

March 2012

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This Brochure provides information about the qualifications and business practices of Liongate Capital Management LLP (“LCM”). If you have any questions about the contents of this Brochure, please contact us on +44 20 7073 4600. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

LCM is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about LCM also is available on the SEC’s website at <http://www.adviserinfo.sec.gov>

This Brochure was updated in March 2012,

Thank you,

Randall Hobbs

Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated 31st March 2011 is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

Liongate Capital Management LLP remains a Limited Liability Partnership in the United Kingdom, and very few material changes have been made to the ADV form this year. Specifically, changes have been made to Item 4 so that the Liongate offices are updated and the correct amounts of assets under management are inserted; and Item 10, so that the most current list of Funds that receive advice from the applicant’s clients is included. Randall Hobbs, Compliance Officer, was also included as point of reference for any queries relating to items on this brochure.

Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Randall Hobbs at +44 20 7073 4600 or rhobbs@liongate.com. Our Brochure is also available on our web site www.liongate.com also free of charge.

Additional information about LCM is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with LCM who are registered, or are required to be registered, as investment adviser representatives of LCM.

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Item 4 – Advisory Business

A. Description of the advisory firm and Principal owner

LCM was formed in 2003 as a Limited Liability Partnership in the United Kingdom. We became authorised and regulated by the UK Financial Services Authority (“FSA”) as an Investment Manager having received our Part IV permission on 1st September 2003. We were also granted registration as an Investment Advisor by the US SEC in July 2010 in addition to maintaining registrations with other relevant authorities in the jurisdictions in which we operate.

LCM is an investment advisory, marketing, investor relations and research firm specializing in portfolios of hedge funds.

Currently, the Liongate group of companies (“Liongate”) manages circa USD 2.3 billion in assets, serving clients through its offering of multi-strategy and strategy specific funds of hedge funds and tailored offerings. Liongate employs around sixty individuals and has offices in London, New York, Zurich, Mumbai, Malta and Dubai. The group of companies and their relationship to LCM are:

- Liongate Capital Management (Cayman) Limited (Cayman Islands Limited Company) – Investment Manager. LCM is a sub-advisor to this entity;
- Liongate Capital Management Limited (Malta Limited Company) – Investment Manager. LCM is a sub-advisor to this entity. This entity has an office in Malta and branch offices in Zurich, Switzerland; Dubai, UAE; Mumbai, India; and NY, USA.

The Principle Owners:

The principal owners of LCM are:

- Randall Dillard (45% controller);

Mr Dillard is the Chief Investment Officer and Co-Founder of LCM. Previously, he was at Nomura International as Managing Director within investment banking and also the Head of Merchant Banking, which managed discretionary and principal investments on behalf of Nomura and related entities. The scope of investment activities included a broad range of financial instruments relating to equity, fixed income, derivatives, foreign exchange, private equity and emerging markets. Mr Dillard was previously in investment banking with Merrill Lynch International and a solicitor at Clifford Chance Solicitors. He is a post-graduate of law and faculty Fellow of Pembroke College, University of Cambridge, and also founded the “Randall Dillard Fellowship” for post-doctoral research in International Relations.

- Jeffery Holland (45% controller).

Mr Holland is Managing Director and Co-Founder of LCM and in addition to serving on the firm’s Investment Committee, is responsible for client risk management at the firm. Mr

Holland previously worked with Deutsche Bank as Vice President within Investment Banking. Mr Holland is a Certified Public Accountant (CPA) in the US. He studied at Baylor University in the US where he graduated summa cum laude. Mr Holland holds a Master's in Finance from London Business School.

B. Types of Advisory Service

LCM is an investment advisory and research firm specializing in advising its clients on investing in portfolios of hedge funds which could include a wide range of investment types. Our main clients are two overseas investment management firms named Liongate Capital Management (Cayman) Limited, based in the Cayman Islands, and Liongate Capital Management Limited, based in Malta.

We provide investment advice to the above named clients on investments in funds of hedge funds. We provide advice on the allocation of assets of the 10 funds managed by Liongate Capital Management (Cayman) Limited and the 4 funds managed by Liongate Capital Management Limited.

All investment advice is provided by LCM to the staff and boards of directors of the investment managers so the applicant does not have ultimate discretion over investment management decisions.

Our investment philosophy is as follows:

- Select Profitable Strategies
 - Understand the effect of macroeconomic changes on hedge fund strategies;
 - identify obvious signals in the market which reveal where opportunities or risks have developed; and
 - select strategies which are best positioned to profit from the imminent economic climate.
- Re-Allocate Capital Rapidly
 - Maintain a liquid portfolio to enable dynamic re-allocation;
 - Shift the portfolio actively to capture market opportunities; and
 - Move quickly to avoid risk.

