

PART 2A OF FORM ADV: FIRM BROCHURE

GM Advisory Group

GM Advisory Group, Inc.
400 Broadhollow Road, Suite 301
Melville, NY 11747
(6 3 1) 2 2 7 - 3 9 0 0
www.gmadvisorygroup.com

March 2012

This brochure provides information about the qualifications and business practices of GM Advisory Group, Inc. ("GMAG," "we," "us," or "our"). If you have any questions about the contents of this brochure, please contact our Managing Principal and Chief Compliance Officer, Frank Marzano, at 631-227-3900 or fmarzano@gmadvisorygroup.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

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

We are a registered investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). Our registration under the Advisers Act does not imply any level of skill or training.

ITEM 2 - MATERIAL CHANGES

Our last Form ADV, part 2A, was filed in May 2011. This item will discuss only specific material changes that are made to the brochure since our last annual update and provide clients with a summary of those changes. We shall also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients (and underlying investors, where applicable) on at least an annual basis. 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's fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

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

GMAG employees are no longer associated with P.J. Robb Variable Corporation and are no longer actively registered as broker-dealer agents of any broker-dealer and are not compensated through any broker-dealer.

Our brochure may be requested, free of charge, by contacting Frank Marzano, Managing Principal, by telephone at 631-227-3900 or by email at fmarzano@gmadvisorygroup.com.

Additional information about GM Advisory Group, Inc. 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 GM Advisory Group, Inc. who are registered, or are required to be registered, as investment adviser representatives of GM Advisory Group, Inc.

ITEM 3 - TABLE OF CONTENTS

	PAGES
Item 1 — Cover Page	1
Item 2 - Material Changes	2
Item 3 - Table of Contents	3
Item 4 — Advisory Business	5
A. Firm Description	5
B. Types of Advisory Services	Err
or! Bookmark not defined.	
C. Customized Services	6
D. Wrap Fee Programs	7
E. Managed Assets	7
Item 5 — Fees & Compensation	8
A. Managed Account Clients	8
B. The Fund	11
Item 6 — Performance-Based Fees and Side-By-Side Management.....	14
Item 7 — Types of Clients	16
Item 8 — Methods of Analysis, Investment Strategies and Risk of Loss	17
A. Methods of Analysis	17
B. Investment Strategies	17
C. Material Risks of Strategies and Securities	18
Item 9 — Disciplinary Information	24
Item 10 — Other Financial Industry Activities and Affiliations	25
Item 11 — Code of Ethics	26
Item 12 — Brokerage Practices.....	28
A. Selection of Broker-Dealers.....	28
B. Aggregation of Orders.....	30
Item 13 — Review of Accounts	32
Item 14 — Client Referrals and Other Compensation	33

Item 15 — Custody	34
Item 16 — Investment Discretion	35
Item 17 — Voting Client Securities	36
A. Managed Account Clients	36
B. The Fund	36
Item 18 — Financial Information	38

ITEM 4 — ADVISORY BUSINESS

A. Firm Description

GMAG is a corporation organized under the laws of the State of New York. It was founded in 2004 and primarily provides investment advisory services to managed account clients, including individuals, trusts, estates, charitable organizations, and business entities on a wrap fee basis. GMAG also serves as the investment manager of GMAG Diversified Opportunities Fund, L.P. (the "**Fund**"), and our affiliate, GMAG Diversified Fund GP, LLC (the "**General Partner**"), is its general partner. As described below, the General Partner and GMAG receive incentive allocations and management fees, respectively, in connection with the advisory services that each provides to the Fund. The incentive allocation and management fee are different from the fees received by GMAG with respect to its managed accounts. GMAG is registered as an investment adviser with the SEC, and has no intermediate subsidiaries that are publicly held.

Frank Marzano is the sole principal owner and is the Managing Principal of GMAG. Mr. Marzano is also the managing member and fund manager ("**Fund Manager**") of the General Partner. Mr. Marzano is solely responsible for managing and investing the Fund's capital, as well as the capital of the separately managed accounts of GMAG. In addition to Mr. Marzano, GMAG employs 14 individuals.

B. Types of Advisory Services

We provide investment supervisory services to managed account clients as well as to the Fund.

1. Managed Account Clients

We primarily provide discretionary investment management services to our managed account clients on a wrap fee basis in accordance with GMAG's investment management wrap fee program (the "**Wrap Fee Program**"). **Clients in the Wrap Fee program pay one fee which covers both advisory fees and commissions on trades executed in their accounts.** GMAG has personal discussions with its clients in which goals and objectives are determined based on your particular circumstances. We develop your personal investment policy and create and manage a portfolio based on that policy, consisting of one or more of the following: individual equities, bonds, exchange traded funds, no-load or load-waived mutual funds, or other investment vehicles. Each of our clients individually owns the securities in the individual portfolio.

We use a variety of different sources of financial information to analyze securities including financial publications, inspections of corporate activities, research materials and reports, corporate rating services, annual reports, prospectuses, SEC filings, and company press

releases. We receive research services in various forms, including written reports and information obtained by electronic sources including the internet.

