral may be invested in cash and/or cash equivalent investments and may not generate the same level of return as the Client Fund’s other investments.

- Swap transactions dependent upon credit events are priced incorporating many variables including the pricing and volatility of the common stock, and potential loss upon default, among other factors.
- The settlement mechanism for the credit default swap market is comparatively new and may not operate efficiently at times of market stress which could result in significant losses to the Client Fund.

10. Securities of Non-U.S. Companies

Certain related risks:

- Investments in securities of non-U.S. issuers or securities denominated or whose prices are quoted in non-U.S. currencies pose, to the extent not hedged, currency exchange risks (including blockage, devaluation and non-exchangeability), as well as a range of other potential risks which could include expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, political or social instability, illiquidity, price volatility and market manipulation.
- Less information may be available regarding securities of non-U.S. issuers, and non-U.S. issuers may not be subject to accounting, auditing and financial reporting standards and requirements comparable to, or as uniform as, those of U.S. issuers.
- Transaction costs of investing in non-U.S. securities markets are generally higher than in the United States. There is generally less government supervision and regulation of exchanges, brokers and issuers than there is in the United States.

11. Repurchase Agreements

Certain related risks:

- Repurchase agreements involve credit risk to the extent that a Client Fund's counterparties avoid certain obligations in bankruptcy or insolvency proceedings, which would likely expose the Client Fund to unanticipated losses.
- The amount of credit risk incurred by a Client Fund for a particular repurchase agreement will depend in part on the extent to which the obligation of the Client Fund's counterparty is secured by sufficient collateral.

12. Investments in Developing and Emerging Markets

Certain related risks:

- Developing or emerging markets may be more likely than developed markets to experience periods of illiquidity, market disruptions, political instability, economic distress, social instability, rules changes and restrictions on capital movement.

13. Investments in Private Companies/Private Equity

Certain related risks:

- These investments encompass a broad range of medium- to long-term investments that are not freely tradable on a public stock market and may be subject to significant restrictions on transfer and be otherwise illiquid.
- Investments in private companies generally involve longer investment periods than other types of investments.
- A Client Fund may invest in private companies at an early stage of development, which involves a high degree of business and financial risk. Early-stage companies with little or no operating history may require substantial additional capital to support expansion or to achieve or maintain a competitive position, may produce substantial variations in operating results from period to period or may operate at a loss.

B. Investments in Portfolio Funds

In addition to the risks associated with the strategies and instruments utilized by TAM, PPMC and/or the Portfolio Managers (as described in subsection “A” above), the TAM Funds’ investments in Portfolio Funds present additional risks to investors. These additional risks include, without limitation:

- Liquidity risk- the risk that investments in Portfolio Funds may be subject to liquidity constraints (for example, lock-up periods, notice requirements, suspension of withdrawal provisions, gates (which would generally allow a Portfolio Fund Manager to limit the amount of withdrawals if withdrawal requests exceed a specified percentage of the Portfolio Fund’s net asset value) and/or side pocket provisions (which would generally prevent the TAM Funds from making withdrawals from a Portfolio Fund in respect of investments by that Portfolio Fund that the relevant Portfolio Fund Manager deems to be “illiquid” until the Portfolio Fund Manager determines that those investments are no longer illiquid or liquidates those investments);
- Risks related to a lack of transparency- the risk that TAM and PPMC may have limited information about the actual securities held by a Portfolio Fund at any given time.
- Risks related to fraud or mismanagement- the TAM Funds are subject to the risk that Portfolio Fund Manager, the administrator of the Portfolio Funds (or any other person with access to TAM Fund assets) could divert or abscond with TAM Fund assets, fail to follow the disclosed investment strategy, provide false reports of operations or engage in other fraud or misconduct.
- Valuation risk- although TAM and/or PPMC will review the valuation procedures used by the Portfolio Fund Manager, TAM and PPMC will have little or no means of independently verifying valuations provided by the Portfolio Fund Manager.
- Risk of multiple levels of fees and expenses- by investing in Portfolio Funds indirectly through a TAM Fund, a TAM Fund investor bears asset-based fees at the TAM Fund level, in addition to any asset-based and performance-based fees and allocations at the Portfolio Fund level. Moreover, an investor in a TAM Fund bears a proportionate share of the

expenses of the TAM Fund and, indirectly, the expenses of the Portfolio Fund(s) in which the TAM Fund invests.