- Keep the Portfolio Diversified
 - Require managers to provide a minimum level of transparency;
 - Ensure that the portfolio remains highly diversified; and
 - Control risk through in-depth qualitative and quantitative analysis.

LCM advises on the use of very moderate levels of leverage such as bridge financing, to facilitate the reallocation of our investment portfolios, allowing for rapid deployment of capital to take advantage of identified market opportunities. We do not seek to advise on the use leverage to amplify investment returns, nor do we seek to invest in inappropriately levered hedge fund strategies.

LCM advises on investment in a wide range of hedge fund strategies as outlined in 8 below.

One of the focuses of LCM is to advise on the allocation of assets within the Liongate Multi-Strategy Fund which has around \$1.664 billion under management as of 31 December 2011.

The Liongate Multi-Strategy fund is Liongate's flagship product and the most actively traded fund. This is a diversified portfolio of hedge funds which the aims of delivering a consistent annual return to investors of LIBOR plus >5%. A minimum of 35 hedge funds managers are chosen for investment by the Fund with the maximum allocation to any individual fund or asset management company limited to five and ten per cent, respectively.

Other key funds the applicant advises on are:

Liongate Select Fund - is a multi-strategy concentrated portfolio of hedge funds. The focus of the Fund is to deliver high annual returns to investors of LIBOR plus >8%. A range of 20 to 30 hedge fund managers are chosen for investment by the Fund. Liongate Select Fund invests in a minimum of 20 managers, with the maximum allocation to any individual fund or asset management company limited to seven and ten per cent, respectively.

Liongate Commodities Fund - is a single strategy fund of hedge funds aiming to deliver high risk adjusted returns over a longer time horizon by actively allocating between long-biased commodity strategies or more defensive strategies, depending on Liongate's medium-term macroeconomic outlook. This active allocation allows the Investment Manager to protect against the inherent volatility of commodity cycles while participating in the secular commodities trend. A range of 20-25 hedge fund managers are chosen for investment by the Fund. Liongate Commodities Fund invests in a minimum of 20 managers, with the maximum allocation to any individual fund or asset management company limited to ten and twenty per cent, respectively.

Liongate Defensive Fund - is a multi-strategy diversified portfolio of hedge funds. The focus of the Fund is to deliver a consistent annual return to investors of LIBOR plus >3%. The Fund will aim to invest in defensive uncorrelated hedge fund strategies. Volatility Arbitrage, Global Macro, Short-biased Credit and Equity strategies are examples of the strategies the Fund invests

in. Liongate Defensive Fund invests in a minimum of 15 managers, with the maximum allocation to any individual fund or asset management company limited to twenty per cent.

Liongate Multi-Strategy Fund Enhanced (2X) Fund - a fund that aims to provide investors with increased exposure on select underlying funds in the firm's flagship Liongate Multi-Strategy Fund. The focus of the Fund is to deliver a consistent annual return to investors. A minimum of 35 hedge funds managers are chosen for investment by the Fund.

Full information on investment guidelines can be found in the Offering Memorandum for each Fund.

The applicant also provides investor relations activities to its clients.

C. Tailored Investment Advice

Each fund that we advise our clients on is subject to investment guidelines.

As an example, for our flagship Liongate Multi-Strategy Fund the manager and strategy limitations are:

- Minimum investment in 35 managers
- Maximum allocation to any individual fund 5%
- Maximum allocation to any asset management company 10%

The Liongate Multi-Strategy Fund has the following strategy exposure limits, which have been established to maintain diversity:

Equity Long/Short 0% - 40%
Event Driven 0% - 25%
Multi-Strategy 0% - 25%
Distressed 0% - 25%
Convertible Arbitrage 0% - 25%
Equity Market Neutral 0% - 25%
Volatility Arbitrage 0% - 25%
Global Macro 0% - 25%
Fixed Income 0% - 25%
Sector Specialist 0% - 25%
Merger Arbitrage 0% - 25%
Emerging Markets 0% - 20%

Additional investment guidelines can be found in the Offering Memorandum for each Fund.

D. Client Asset

Assets under management on a discretionary basis were \$0 as of 31 December 2011.

Assets under management on a non-discretionary basis were \$2.279 bn as of 31 December 2011.

Item 5 – Fees and Compensation

In consideration for the services that LCM provides to its Clients LCM receives a percentage of all fees charged to the underlying investors of the funds by the Clients.