To the extent a client requests financial planning services or financial advice on non-investment related matters, we may provide those services. We may recommend the services of other professionals, including licensed insurance agents; however, our clients are under no obligation to engage the professionals we recommend. GMAG does not guarantee the services of any recommended professional, and we are not liable for any action, omission, recommendation, decision, or loss as a result of your use of one of these recommended professionals.

2. The Fund

GMAG serves as the investment manager of the Fund. We are responsible for implementing the investment objectives and securities-trading activities of the Fund, pursuant to the Fund's organizational and operative documents.

C. Customized Services

GMAG provides customized advisory services to its managed account clients based upon each client's unique needs, objectives, and concerns. We clarify client goals and objectives in meetings and in correspondence, and we use those goals to determine the course of action for each individual client. We document goals and objectives for each client and save them electronically in client files. Each client has the opportunity to place reasonable written restrictions on the types of investments that will be made on their behalf. Unless a client has advised GMAG in writing to the contrary, GMAG is not subject to restrictions on the management of a particular client's managed account assets.

GMAG provides investment advice to the Fund to carry out its primary objective, the achievement of capital appreciation as a multi-strategy fund. Its strategy is to gain exposure to investments structured to enhance performance in volatile markets by minimizing, to the extent possible, the correlation between the volatility of Fund investments and the volatility of the broader equity markets. The Fund invests by choosing portfolio managers who utilize a broad range of opportunities and investment styles including, but not limited to, long-short investment strategies, convertible bond arbitrage, event driven strategies including merger arbitrage, risk arbitrage, fixed income strategies, quantitative trading and statistical arbitrage, activist strategies, global macro strategies, market neutral strategies, and emerging markets. The Fund's offering documents and organizational documents, as amended, explain any restrictions imposed on Fund investments

C. Wrap Fee Programs

As mentioned above, we offer our managed account clients the option to participate in our Wrap Fee Program. Under the Wrap Fee Program, GMAG offers participants discretionary investment management services for a single specified annual fee, inclusive of execution, custodial, reporting, and investment management fees. GMAG also offers to a limited number of clients participation in a non-discretionary wrap fee program. GMAG receives a portion of the fee for its services. Execution, reporting, and custodial services for the Wrap Fee Program are provided by Pershing Advisor Solutions, LLC ("**Pershing**"). Participation in the Wrap Fee Program may cost more or less than purchasing those services separately. In addition, the fees charged by GMAG for participation in the Wrap Fee Program may be higher or lower than those charged by other sponsors of comparable wrap fee programs. Although most of our managed account clients choose to participate in the Wrap Fee Program, there is no substantive difference between how we manage wrap fee accounts and how we manage other managed accounts.

D. Managed Assets

As of December 31, 2011, GMAG managed client assets of approximately \$411,099,856 on a discretionary basis and client assets of approximately \$2,531,140 on a non-discretionary basis.

ITEM 5 — FEES & COMPENSATION

A. **Managed Account Clients**

1. **General**

As described above in Item 4(D), most of our managed account clients participate in our Wrap Fee Program. Each client pays a single fee ("**Program Fee**") for our advisory services, as well as a number of third-party services and costs, including execution (including transaction costs), custody, quarterly performance reporting, and investment management. While all fees are subject to negotiation, the current annual Program Fee is based upon the percentage of the managed account client's assets placed under GMAG's management. The following fee schedule applies:

Assets Under Management	Annual % Fee
Initial \$500,000	2.00%
Next \$500,000	1.75%
Next \$1,000,000	1.25%
Next \$2,000,000	1.00%
Next \$4,000,000	0.75%
All Additional	0.50%

The Program Fee is not charged on the basis of a share of capital gains upon or capital appreciation of the assets or any portion of the assets. In considering the investment programs described in this brochure, you should be aware that the cost of the Wrap Fee Program may exceed the cost of purchasing investment advisory services from other advisers or broker-dealers. In addition, the amount of compensation received by GMAG as a result of a client's participation in the Wrap Fee Program may be more than the amount that GMAG would receive if that client paid separately for investment advice, brokerage, and other services.

For an in-depth discussion of the factors that we consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of commissions and compensation for those broker-dealers, please see Item 12.

2. Payment

The Program Fee is prorated and paid quarterly, in advance, based upon the market value of the assets placed under GMAG's management on the last business day of the previous quarter. Based on applicable SEC procedures, the Program Fee is remitted to us only after the custodian of the client's assets receives the client's authorization to charge the account.

GMAG, in its sole discretion, may charge a higher or lower Program Fee based upon certain criteria. Examples include: complexity of the engagement, anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with a client, and other items. GMAG will not increase Program Fees until you receive prior written notice of the increase.

You will be charged based on market value or fair market value in the absence of market value, plus any credit balance or minus any debit balance. Fees are prorated for accounts opened during the quarter. An additional fee for the current quarter will be assessed if assets are deposited after the beginning of the quarter, prorated based on the number of calendar days remaining in the quarter during which the service will be in effect. **No** portion of the fee will be credited to you for the current calendar quarter should any withdrawals from the portfolio occur in the same calendar quarter.

If an account is terminated any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. A managed account client agreement generally may be canceled at any time, by either party, for any reason upon receipt of prior written notice. You have the right to terminate an agreement without penalty within five (5) business days after entering into the agreement.