- Risks related to the inability to vote- A TAM Fund may elect to hold non-voting securities in Portfolio Funds or waive the right to vote in respect of a Portfolio Fund. In those cases, a TAM Fund will not be able to vote on matters that require the approval of the investors of the Portfolio Fund, including matters adverse to the TAM Fund's interests.

Item 9 – Disciplinary Information

On September 2, 1997, S. Donald Sussman settled a claim (regarding alleged violations of the Advisers Act) with the SEC and paid a \$40,000 civil monetary penalty. The SEC's order (Advisers Act Release No. 1653) is available here: <http://www.sec.gov/litigation/admin/ia1653.txt>.

Item 10 – Other Financial Industry Activities and Affiliations

TAM

TAM is currently registered with the CFTC as a commodity pool operator. S. Donald Sussman is currently registered with the CFTC as an “associated person” of TAM.

PPMC and the China Managers

As discussed in Item 4 above, TAM and/or PPMC provide investment advice and other services to the TAM Funds.

As described in Item 5 above, the China Managers, in which S. Donald Sussman holds an interest directly and indirectly (including through TAM), manage private equity funds in which one or more of the Paloma Funds currently invest.

Please see Item 5 for disclosure regarding potential conflicts of interest as related to allocation of Paloma Fund assets to the China Funds.

Pacific Alternative Asset Management Co LLC

S. Donald Sussman has an indirect ownership interest³ in Pacific Alternative Asset Management Co LLC, which is currently registered with the SEC as an investment adviser, and with the CFTC as a commodity pool operator and a commodity trading advisor. S. Donald Sussman is registered with the CFTC as an “associated person” of Pacific Alternative Asset Management Co LLC.

³ S. Donald Sussman owns Franklin Realty Company, which owns Franklin Realty Holdings LLC, which has a 40% ownership interest in PAAMCO Founders Co., LLC, which owns 76.25% of PAAMCO.

S. Donald Sussman does not currently participate in the management of Pacific Alternative Asset Management Co LLC.

Pooled Investment Vehicles

As described in Item 4 above, TAM and PPMC provide investment advisory services and other services to the TAM Funds.

Investment Persons may engage in activities (on behalf of itself or other clients) which may conflict with its activities on behalf of any of their other clients

Investment Persons may engage directly or indirectly in any business or other activities, including exercising investment advisory and management responsibility and buying, selling or otherwise dealing with securities for their own accounts, for the accounts of family members, and for the accounts of individual and institutional clients. These activities may conflict with Investment Persons' activities on behalf of their clients. For example:

- In order to increase the value of their personal investments, Investment Persons may individually or on behalf of clients invest in the same securities in which the TAM Funds may invest or trade (or in the TAM Funds themselves), and may invest the assets of the TAM Funds in a security while withdrawing (or recommending the withdrawal of) the same investment held by the TAM Funds; and
- Investment Persons may give advice and take action in the performance of their duties to one account which may differ from the timing and nature of action taken with respect to another account;

These other activities may affect the prices and availability of the securities and other financial instruments in which the TAM Funds invest.

Neither TAM nor PPMC has any obligation to purchase or sell for any account any investment which those persons may purchase or sell, or recommend for purchase or sale, for its or their own respective accounts, or for any other client account.

In certain circumstances, certain TAM Funds may invest in securities or other instruments of the same issuer (or affiliated group of issuers) having a different seniority in the issuer's capital structure. If the issuer becomes insolvent, restructures or suffers financial distress, there may be a conflict between the interests of those TAM Funds insofar as the issuer may be unable (or in the case of a restructuring prior to bankruptcy may be expected to be unable) to satisfy the claims of all classes of its creditors and security holders. Under these circumstances it may not be feasible to reconcile the conflicting interests of those TAM Funds in a way that protects those TAM Funds' interests.