Pursuant to the Offering Memorandums and Investment Management Agreements of each fund, the Clients are entitled to receive management and/ or performance fees which are charged to the underlying investors of the funds. The management fee is usually a fixed percentage per annum of monthly Assets Under Management. Management fees are earned and paid to the Clients by the funds on a monthly basis. Performance fees are usually charged as a percentage of the gain experienced by each underlying investor of the funds. Performance fees crystallize annually, quarterly or semi-annually dependent on the fund and the share class of the fund.

LCM will generally bill the Clients for its fees on a monthly basis.

As LCM is a sub-advisor, it is not involved in any rebate of fees to the underlying investors of the funds.

LCM does not accept any fees or commissions from hedge fund investments for including them in the investment portfolios of the funds.

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

All fees earned by LCM are outlined in Item 5. LCM does not charge any performance-based fees.

Item 7 – Types of Clients

LCM's clients are two overseas investment management firms named Liongate Capital Management (Cayman) Limited, based in the Cayman Islands, and Liongate Capital Management Limited, based in Malta.

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

Methods of Analysis

Asset Allocation by Investment Strategy (“Top-down” Approach)

Liongate’s Investment Committee manages our portfolios dynamically, reallocating monthly towards investment strategies which are positioned to perform well in the current macro environment and away from those strategies which are not expected to perform well. The investment strategy or strategies that are believed to offer the largest opportunities will be offered the largest allocations, within predefined strategy diversification limits. It is possible that one or more underlying investment strategies will be totally excluded from the portfolio at any given time if it is believed that it does not lend itself to adequate returns or has become, or is likely to become, asymmetrically biased to the downside.

Manager Due Diligence

- Initial Screening

Each member of the Qualitative Analysis team is assigned primary responsibility for each investment theme within the portfolio, with a second analyst assigned secondary responsibility for each theme. The analysts are responsible for knowing managers of interest within their assigned focus. Our research analysts meet hundreds of managers each year in initial exploratory meetings, with a focus on managers within those strategies which are favoured currently by the Investment Committee, as determined in the monthly Strategy Meeting. Each exploratory meeting, often also attended by one or more members of the Investment Committee, is documented with a Hedge Fund Pipeline Report. This Report presents a summary of the items discussed and includes a quantitative assessment of the manager which is prepared by the Quantitative Analysis & Risk Management team. The qualitative research analyst gives a recommendation as to whether or not the fund should be considered for further consideration.

The analysts propose those managers which are believed to offer the most consistent, risk-adjusted performance returns.

All research staff attend a weekly Research Meeting where those funds recommended on the Hedge Fund Pipeline Report for further consideration are discussed. Funds are either approved or rejected for further consideration by the Investment Committee. Funds approved for further consideration subsequently undergo extensive qualitative analysis, quantitative analysis and operational due diligence.

- Qualitative Analysis of Managers

The basis for the qualitative analysis of individual managers involves in-depth interviews and research. The on-site due diligence is conducted by at least the analyst with primary responsibility for the manager’s investment strategy and is usually attended by at least one

member of the Investment Committee. The review focuses in detail on the investment process, risk management, capacity issues, and liquidity concerns and provides a qualitative assessment of the experience and edge the sub-manager may demonstrate. Each procedure results in an in-depth and detailed Qualitative Due Diligence Report (typically 20-30 pages long), where the analyst is required to give a formal opinion as to the pros and cons of the manager under review.

- Quantitative Analysis of Managers

The quantitative analysis is completed by our Head of our Quantitative Analysis & Risk Management team, working together with the risk analysts. The objective is two-fold:

- 1) to assess whether the subject fund does generate excess return; and
- 2) to determine to what extent the subject fund adds diversification and value to the portfolio. The analysis, which results in a detailed Quantitative Analysis Report, is conducted primarily using the firm's proprietary risk system (PRiMa), and Risk Data. The report covers, among other things, factor exposure analysis, value-added performance evaluation over customized benchmarks, stress tests, market scenario modeling, Value-at-Risk measures and the potential impact on the portfolio and tail vent analysis. After careful consideration of all implications of adding a subject fund to the portfolio, the Head of Quantitative Analysis & Risk Management recommends the fund for further ODD review, or rejects it.

- Operational Due Diligence of Managers

Should the qualitative and quantitative analysis prove successful, the process would progress to the Operational Due Diligence team. The operational due diligence process involves assessment of the managers' infrastructure and business processes, their relationship with their trading counterparts, the independence of their administrator, as well as a review of audited reports, use of leverage etc. The process involves reviewing the fund documents (incorporation, offering, trading related, etc.), terms, structure, and valuations. We conduct due diligence discussions with the manager (including Investment Manager, CFO, COO, Head of Risk and Head of Marketing), the auditor and the administrator. We ask each manager to complete a legal and regulatory questionnaire and perform background checks on the fund, management company and key individuals. Our approach facilitates cross-referencing of information from a number of sources which allows for better identification of any inconsistencies. The process is documented in the Operational Due Diligence Report, with each fund given either a "Pass" or "Fail".