3. Other Fees

(a) Mutual Fund Fees and Expenses

If a managed account client invests in mutual funds or exchange traded funds, the client may be charged fees and expenses by those funds which are in addition to the fees paid to GMAG for investment advisory services. These fees will generally include a management fee, other mutual or exchange traded fund expenses, and a possible distribution fee. You may invest directly in mutual or exchange traded funds, without the services of GMAG, but if you did you would not receive the services provided by GMAG which would help you determine which mutual or exchange traded funds are most appropriate for your financial condition and objectives. Before choosing to invest directly you should compare the fees charged by the funds (available in each fund's prospectus) and the fees charged by GMAG to assess the value of GMAG's services. If you are also a client who is an investor in the Fund, GMAG does not charge fees on the portion of your assets invested in the Fund, except for those fees charged by the Fund itself.

(b) Financial Planning & Similar Fees

As described above in Item 4(B)(1), from time to time GMAG provides certain financial planning and advising services to its clients on non-investment related matters. Although GMAG

generally considers these services incidental to the services it provides under the Wrap Fee Program, GMAG may determine to provide those services on an hourly or fixed fee basis, separate and apart from the Wrap Fee Program. In that event, GMAG may describe those services and fees in a separate agreement between GMAG and the applicable client. Those agreements may include financial planning agreements and limited consulting agreements and the scope of the services which will be offered. They will also include a description of the fees to be charged and when they are to be paid. If GMAG agrees to provide these services, GMAG's obligations are expressly limited to the planning and consulting services specifically requested by the client.

(c) Miscellaneous Fees

The Program Fee does not include transaction charges (excluding mark-ups and mark-downs) resulting from trades effected through or with a broker-dealer other than Pershing, transfer taxes, odd lot differentials, exchange fees, interest charges, American Depository Receipt agency processing fees, any charges, taxes or other fees mandated by any federal, state or other applicable law or any other fees which GMAG and the client agree should be charged.

4. Fees and Compensation from the Sale of Securities or Mutual Funds

Mr. Marzano and other GMAG employees, in their respective individual capacities, are also separately licensed insurance agents, and in that capacity may recommend the purchase of certain insurance products on a separate commission basis.

To address potential conflicts of interest, GMAG advises all of its clients that they are not required to purchase any insurance commission products, through Mr. Marzano or other GMAG employees. Further, clients are advised that they have the option to purchase investment products that GMAG recommends through other brokers or agents that are not affiliated with GMAG.

B. The Fund

1. General

GMAG, the investment manager of the Fund, charges the Fund a "Management Fee" and the Fund's General Partner earns an "Incentive Allocation." The Fund offers two separate classes of limited partnership interests, the "Class A Interests" and the "Class B Interests," each of which is subject to different fee structures. GMAG and the General Partner each has the right to reduce or waive any fees and allocations chargeable to any investor's capital account without the consent of or notice to any other investor. In addition, GMAG and the General Partner each has the right to share, participate or assign any fees and allocations chargeable to any partner's account that would otherwise be payable to GMAG or the General Partner, as applicable, from the Fund.

Subject to applicable law and the organizational documents of the Fund, the General Partner, without the approval of any other investor may enter into side letters or similar written agreements with one or more investors that have the effect of establishing rights under, or altering or supplementing the terms of, the organizational documents of the Fund. Those agreements may alter, without limitation, the Management Fees, Incentive Allocations, and withdrawal rights of an investor. Any rights established, or any terms of the organizational documents of the Fund altered or supplemented, in such an agreement with an investor will be binding on the investor even though a provision of the Fund's organizational documents might have different provisions.

(a) Management Fee

We charge Fund investors a monthly Management Fee, which is paid in advance, with respect to Class A Interests and Class B Interests in the Fund. The monthly Management Fee payable with respect to the Class A Interests is equal to one-twelfth of two and three-quarters percent (a 2.75% annual rate) of the opening capital account balance of each investor that owns Class A Interests, as of the beginning of each fiscal month, after taking account of any capital contribution or withdrawal in connection with Class A Interests made by such investor at the beginning of the month and the value of that investor's interest in any "designated investment."

The monthly Management Fee payable with respect to the Class B Interests is equal to one-twelfth of one and three-quarters percent (a 1.75% annual rate) of the opening capital account balance of each investor (with respect to such Class B Interests) as of the beginning of each fiscal month, after taking account of any capital contribution or withdrawal in connection with Class B Interests made by that investor at the beginning of the month and the value of such investor's interest in any "designated investment."

(b) Incentive Allocation

The General Partner charges investors who own Class B Interests an incentive allocation at the end of each fiscal year (or at the time of an investor's withdrawal if the withdrawal occurs on a date other than the last day of the fiscal year). The incentive allocation equals fifteen percent (15%) of the net gains allocated to that investor's capital account (only with respect to Class B interests) during that fiscal year, after accounting for the amount of any loss carry forward (which effects a traditional "high-watermark") applicable to that investor's capital account (only with respect to Class B Interests). Investors who own Class A Interests are not charged an Incentive Allocation.