These conflicts are disclosed to investors and prospective investors in the relevant TAM Funds Documentation.

The duties of Investment Persons serving on the board of a company in which the TAM Funds invest may conflict with TAM's duties to its clients.

Conflicts of interest may arise because Investment Personnel may serve as directors of companies in which the TAM Funds invest. In addition to any fiduciary duties that TAM and its personnel owe to the TAM Funds, as directors of a company, those personnel owe fiduciary duties to the company. Those positions may place Investment Personnel in a position where they must make a decision that is either not in the best interests of the TAM Funds or not in the best interests of the company. Such potential conflicts may be mitigated by TAM's proxy voting and information barrier policies and procedures.

Investment Persons' ownership interest in certain clients may incentivize those persons to favor those clients (and therefore themselves) over other clients

Investment Persons that have ownership interests in certain clients may have an incentive to favor those clients (and therefore themselves) over other clients. For example:

- Certain Investment Persons do own and may in the future acquire additional interests in certain of their clients (including the TAM Funds).
- An Investment Person (or its affiliate) may provide most of the initial seed money for a new fund (in which case that fund may be wholly or principally owned by that Investment Person (or its affiliate)).

TAM has in place various policies and procedures to ensure that its clients are treated fairly and that TAM acts in the best interests of its clients (see, for example, TAM's allocation procedures, as described below).

The use of a master/feeder structure may create a conflict of interest

The use of a master/feeder structure (in regards to the Paloma Funds) and a "mini master" structure (in regards to the CPP Funds) may create a conflict of interest in that varying tax considerations for the feeder funds (or as between the feeder fund and the master fund for the CPP Funds) may cause the master fund to structure or dispose of an investment in a manner that is more advantageous to one feeder fund (or itself, in the case of the CPP Funds). This potential conflict is disclosed to potential investors and investors in the TAM Funds Documentation.

Allocation Policy

Because most of the Paloma Funds' assets are currently managed by Paloma Funds Managers, and substantially all of the CPP Funds' assets are invested in Portfolio Funds, most allocation decisions with respect to the trading of assets are made at the Portfolio Manager level. TAM expects that Portfolio Managers will each have their own allocation procedures.

Nevertheless, TAM has its own allocation policies in place to be utilized in those instances where it needs to make allocation decisions. Its policies are designed to promote the fair and equitable allocation and execution of investment opportunities among its client accounts over time and are

designed to comply with the securities laws and other applicable regulations. TAM believes that these practices are designed to reasonably ensure that its client accounts are treated in a fair and equitable manner over time.

While most of the Paloma Funds' investments are made through a single fund (i.e., the Paloma Master Fund), in limited instances, TAM and/or PPMC may cause the Paloma Feeder Funds to instead invest directly in the same instrument. Such investments may be made on a basis that is other than on parallel terms or a *pro rata* basis, in the discretion of TAM or PPMC, when deemed: (i) appropriate given the differences between the funds and accounts involved; and/or (ii) otherwise to be in the best interests of the funds and accounts involved.

Letters of Understanding a/k/a "Side Letters"

By entering into side letters, certain investors in the TAM Funds may receive information that is not generally available to, or utilized by, other TAM Fund investors (whether with respect to the relevant TAM Fund, the financial markets generally or otherwise) and, as a result, may be able to act on such information (i.e., request redemptions) when others cannot.

Disclosure to potential and current TAM Fund investors is intended to mitigate this potential conflict of interest. Moreover, any rights related to access to information that are given to any investor in a TAM Fund are made available to all investors in that TAM Fund.

Any or all of the potential conflicts of interest set forth in this Item 10 and Item 11 below could apply to the Portfolio Managers.

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

TAM's Code of Ethics

The TAM Code of Ethics provides a standard of conduct for, among other things, the personal trading of TAM personnel. Under the Code of Ethics, TAM personnel must provide TAM with initial and annual holdings reports (excluding accounts holding certain securities or discretionary accounts) and quarterly transactions reports. TAM personnel are also generally prohibited from participating in initial public offerings and executing transactions in issuers included on TAM's Personal Securities Trading Restricted List, and must obtain preapproval from TAM's Chief Compliance Officer prior to investing in any private placement. TAM will review violations of its Code of Ethics to determine appropriate internal sanctions.