Portfolio Construction

The portfolio construction process is designed to ensure that the allocations to investment strategies and managers are consistent with the portfolio's risk and return objectives. The objective of this process is to construct a well-diversified portfolio that minimises common exposures between funds and takes into account the potential effects of an unfavourable or changing market environment using particular stress test assumptions at the fund and portfolio

level. Special consideration is given to understanding the aggregate risk exposures in the portfolio, to ensure that portfolio positioning is consistent with the defined top-down view. the Head of Research, would work most closely with the Head of Quantitative Analysis & Risk Management) on the portfolio construction process.

Liongate does not pursue a model portfolio but instead seeks to construct a portfolio within our investment guidelines and consistent with our current top-down views. In order to achieve this we typically make small reallocations on a monthly basis, around 3-5% of capital, within each Fund. We do not have minimum target weights to any individual strategy, however, we use maximum weights to ensure diversification. We believe that this represents a significant competitive advantage as it allows our portfolios to be significantly more flexible than our competitors.

All final investment decisions are made exclusively by the Liongate Investment Committee, with input from all due diligence teams.

Investment Strategy

Liongate invests in a wide range of hedge fund strategies including (but not necessarily limited to) the following:

- Equity Long/Short
- Multi-Strategy
- Event Driven
- Volatility Arbitrage
- Emerging Markets
- Fixed Income
- Equity Market Neutral
- Sector Specialist
- Convertible Arbitrage
- Distressed
- Global Macro
- Merger Arbitrage

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear.

Key risks that LMC's clients should be aware of are as follows:

Operational Risks:

- Loss of key staff
- Fund valuation errors

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- Failure of outsourced service providers
- Trade ticket errors
- IT systems failure
- Failure to comply with taxation requirements
- Breach of regulatory rules

Business Risks:

- Loss of fund sub-management agreement
- Loss of a large investor
- Poor investment recommendation/decision
- Poor investment performance
- Damage to reputation

Credit Risk:

- Bad debt risk
- Liquidity risk
- Concentration risk

Market Risk:

- Changes in exchange rates
- Long term market down turn

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of LCM or the integrity of LCM's management. LCM has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

The applicant has common officers with Liongate Capital Management (Cayman) Limited in Randall Dillard and Jeff Holland. Liongate Capital Management (Cayman) Limited does not sit in the same control structure or fall under common management control with the applicant.

Liongate Capital Management (Cayman) Limited is the investment manager of a number of funds which the applicant provides investor relations and investment advice to. Liongate Capital Management (Cayman) Limited is a 10% controller of the applicant and is the manager of the following funds to which the applicant provides investment services:

Liongate Multi-Strategy Fund
Liongate Select Fund

Liongate Commodities Fund
Liongate Extended Opportunities Fund
Liongate Recovery Fund
Liongate Multi-Strategy Fund Enhanced 2x Fund
Liongate Multi-Strategy Fund LP
Liongate Emerging Markets Fund
Liongate MY Multi Strategy Unit Trust
Liongate Distressed Opportunities Fund

Liongate Capital Management Limited is a regulated investment manager domiciled in Malta and fully regulated by the Malta Financial Services Authority. The applicant provides investor relations/advisory services to Liongate Capital Management Limited and the funds it manages:

Liongate Defensive Fund
dbX- Liongate Index
Raiffeisen 332 – Hedge FoF Diversified
VP Guardian Fund

Liongate Conflict of Interest Policy

LCM, its affiliates and their respective holding companies, holding companies' shareholders, any subsidiaries of their holding companies and any of their directors, officers, employees, agents and affiliates ("Interested Parties") may be involved in other financial, investment or other professional activities which may on occasion cause conflicts of interest with Liongate. These include management of other funds, purchases and sales of securities, investment and management advisory services, brokerage services, and serving as directors, officers, advisers, or agents of other funds or other companies. In particular it is envisaged that LCM and its affiliates may be involved in advising other investment funds which may have similar or overlapping investment objectives to or with Liongate. LCM and its affiliates may provide services to third parties similar to those provided to Liongate and shall not be liable to account for any profit earned from any such services. Where a conflict arises LCM and its clients will endeavour to ensure that it is resolved fairly. In relation to the allocation of investment opportunities to different investors, including the Company, LMC and its clients may be faced with conflicts of interest with regard to such duties; however, they will ensure that investment opportunities in those circumstances will be allocated fairly.