The Fund Manager may designate any investment as a "designated investment," as described in the offering and organizational documents of the Fund, subject to certain limitations including that no more than fifty percent (50%) of the Fund's net asset value (measured at the time of a prospective purchase) would be comprised of "designated investments." The computation of net gain and net loss for "designated investments" shall include only the net profits and net

losses actually realized with respect to the value of the "designated investment" (or upon the determination of the Fund Manager that the "designated investment" no longer should be a designated investment), rather than unrealized appreciation or depreciation. Net profits and net losses will be allocated solely to investors that are participating in each "designated investment", in proportion to their respective participation; any net profits or net losses allocated in this way will be considered for purposes of determining the amount of any net gain to be reallocated to the General Partner as the Incentive Allocation (depending on the class of interest held by an investor in the Fund) or the amount of each investor's loss carry forward.

2. Payment

The Fund's partners pay their Management Fees monthly in advance by deduction from Fund assets and debits from capital accounts. If applicable, unearned but pre-paid fees are refunded with withdrawal proceeds or other distributions. The ability of a partner to withdraw all or portions of its capital account from the Fund are described in detail in the Fund's offering and organizational documents.

As mentioned above, the Incentive Allocation generally is charged at the end of each fiscal year, and is deducted from the net gains allocated to the investor's capital account.

3. Other Fees

In addition to the Management Fee and the Incentive Allocation, the Fund is responsible for all of its operating expenses, including, but not limited to, organizational expenses, legal, audit, accounting fees, insurance premiums, regulatory filing fees, custodial, administration and other fees, commissions, and its share of expenses directly related to its purchase and sale of securities.. GMAG, in its sole discretion may charge the Fund for research, due diligence and travel expenses incurred in researching potential investments and portfolio managers.

We may contract with third party service providers from time to time to provide research and due diligence services for the Fund. The Fund will pay for expenses incurred in connection with third party service contracts, provided, that we may elect to pay those expenses.

We may use soft or commission dollars to obtain "brokerage and research" services on behalf of the Fund. We intend to limit the use of "soft dollars" to obtain services that constitute research and brokerage services within the meaning of the "safe harbor" of Section 28(e) of the Securities and Exchange Act of 1934. For an in-depth discussion of the factors that we consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of commissions and compensation for those broker-dealers, please see Item 12.

4. Fees and Compensation from the Sale of Securities or Mutual Funds

Please see above Item 5(A) (5).

As mentioned above, the General Partner—an affiliate of GMAG—receives an incentive allocation from the annual net gains of the Fund. GMAG, the Fund's investment manager, receives the Management Fee from the Fund and management fees or the Program Fee from managed account clients.

Performance based fee arrangements may create an incentive for us to recommend investments that may be riskier or more speculative than those that we may recommended under a different fee arrangement. In the allocation of investment opportunities, performance based fee arrangements may also create (i) an incentive for us to favor accounts with performance or incentive fee arrangements over accounts that are not charged, or from which we will not receive, a performance fee; and (ii) an incentive for us to favor accounts from which we will receive a greater performance fee over accounts from which we will receive a lesser performance fee. We have adopted aggregation and allocation of investments procedures (the "Allocation Procedures") designed to ensure that all of our clients are treated fairly and equally and to prevent this form of conflict from influencing the allocation of investment opportunities amongst our clients. We will offer clients the right to participate in all investment opportunities that we determine are appropriate for the client in view of relative amounts of capital available for new investments, the investment programs, and the portfolios of our clients. In accordance with our Allocation Procedures, we will endeavor to treat each of our clients in a fair and equitable manner.

GMAG provides investment supervisory, financial planning, and investment consulting services on a discretionary and non-discretionary basis in managed accounts to various clients who may also become investors in the Fund. GMAG may also recommend an investment in the Fund to one or more of its managed account clients, as appropriate, based upon the investment objectives, strategies and suitability of those clients. GMAG regularly monitors the performance and investment portfolio of its managed accounts and simultaneously manages the investment activities of the Fund. This dual role may result in potential or actual conflicts of interest between the management of the Fund and other business activities. For example, GMAG may determine in its sole discretion to allocate certain investment opportunities to the Fund and not to the managed accounts (or vice versa), or to one or more managed accounts and not to all managed accounts or the Fund. GMAG may also pursue and execute trades in the same or different securities for the Fund and one or more managed accounts at different times.

Those trades may cause two different performance results among the Fund and the managed accounts. GMAG may purchase securities for a managed account or the Fund at the same time as GMAG sells securities for other clients of GMAG, or sell securities for a managed account or the

Fund at the same time as GMAG purchases those securities for other clients of GMAG. GMAG will attempt to service the individual needs of each of its clients, including the fund. Conflicts of interest between a particular managed account, the Fund, and other managed accounts could exist, including a conflict with the allocation of investment opportunities, time and resources among the Fund and the managed accounts.

As noted above, GMAG, as part of an overall client asset allocation strategy, may recommend that a managed account client consider allocating a portion of that client's investment assets among private investment funds, including the Fund. If the client determines to invest in a private investment fund recommended by GMAG, GMAG may be compensated based upon the value of the assets placed in private investment funds in accordance with the Program Fee schedule. The Program Fee paid to GMAG is in addition to the fees paid to the private investment fund sponsors and managers, as described in the offering documents of any of those private investment funds. Despite its ability to take two fees, GMAG does not charge its managed account clients a Program Fee on that portion of their assets that are invested in the Fund. However, GMAG and the General Partner will charge those clients the Management Fee and Incentive Allocation, as discussed above. The decision whether to invest in a fund (including the Fund) always rests with each managed account client, after that client has received and reviewed the fund's offering materials (including a confidential private placement memorandum that details, among other items, the terms, risks and conflicts of interest pertaining to an investment in that fund).