TAM's clients, prospective TAM clients or investors in the TAM Funds may obtain a complete copy of TAM's Code of Ethics free of charge by submitting a written request to TAM's Chief Compliance Office, Heather Garson, at Two American Lane, Greenwich, CT 06836 or by phone at (203) 861-8405.

General Conflicts

Investment Persons may have multiple advisory, transactional, financial and other interests in securities, instruments, companies or investment vehicles that may be purchased or sold for the TAM Funds (see Item 10 above). TAM has established a variety of procedures and disclosures designed to address conflicts of interest arising between the TAM Funds on the one hand and TAM's business on the other.

Affiliated Investments, Cross Trades and Principal Trades

Investment Persons may cause their clients to make investments in entities managed by Investment Persons

Investment Persons may act in multiple capacities (for example, acting as principal or agent in addition to advising a client), and may effect transactions with or for an account in instances in which Investment Persons may have multiple interests. TAM has and may in the future invest assets of the TAM Funds in entities managed by its affiliates (such as investments by the Paloma Funds in the China Funds, as described in Item 5 above).

Investment Persons receive compensation for investments by their clients in entities managed by Investment Persons

Investment Persons receive asset and/or performance-based compensation (as well as reimbursement of certain expenses and indemnification guarantees) in respect of investments by TAM's clients in entities managed by Investment Persons (for example, a Paloma Fund invests in a China Fund, and the CPP Onshore Fund holds an interest in a side pocket account of the Futures Fund). The determination by TAM to effect any such investment by TAM's clients will be based on such criteria (in keeping with such clients' investment guidelines) as TAM may determine to be appropriate at the time.

It is possible that entities managed by Investment Persons in which such investments are made may charge higher fees and expenses than would be the case if such investment were made in a comparable, non-affiliated collective investment fund or vehicle. TAM has no obligation to determine whether an investment in a comparable, non-affiliated collective investment fund or vehicle would subject its clients to lower fees and expenses. In connection with any investment, unless provided otherwise in the client's advisory agreement, the client will pay all fees pertaining to the investment and no portion of that investment's advisory, administrative or other fees and expenses will be offset against compensation payable in accordance with the advisory agreement (however, see Item 5 for a discussion of TAM's waiver of the TAM Management Fee in respect of a Paloma Fund's investment in an Other Fund).

TAM may cause its clients to engage in cross trades

TAM does not currently, but may in the future, buy and sell the same security between its client accounts when it believes, in its sole discretion, that such a transaction would be advantageous or otherwise beneficial to each of the client account involved.

Item 12 – Brokerage Practices

Selection of Broker-Dealers

Because most of the Paloma Funds' assets are currently managed by Paloma Funds Managers, and substantially all of the CPP Funds' assets are currently invested in Portfolio Funds, most trading decisions are made at the Portfolio Manager level (see below in this [Item 12](#) for information regarding the trading activities of the Paloma Funds Managers).

Nevertheless, TAM generally has the authority (as does PPMC) to determine without client consultation or consent the broker-dealer or other counterparty through which securities or other instruments (for purposes of this [Item 12](#), the term "securities" includes such other instruments) are bought and sold, and the Brokerages Costs at which transactions are effected.

Additionally, TAM and/or PPMC review and approve the prime brokers, executing brokers-dealers and counterparties used by the Paloma Funds Managers. The prime broker(s) used for a Paloma Funds Manager's transactions on behalf of the Paloma Funds are selected by TAM and/or PPMC in consultation with the Paloma Funds Manager. Executing broker-dealers and counterparties are chosen by each Paloma Funds Manager from those that have been reviewed and approved by TAM and/or PPMC. TAM expects that each Paloma Funds Manager will seek to obtain best execution on an overall basis.