The Company may acquire securities from or dispose of securities to any Interested Party or any investment fund or account advised or managed by any such person, but only with the prior approval of the Directors. Any Interested Party may hold Shares and deal with the same as it thinks fit. An Interested Party may buy, hold and deal in any investments for its own account

notwithstanding that similar investments may be held by the Company or any subsidiary for the account of the Fund.

Any Interested Party may contract or enter into any financial or other transaction with any Shareholder or with any entity any of whose securities are held by or for the account of the Fund, or be interested in any such contract or transaction. Furthermore, any Interested Party may receive commissions and benefits which it may negotiate in relation to any sale or purchase of any investments of the Fund affected by it for the account of the Fund and which may or may not be for the benefit of the Fund.

Certain of the Directors are also directors and/or officers of the Investment Manager and/or Investment Sub-Manager and the fiduciary duties of the Directors may compete with or be different from the interests of the Investment Manager and/or Investment Sub-Manager. Only the Directors may terminate the services of the Investment Manager and/or Investment Sub-Manager and other agents of the Company.

The Directors and the service providers may have conflicts of interest in relation to their duties to the Company. However, each shall, at all times, pay regard to its obligation to act in the best interests of the Company and the Directors will ensure that all such potential conflicts of interest are resolved fairly and in the interests of Shareholders.

Item 11 – Code of Ethics

LCM has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumour mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at LCM must acknowledge the terms of the Code of Ethics annually, or as amended.

LCM anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Liongate has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which LCM, its affiliates and/or clients, directly or indirectly, have a position of interest. LCM's employees and persons associated with Liongate are required to follow LCM's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Liongate and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for LCM's clients. The Code of Ethics is designed to assure

that the personal securities transactions, activities and interests of the employees of Liongate will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of LCM's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Liongate and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with LCM's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Liongate will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

LCM's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Randall Hobbs.

It is LCM's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Liongate will also not cross trades between client accounts.

Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

Item 12 – Brokerage Practices

Not applicable to LCM.

Item 13 – Review of Accounts

The portfolios are monitored closely as LCM receives performance update estimates on at least a weekly (some funds daily) basis from our underlying managers. Furthermore, our research staff request and receive a completed template from each manager on a monthly basis which shows key exposures. The Analysts will speak directly to each manager at least once a month and the members of the Investment Committee at least quarterly to discuss positioning and market conditions. After assimilating the information gathered from the manager, allocations to the underlying funds are assessed to maximize absolute return and to minimize total risk. Managers which diverge fundamentally from their expected risk-reward parameters are removed from the portfolio. At any time, if any member of the research staff becomes concerned about a manager, he/she is encouraged to raise an Amber Alert for further investigation. An Amber Alert requires an immediate meeting of the Amber Committee, comprised of the members of the Investment Committee, the Head of Operational Due Diligence, the Risk Manager and the Qualitative Research Analyst assigned to the manager. The Amber Committee will consider what action is appropriate, including redemption from the fund.

Liongate manages its portfolio actively, reallocating towards those strategies which are expected to perform well within the current macro environment. Our active portfolio investment strategy is a primary source of the superior returns of Liongate Funds. Liongate has developed performance monitoring tools that alert managers if an underlying fund's risks deviate from the expected measures and recommend portfolio re-balancing action that would bring the portfolio's risk/return profile in line with the top-down view. We also maintain extensive transparency requirements from all of our managers, enabling us to understand our portfolio exposures in aggregate. This allows us to identify any build-up of risk in specific areas of the portfolio and make appropriate adjustments. We have strict diversification requirements, which for example, a maximum of a 5% allocation to any underlying hedge fund manager within our portfolio. Should a manager have strong performance and organically grow to a larger weighting than 5%, we would re-balance the allocation at the next available date.

The decision of whether to invest with or to terminate any existing fund from a portfolio is made with the consensus of the entire Investment Committee and the boards of directors of LCM's clients. All research and analysis from our quantitative and qualitative research teams is presented to the Investment Committee on a monthly basis. The research team holds weekly research meetings to discuss financial markets and our underlying hedge fund managers and their performance.

Item 14 – *Client* Referrals and Other Compensation

Not Applicable.

Item 15 – Custody

Not Applicable.

Item 16 – Investment Discretion

LCM does not have discretionary authority from its clients to manage the investment of the underlying funds.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, LCM does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. LCM may provide advice to clients regarding the clients' voting of proxies.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about LCM's financial condition. LCM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Item 19 – Requirements for State-Registered Advisers

Not Applicable.