ITEM 7 TYPES OF CLIENTS

GMAG provides portfolio management services to high net worth individuals, trusts, estates, charitable organizations, and business entities. These types of persons may also be investors in the Fund.

Investors in the Fund must be sophisticated in matters of finance and business, and in investing in securities generally. In addition, each U.S. investor must be an "accredited investor," as that term is defined in Rule 501 of Regulation D, adopted pursuant to Section 4(2) of the Securities Act of 1933, as amended. Each U.S. investor must also be a "qualified client," as defined in the Advisers Act. The minimum initial subscription for interests in the Fund is two hundred fifty thousand dollars (\$250,000), subject to the right of the General Partner to waive that minimum amount. The minimum additional subscription is fifty thousand dollars (\$50,000), subject to the right of the General Partner to waive that minimum amount. In the case of a partial withdrawal, an investor in the Fund must maintain a capital account of not less than two hundred fifty thousand dollars (\$250,000) after giving effect to the partial withdrawal (subject to the right of the General Partner to waive the minimum amount).

A. Methods of Analysis

With respect to managed account clients, GMAG utilizes a variety of different sources of financial information in connection with its analysis of securities. Those sources include financial publications, inspections of corporate activities, research materials and reports, corporate rating services, annual reports, prospectuses, SEC filings, and company press releases. Research services are received in various forms, which may include, without limitation, written reports and information obtained via electronic sources including the internet. Employees of GMAG also attend industry conferences.

Frank Marzano and other research analysts on GMAG's staff will review each person or firm that manages a privately placed pooled investment vehicle for which an investment is being considered. They will use one or more of the following methods of due diligence: meetings/ongoing conference calls with such persons and his or her staff; verification of references; background reviews with respect to regulatory matters, education and professional history; reviews of audited financial statements; and verification of performance claims.

B. Investment Strategies

1. Managed Account Clients

The primary investment strategy we use for client accounts is strategic asset allocation.

The investment strategy for a specific client is based upon the objectives, income needs, and tax situation stated by the client during consultations. The client may change these objectives at any time. In performing its services, GMAG is not required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely on information from the client. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify GMAG if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising GMAG's previous recommendations and/or services.

2. The Fund

The Fund invests by utilizing, and seeks portfolio managers that may invest by utilizing, a broad range of opportunities and investment styles including, but not limited to, long-short investment strategies, convertible bond arbitrage, event driven strategies including merger arbitrage, risk arbitrage, fixed income strategies, quantitative trading and statistical arbitrage, activist strategies, global macro strategies, market neutral strategies, and emerging markets.

The Fund may invest its assets in a combination of, among other things, a portfolio of hedge funds and other pooled investment vehicles, which may be formed as partnerships, limited liability companies, or other entities. The Fund may also invest its assets in managed accounts. Such underlying portfolio companies and managed accounts may invest in a variety of securities and other instruments. In addition, from time to time, GMAG may cause the Fund to directly invest in a variety of securities and other instruments, including, but not limited to, individual securities and options.

The authority to make all business decisions (including the selection of investments and portfolio managers) is entrusted to the ultimate discretion of the Fund Manager. In selecting investments, the Fund Manager seeks to create a diverse universe of strategies, sectors, geographic origins, and portfolio managers. The Fund Manager, however, may concentrate the Fund's trading activities in a particular industry, market sector, or portfolio manager and, from time to time, may invest a significant portion of the Fund's assets in a single strategy, industry, market sector, or portfolio manager. GMAG invests the Fund's assets based on the Fund's investment objective and strategy (as described more fully in the offering documents of the Fund) and not based on the investment objectives or strategies of any individual investor in the Fund.

The Fund Manager has sole authority to select investments for the Fund. The Fund's success depends, to a great extent, on the Fund Manager's ability to invest the Fund's assets, to select successful portfolio managers, and the allocation of the Fund's assets among the selected investments. The Fund places few limitations on these selections and does not require diversification. The Fund Manager has wide latitude in determining, adjusting, and implementing the Fund's investment strategy without the consent of investors in the Fund. The Fund is unlike a registered investment company, which must adopt certain fundamental investment policies and restrictions that cannot be changed without investor approval. The failure of the Fund Manager to continue to make those investment decisions would have a material adverse effect on the operations of the Fund.

C. Material Risks of Strategies and Securities

Investing in securities involves a risk of loss that clients should be prepared to bear. Our investment programs are speculative and may entail substantial risk. Clients may lose all or substantially all of their investment. There can be no assurance that the investment objective of our clients will be achieved and that clients will not incur losses. In addition to the risks listed below, clients should review the respective offering or similar documents of each mutual fund, ETF and other security or instrument in its portfolio or recommended for purchase by us (including the Fund), for a detailed description of risk factors associated with a particular investment or portfolio. We encourage all of our clients to meet with us on a regular basis to review

the assets in the account and the specific risk parameters for the account.