In placing orders for the purchase and sale of securities for clients, TAM's policy is to seek the best execution of orders on an overall basis, which means that it seeks to ensure that the client's total cost or proceeds is the most favorable under the circumstances. Accordingly, transactions will not always be executed at the best price or the lowest available Brokerage Costs. TAM does not have any obligation to use execution-only brokers in effectuating transactions on behalf of its clients.

TAM does not adhere to any rigid formulas in making its selection of broker-dealers to effectuate securities transactions on behalf of its clients, but weighs a combination of factors or criteria. For example, in selecting brokers to effect portfolio transactions, the determination of what is expected to result in best execution on an overall basis involves a number of factors, including:

- reliability;
- reputation;
- experience in the industry;
- financial stability;
- capital commitment;
- efficiency in executing and clearing transactions;
- confidentiality of trading activity;
- provision of Products and Services (that is, research and brokerage products and services);
- idea generation;
- competitive Brokerage Costs; and
- general responsiveness.

Products and Services constituting “research” may be in any form (e.g., written, oral or on-line) and may include, without limitation:

- traditional research reports analyzing the performance of a particular company or stock, market, company and financial data;
- market, economic, political and financial information (including studies and forecasts);
- statistical information;
- data on the pricing and availability of securities; and
- seminars and conferences relating to the investment in securities or containing analyses of issuers, industries, securities, economic factors and trends and portfolio strategy.

Products and Services constituting “brokerage” may include, without limitation:

- clearance services;
- settlement services; and
- custody services.

To the extent that TAM acquires Products and Services through the use of “soft dollars,” Products and Services received will be of the type contemplated by Section 28(e) of the U.S. Securities Exchange Act of 1934 (that is, “research” and “brokerage”), although transactions may or may not otherwise comply with the provisions of Section 28(e) (e.g., may relate to transactions in instruments other than securities).

By directing trades to particular broker-dealers, TAM may generate “credits” (which may be redeemed for Products and Services provided by those broker-dealers). TAM has in place “mixed use” policies and procedures, which provide, for “mixed use items” (that is, items for which a portion constitutes brokerage or research within the meaning of Section 28(e) and a portion which does not), that portion which constitutes brokerage or research may be paid for using soft dollars and that portion which is not is paid for by TAM (which, depending upon the type of product, may ultimately be paid for or reimbursed to TAM by the TAM Fund(s)).

In connection with performing any such mixed use allocation, TAM will have a conflict of interest in determining which portion of a particular Product or Service constitutes research or brokerage (and therefore can be paid for with soft dollars) and which portion is not (and therefore must be paid for out of its own assets, unless those expenses would otherwise be paid for or reimbursed by a fund).

The use of soft dollars may cause clients to effectively pay Brokerage Costs higher than otherwise would be paid in the absence of a soft dollar arrangement. To the extent TAM receives soft dollarized Products and Services, it is saving money of its own that it would otherwise have to spend (unless those expenses would otherwise be paid for or reimbursed by a fund).

Products and Services may be used by TAM for itself and/or in servicing some or all of its clients. Some Products and Services may not necessarily be used for the TAM Funds even though their

Brokerage Costs dollars provided for those Products and Services. The TAM Funds, therefore, may not, in any particular instance, be the direct or indirect beneficiaries of the Products and Services provided. Further, the relationships with broker-dealers that provide “soft dollar” Products and Services to TAM may influence its judgment in allocating brokerage business and create a conflict of interest in using the services of those broker-dealers to execute the relevant TAM Fund’s brokerage transactions. The use of client commissions for Products and Services is subject to TAM’s policies and procedures, which include the pre-approval and documentation of Products and Services, and a periodic evaluation of the performance and execution capabilities of the broker-dealers that provide Products and Services to TAM.

It is expected that, in the conduct of their trading activities, the Paloma Funds Managers will be subject to similar conflicts of interest for themselves as are described above for TAM in respect of their trading activities (including with respect to any mixed use allocation conducted by such Paloma Funds Managers). TAM and PPMC will attempt to mitigate these conflicts of interest by monitoring the Brokerage Costs expenses charged to the Paloma Funds and by obtaining annual compliance certifications from the Paloma Funds Managers. In addition, it is expected that the Paloma Funds Managers will have in place their own policies and procedures by which they will monitor their own compliance with their best execution obligations to the Paloma Funds.

In connection with any such trading, the Paloma Funds Managers have been instructed, pursuant to their respective agreements with the relevant Paloma Funds, to limit the types of products and services acquired by them by way of soft dollars to Products and Services of the type described above (*i.e.*, those delineated above to the extent that they constitute “research” or “brokerage” within the meaning of Section 28(e)), although the related trades may not necessarily comply with the provisions of Section 28(e).

A significant number of the Paloma Funds Managers may have arrangements with the same prime broker. Accordingly, at times, there may be an increase in risk to the Paloma Funds because a large portion of their assets are exposed to the credit risk of a few prime brokers. TAM and PPMC seek to mitigate this risk by monitoring counterparty exposure and moving capital among prime brokers and counterparties as they deem appropriate.

In selecting broker-dealers for execution of securities transactions for client accounts, TAM and/or its affiliates may also consider a broker’s assistance with arranging for representatives of TAM and/or its affiliates to speak at Capital Introduction Events. Through such Capital Introduction Events, prospective investors have the opportunity to meet with representatives of TAM and/or its affiliates. Currently, neither TAM nor its affiliates compensate brokers for organizing such events or for any investments ultimately made by prospective investors attending such events (although any of them may do so in the future).

Certain of the Paloma Funds Managers may similarly participate in Capital Introduction Events. Such Paloma Funds Managers may gain access to Capital Introduction Events by virtue of their trading of Paloma Funds’ securities with the related broker-dealers, and thereby may be introduced to investors/clients with respect to investment products managed by them other than the Paloma Funds. As a result, such Paloma Funds Managers may have a conflict of interest in selecting broker-

dealers for the execution of transactions for the Paloma Funds. TAM and PPMC attempt to mitigate this conflict by monitoring Brokerage Costs expenses paid to broker-dealers in respect of trades by Paloma Funds Managers on behalf of the Paloma Funds.

Subject to TAM's ultimate authority, PPMC provides investment advisory services to the Paloma Funds on a discretionary basis (and to the CPP Funds on a non-discretionary basis). Like TAM, PPMC has the authority to determine without client consultation or consent the broker-dealer or other counterparty through which securities or other instruments are bought and sold, and the Brokerage Costs at which transactions are effected. PPMC conducts its brokerage activities in conformity with the information set forth in this Item 12. TAM periodically reviews the brokerage activities of the TAM Funds to confirm PPMC's compliance with the foregoing.

Aggregation of Trades

In the case that TAM executes trades on behalf of multiple clients, and if portfolio decisions are made contemporaneously for multiple clients in the same instrument, TAM may, if consistent with market conditions, client characteristics, and applicable law, bunch or aggregate client orders (including orders for clients in which Investment Personnel have beneficial interests) for execution. These bunched or aggregated orders might facilitate execution and may reduce brokerage and other costs. TAM, however, is not required to bunch or aggregate orders if portfolio management decisions are not made contemporaneously, if TAM determines that it would be consistent with its investment management duties or the interests of its clients not to do so, or if bunching or aggregating is not practical operationally or otherwise.

Although it is anticipated that any bunching or aggregation of orders will benefit each client overall, aggregating orders may disadvantage clients, including by resulting in shared allocations of orders or higher execution prices for clients. Alternatively, not aggregating orders may disadvantage clients, including by resulting in higher costs (including higher execution prices) for client orders.

Paloma Funds Managers may have their own trade aggregation policies, which may or may not provide for the aggregation of client trades under certain circumstances.

Trade Errors

The TAM Funds (and not Investment Personnel) will bear the cost of any losses (and reap the benefits of any gains) resulting from trading errors and similar human errors, absent gross negligence or reckless or intentional misconduct. Trading errors might include, for example, keystroke errors that occur when entering trades into an electronic trading system or typographical or drafting errors related to derivatives contracts or similar agreements. Given the volume of transactions executed on behalf of the TAM Funds, investors should assume that trading errors (and similar errors) will occur and that the relevant TAM Fund will be responsible for any resulting losses, even if such losses result from the negligence (but not gross negligence) of any "indemnified party."