Managed Account Risks - Strategies

- An investment with us requires a long-term commitment with no certainty of return. Because of the nature of our investment programs, we cannot promise that you will be able to realize returns on your investments in a timely manner or at all. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains are realized on successful investments. You may not get a return of capital or realize any gains on your investments. If you do, those returns or gains may not occur for a substantial period of time after investing with us.
- Although we generally limit our investments to mutual funds and exchange-traded funds ("ETFs"), we are not required to diversify our strategies. We may invest in a limited number of strategies or with a limited number of mutual funds and ETFs. In addition, we may invest underlying funds in the same or similar securities, further limiting the diversification of managed accounts.
- We may invest in strategies or markets that underperform as compared to other strategies or securities markets generally. This strategy may cause your accounts to underperform as compared to other investment vehicles that invest in different asset classes. Different types of securities (for example, large-, mid- and small- capitalization stocks or growth or value stocks) tend to go through cycles of performing better—or worse—than the securities markets generally. In the past, these periods have lasted in excess of several years.
- All investments made by us risk the loss of capital. We may utilize such investment techniques as leverage, margin transactions, short sales, option transactions, and forward and futures contracts. These practices can, in certain circumstances, maximize the adverse impact to which your accounts may be subject. We cannot guarantee or represent that our investment strategy will be successful, and investment results may vary substantially over time.
- Changes in interest rates will affect the value of fixed income investments. In general, as interest rates rise, bond prices fall, and conversely, as interest rates fall, bond prices rise. Interest rate risk is generally greater for high yield securities; however, higher-rated fixed income securities are also subject to this risk. Increased interest rate risk is also a factor when investing in fixed income securities paying no current interest (such as zero coupon securities and principal-only securities), interest-only securities and fixed income securities paying non-cash interest in the form of other securities.

- The trading prices of equity securities fluctuate in response to a variety of factors. These factors include events impacting a single issuer, as well as political, market and economic developments that affect specific market segments and the stock market as a whole. The value of your accounts, like stock prices generally, will fluctuate within a wide range in response to these factors. As a result, your accounts could lose value over short or even long periods.
- The value of assets or income from investments may be less in the future as inflation decreases the value of money. As inflation increases, the value of fixed assets can decline. This risk is greater for fixed-income securities with longer maturities.
- The issuer or guarantor of a fixed income security may be unable or unwilling to make timely payments of interest or principal. This risk is magnified for lower-rated debt securities, such as high yield securities. High yield securities are considered predominantly speculative with respect to the ability of the issuer to make timely payments of interest or principal. In addition, funds that invest in fixed income securities issued in connection with corporate restructurings by highly leveraged issuers or in fixed income securities that are in default may be subject to greater credit risk because of those investments.
- Changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic or political conditions can affect a security's or instrument's value. The value of securities or instruments of smaller, less-well known issuers can be more volatile than that of larger issuers. Issuer-specific events can have a negative impact on the value of client accounts.
- You must promptly apprise us of any material changes in your financial condition, or of any other change having a material effect on your investment objectives or goals. If you fail to inform us of any change and we do not modify our strategy to account for these changes, your accounts could suffer, adverse consequences.

Fund Risks - Strategies

- We advise clients on investments in private investment funds which may be in limited partnerships, limited liability companies, corporations or other entities. Any decision to invest in the Fund itself, however, rests with you, the investor (as a result of our conflicts of interest with respect to the Fund).

- Private investment funds, such as the Fund, generally involve various risk factors and liquidity constraints, a complete discussion of which is set forth in the Fund's offering documents, which will be provided to each prospective investor for review and consideration. Each prospective client investor will be required to complete a subscription agreement to establish qualification for investing in the Fund and also to acknowledge understanding and acceptance of the merits and risks of the investment.
- Should a fund investor or the Fund fail to determine whether the Fund's objectives are appropriate for the investor, then that investor's account could suffer adverse consequences, including significant loss.
- Although the Fund intends to make direct investments and investments in unregistered pooled investment vehicles, there are no requirements imposed on the Fund with respect to diversity among strategies, investments, or the selection of portfolio managers. The Fund Manager may invest in a limited number of strategies, a limited number of direct investments, and with a limited number of portfolio managers. In addition, underlying funds with which the Fund invests may invest in the same or similar securities as those invested in directly by the Fund or by other underlying funds in which the Fund invests, further limiting the diversification of the Fund.
- The performance of the Fund will be dependent in part upon the integrity, skill, and judgment of its underlying portfolio managers. Among the principal risks inherent in investing in underlying funds, as the Fund does through the selection of portfolio managers, is our lack of direct control of the asset allocation and risk control procedures utilized by those underlying portfolio managers.
- As the Fund Manager we conduct an amount and depth of due diligence that we believe is adequate to select the appropriate portfolio managers with which to invest. However, due diligence is not foolproof and may not uncover problems associated with a particular portfolio manager. We may rely upon representations made by hedge fund managers, accountants, attorneys, prime brokers and other investment professionals. If any representation is misleading, incomplete, or false, it may result in the selection of portfolio managers that might otherwise have been eliminated from consideration had complete and accurate information been made available.
- The separate fees payable to GMAG and the Fund's General Partner with respect to interests in the Fund will result in a layering of fees, which will reduce the rate of return that you as an investor will derive from the underlying investments.