Item 13 – Review of Accounts

A. Review- Risk Management

Risk management analysis and reporting are the responsibilities of PPMC's Chief Risk Officer and PPMC's Risk Management Group. TAM periodically reviews PPMC's risk management services (as described below).

Paloma Funds

PPMC has developed a proprietary Risk Management System that has functioned for many years as a key component of the Paloma Funds' operations. PPMC monitors and analyzes the portfolio using its Risk Management System and other tools and then adjusts risk when appropriate based on PPMC's expertise and judgment.

On a daily basis, the Risk Management System captures positions, terms and conditions of securities, pricing and market data, corporate actions as well as other position level details from Paloma Funds Managers and data providers. The portfolio is then analyzed using proprietary and commercially available pricing models resulting in a range of standard and proprietary risk measures. The Risk Management Group also holds regular discussions with Paloma Funds Managers about their positions and portfolios, as well as the market environment, in order to gain insight into the risks that may not be reflected in the quantitative data and summary statistics.

As described in Item 4 above, TAM and PPMC have position-level information on the investments made by Paloma Funds Managers (on behalf of the Paloma Funds) on a T+1 basis (that is, one day after the transaction date). Information received and control over capital are important parts of TAM's and PPMC's risk management process and its ability to re-allocate capital among Paloma Funds Managers and strategies as market opportunities and conditions change. TAM and PPMC do not typically have daily transparency, liquidity or control over investments in Portfolio Funds managed by Portfolio Fund Managers. Nevertheless, TAM and PPMC regularly review information provided by those funds, including performance and strategy disclosure.

CPP Funds

TAM is responsible for all investment and withdrawal decisions for the CPP Funds. Portfolio monitoring is conducted by TAM and/or PPMC on an ongoing basis through on-site visits to Portfolio Fund Managers' offices, electronic communications and telephone conversations with the principals and support staff of the Portfolio Fund Managers and reviews of the investment communications, relevant news items, investment objectives and strategies, risks undertaken, and overall performance of those funds.

Futures Fund

TAM periodically receives reports and updates from the Portfolio Fund Manager (of the asset held in the Futures Fund side pocket account) regarding the valuation and anticipated liquidation for that asset.

B. Reports to Clients

As soon as reasonably practicable after the end of each fiscal year, the TAM Funds will furnish (or cause to be furnished) annual financial statements audited by an independent public accounting firm to every person who was an investor in the relevant TAM Fund at any time during that fiscal year. The TAM Funds will also provide periodic unaudited performance information, no less frequently than quarterly, to their investors. The reports provided to investors in the TAM Funds are written.

Item 14 – Client Referrals and Other Compensation

TAM has, and may in the future, enter into arrangements with third parties (including affiliated third parties) whereby such third parties receive fees for referring investors to the TAM Funds. Any such compensation is paid by TAM and is only paid if the investor is aware of the fee arrangement (through disclosures or acknowledgments included in a TAM Fund's subscription documents) and the arrangement otherwise complies with applicable rules and regulations (for example, a form of general disclosure with respect to the TAM Funds).

Item 15 – Custody

To the extent required by applicable law, the TAM Funds' securities and funds are held by qualified custodians. As noted in Item 13 above, TAM Fund investors receive annual financial statements audited by an independent public accounting firm for the TAM Fund(s) in which they have invested. TAM Fund investors are urged to carefully review such statements.

Item 16 – Investment Discretion

TAM exercises discretion in managing each Paloma Fund and each CPP Fund, based on the relevant fund's investment objectives, policies and strategies disclosed in the relevant fund's documentation. TAM typically assumes this authority through its agreements with those funds. (See Item 4 for a description of this discretionary authority.)

Item 17 – Voting Client Securities

Summary of Proxy Voting Policies and Procedures

Pursuant to Rule 206(4)-6 under the Advisers Act, TAM is providing this summary of its proxy voting process, as well as information as to how you may obtain TAM's complete proxy voting

policy and procedures and information as to how proxies were voted for securities held by the TAM Funds.