Managed Account Risks - Securities

- We may invest our clients' assets in a blend of liquid, publicly traded mutual funds and ETFs which may, in turn, invest in or be comprised of a variety of securities and other instruments. Certain types of securities, such as non-investment grade debt securities, small capitalization stocks, securities issued by real estate investment trusts, and emerging market securities are subject to the risk that the securities may not be sold at the quoted market price within a reasonable period of time. A managed account holding those securities may experience substantial losses if required to liquidate these holdings.
- The mutual funds and ETFs in which we may invest our clients' assets may, in turn, invest in non-U.S. securities and other financial instruments denominated in non-U.S. currencies. Investments in securities of non-U.S. issuers and securities denominated in non-U.S. currencies pose currency exchange risks to the extent they are not hedged. In addition, foreign securities regulators may exercise less regulatory supervision than those in the United States, and foreign governments may afford less legal protection to the pooled investment vehicles as investors than that of the U.S. government.
- We may invest our clients' assets in emerging or developing markets. Investments in emerging or developing markets involve exposure to economic structures that are generally less diverse and mature, and to political systems which have less stability than those of more developed countries. Investments in securities in developing market countries are also generally more volatile and less liquid than investments in securities in markets of developed countries. Emerging market securities may be subject to currency transfer restrictions and may experience delays and disruptions in securities settlement procedures. Certain emerging markets are closed in whole or part to the direct purchase of equity securities by foreigners. In addition, a fund that invests in foreign securities or securities denominated in foreign currencies may be adversely affected by changes in currency exchange rates, exchange control regulations, foreign country indebtedness and indigenous economic and political developments.
- We may invest our clients' assets in high yield securities. High yield securities, also known as "junk bonds," are below investment grade quality and may be considered speculative with respect to the issuer's continuing ability to make principal and interest payments. These types of securities may be more susceptible to real or perceived adverse economic and competitive industry conditions than investment grade securities. Yields on high yield securities will fluctuate. The secondary markets in which lower-rated securities are traded may be less liquid than the markets for higher-rated securities. A lack of liquidity in the secondary trading markets could adversely affect the price at which clients or the funds they own could sell a particular high yield security when necessary to meet liquidity needs or in

response to a specific economic event, such as a deterioration in the creditworthiness of the issuer, and could adversely affect and cause fluctuations in the value of client accounts. Adverse publicity and investor perceptions may decrease the values and liquidity of high yield securities generally.

- We may invest our clients' assets in real estate investment trusts, or REITs, which may be subject to certain risks associated with the direct ownership of real property, including declines in the value of real estate, risks related to general and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses and variations in rental income.

Fund Risks - Securities

- The Fund has invested in certain types of securities, such as non-investment grade debt securities, small capitalization stocks, securities issued by real estate investment trusts, and emerging market securities which are subject to the risk that the securities may not be sold at the quoted market price within a reasonable period of time. A pooled investment vehicle holding these securities may experience substantial losses if it is required to liquidate them.
- We may have an inability to exit underlying funds because of, among other things, poor performance by those underlying funds, regulatory actions or complaints against those underlying funds, or volatility in the markets in which those funds invest. Underlying funds in which we invest have the right to defer or suspend withdrawals in the event those situations arise, or that a suspension is otherwise considered to be in the best interest of those underlying funds. The organizational documents of the underlying funds may impose additional limitations on withdrawal.

ITEM 9 — DISCIPLINARY INFORMATION

There are no legal or disciplinary events.

ITEM 10 — OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Mr. Marzano and other associated persons of GMAG, in their respective individual capacities, are licensed insurance agents, and in that capacity may recommend the purchase of certain insurance products on a separate commission basis. Mr. Marzano's and other associated person's commission arrangements with regard to the sale of insurance present the potential for a conflict of interest because Mr. Marzano and these associated persons have an incentive to direct clients to purchase insurance through them. None of GMAG's clients are required to purchase any securities or insurance commission products through Mr. Marzano or the other associated persons.

There is no limit on the number of investment vehicles or accounts that may be managed or advised by GMAG and its affiliates. As GMAG manages multiple client accounts, including the Fund, it may have conflicts of interest in allocating time, resources and investments to these accounts. Please see Item 6 for a description of certain of these conflicts.

ITEM 11— CODE OF ETHICS

GMAG has adopted a Code of Ethics (the "**Code of Ethics**") for all supervised persons of GMAG 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 rumor 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 GMAG must acknowledge annually that they have received, read, and understood the terms of the Code of Ethics, as amended.

GMAG has implemented an investment policy relative to personal securities transactions. This investment policy is part of GMAG's overall Code of Ethics which serves to establish a standard of business conduct for all of GMAG's associated persons that is based upon fundamental principles of openness, integrity, honesty and trust. GMAG's clients or prospective clients may request a copy of GMAG's Code of Ethics by contacting Frank Marzano.

In accordance with Section 204A of the Advisers Act, GMAG also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by GMAG or any person associated with GMAG.