To the extent proxy voting is part of a particular investment strategy, TAM has adopted proxy voting policies and procedures designed to ensure that where its clients have delegated proxy voting authority to TAM, all proxies are voted in the best interest of its clients without regard to the interests of TAM or related parties. Clients may not direct TAM's vote in a particular solicitation. TAM's proxy voting policies provide that proxies related to client assets managed by TAM will be voted through a third party proxy service. Any actual or potential conflict of interest between the interests of TAM and the proxy being voted is mitigated by the use of a proxy voting policy provided by a third party proxy service.

Pursuant to each investment management agreement between one or more of the Paloma Funds and each Paloma Funds Manager, each Paloma Funds Manager is generally granted the discretion to vote on behalf of the relevant Paloma Fund(s) any proxies related to the Paloma Fund assets managed by that Paloma Funds Manager. TAM expects that each Paloma Funds Manager generally will have its own proxy voting policies, which, at a minimum, will require that the Paloma Funds Manager vote proxies in the best interests of its clients (if such proxies are voted at all).

Investors in the TAM Funds may obtain a complete copy of TAM's Proxy Voting Policy and Procedures or information on how TAM voted proxies for the relevant TAM Fund free of charge by submitting a written request to TAM's Chief Compliance Office, Heather Garson, at Two American Lane, Greenwich, CT 06836 or by phone at (203) 861-8405.

Item 18 – Financial Information

Form ADV Part 2 requires investment advisers such as TAM to disclose any financial condition reasonably likely to impair their ability to meet contractual commitments to clients. At this time, TAM has no information to report that is applicable to this Item 18.

Other Information

Anti-Money Laundering Policies and Procedures

To help the government fight the funding of terrorism and money laundering activities, TAM and PPMC seek to obtain, verify, and record information that identifies clients who open advisory accounts with TAM or subscribe for an interest in a TAM Fund. When a client opens an advisory account with TAM, or subscribes for an interest in a TAM Fund, TAM and PPMC will ask for information (such as name, address, date of birth, identification number, a copy of a driver's license or other identifying documents or information) that enables TAM and PPMC to identify that prospective client or investor in a manner that is consistent with applicable requirements and to share that information as required by applicable law or in connection with the execution of trades.

For certain clients and investors, TAM and PPMC may rely (in whole or in part) on that person's broker-dealer, transfer agent or custodian to obtain, verify and record the required information.

Privacy Statement

The following privacy statement applies to Trust Asset Management, LLP ("we") for current and former natural person limited partners in our funds ("you").

Our Commitment to Your Privacy: we are sensitive to your privacy concerns. We have a policy of protecting the confidentiality and security of information we collect about you. We are providing you this notice to help you better understand why and how we collect certain personal information, the care with which we treat that information, and how we use that information.

Sources of Non-Public Information: In connection with forming and operating our private investment funds, we collect and maintain non-public personal information from the following sources:

- Information we receive from you in conversations over the telephone, in voicemails, through written correspondence, via e-mail, or on subscription agreements, investor questionnaires, applications or other forms, and
- Information about your transactions with us or others.

Disclosure of Information: We do not disclose any non-public personal information about you to anyone, except as permitted by law or regulation and to service providers.

Former Limited Partners and Clients: We maintain non-public personal information of our former limited partners and clients and apply the same policies that apply to current limited partners and clients.

Information Security: We consider the protection of sensitive information to be a sound business practice, and to that end we employ physical, electronic and procedural safeguards to protect your non-public personal information in our possession or under our control.

Further Information: We reserve the right to change our privacy policies and this Privacy Notice at any time. The examples contained within this notice are illustrations only and are not intended to be exclusive. This notice complies with the privacy provisions of the Gramm-Leach-Bliley Act. You may have additional rights under other foreign or domestic laws that may apply to you.

For further information regarding TAM's privacy policies, please contact TAM's Chief Compliance Officer, Heather Garson, at Two American Lane, Greenwich, CT 06836 or by phone at (203) 861-8405.