GMAG anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it may cause accounts over which it has management authority to effect the purchase or sale of securities in which it, its affiliates, or clients, directly or indirectly, have a position of interest. GMAG's employees and persons associated with GMAG are required to follow GMAG's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of GMAG and its affiliates may trade for their own accounts in securities which are recommended to and purchased for GMAG's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of GMAG will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing those decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code of Ethics certain classes of securities have been designated as exempt transactions, based upon a determination that these transactions in these securities would not materially interfere with the best interest of GMAG's clients. In addition, the Code of Ethics 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 is structured to prevent conflicts of interest between GMAG and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with GMAG's obligation of best execution. In those circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. GMAG 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 trade order.

It is GMAG's policy that GMAG will not effect any principal or agency cross securities transactions for client accounts. GMAG will also not effect 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

A. Selection of Broker-Dealers

We have a duty to obtain "best execution" of the securities transactions being effected for our clients' accounts. To fulfill this obligation, we generally must execute securities transactions in such a manner that the client's total cost or proceeds in the transaction is the most favorable under the circumstances. Although the commissions and/or transaction fees that may be paid by GMAG's clients comply with GMAG's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where GMAG determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although GMAG seeks competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions.

GMAG regularly selects Pershing as the broker-dealer for its clients' transactions and maintains brokerage accounts with Pershing for all its Wrap Fee Program clients. Factors which GMAG considers in recommending Pershing (or any other broker-dealer/custodian) to clients include its financial strength, reputation, execution, pricing, research, and service. Pershing enables GMAG to obtain many no-load mutual funds without transaction charges and other no-load and load waived funds at nominal transaction charges. Broker-dealers and custodians generally charge commissions and transaction fees to effect certain securities transactions. Pershing generally charges commission rates which are considered discounted from customary retail commission rates. When beneficial to the client, individual equity and fixed income transactions may be effected through broker-dealers with whom GMAG has entered into arrangements for prime brokerage clearing services. Except for Wrap Fee Program participants, the brokerage commissions and transaction fees charged by the broker-dealers/custodians for client accounts, including Pershing, are exclusive of, and in addition to, GMAG's management fee.

In those circumstances when the Fund directly purchases securities other than interests in pooled investment vehicles, GMAG will select brokers or dealers on the basis of obtaining the best overall terms available, which GMAG will evaluate based on a variety of factors. Those

factors include the ability to achieve prompt and reliable executions at favorable prices; the operational efficiency with which transactions are effected; the financial strength, integrity and stability of the broker; and the competitiveness of commission rates in comparison with other brokers which satisfy the Fund's overall selection criteria.

1. **Research and Other Soft Dollar Benefits**

GMAG may receive from Pershing, without cost (and/or at a discount) support services and products, which assist GMAG to better monitor and service client accounts maintained at Pershing. Section 28(e) of the Securities and Exchange Act of 1934, as amended, is a "safe harbor" that permits an investment manager to use "soft" or commission dollars, an attributed portion of the total cost of a principal transaction, or transaction expenses (e.g., transaction costs imposed by the Fund's prime broker) to obtain research and brokerage services that provide lawful and appropriate assistance in the investment decision-making process. GMAG limits its use of "soft dollars" to services that constitute research and brokerage services within the meaning of Section 28(e).

When GMAG receives research, products or services from Pershing, or any other broker-dealer, it is receiving a benefit because GMAG does not have to produce or pay for the research, products or services. Therefore, GMAG has an incentive to select a broker-dealer based on its interest in receiving the research or other products or services, rather than on its clients' interest in receiving most favorable execution. While certain of the support services and products described above may assist GMAG in managing and administering client accounts, others do not directly provide that assistance, but rather assist GMAG to manage and further develop its business enterprise. GMAG's Wrap Fee Program clients do not pay more for investment transactions effected and assets maintained at Pershing as result of this arrangement.

There is no corresponding commitment made by GMAG to Pershing or any other any entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities, or other investment products as a result of the above soft-dollar arrangement

Although the commissions paid by our Wrap Fee Program clients comply with our duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction. Where GMAG determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received it may effect that transaction. Also, where the investment research products and services that GMAG obtains will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account. We do not seek to allocate soft dollar benefits to client accounts proportionately to any soft dollar credits the accounts generate.

Included within the soft dollar-generated support services obtained by GMAG during the last fiscal year are investment-related research (including both proprietary research and research created or developed by a third party), pricing information and market data, software and other technology that provide access to client account data, compliance and practice management-related publications, discounted or free consulting services, discounted or free attendance at conferences, meetings, and other educational and/social events, marketing support, computer hardware and software, and other products used by GMAG for its investment advisory business operations.

2. Brokerage for Client Referrals

GMAG does not consider, in selecting broker-dealers, whether GMAG receives client referrals from the broker-dealer. In the event that the transactions for a client's accounts are effected through a broker-dealer that refers investment management clients to GMAG, there exists the potential for a conflict of interest if the accounts incur higher commission or transaction costs than the accounts would otherwise have incurred had the client determined to effect account transactions through alternative clearing arrangements that may have been available through GMAG.

3. Directed Brokerage

Subject to GMAG's right to decline and terminate a client agreement, each managed account client may direct GMAG to use a particular broker-dealer to execute some or all transactions for that client's account. In that event, the client will negotiate terms and arrangements for its account with that broker-dealer, and GMAG will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other client accounts managed by GMAG. As a result, clients may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. In the event that a client directs GMAG to effect securities transactions for the client's accounts through a specific broker-dealer, that client will be required to acknowledge that the particular direction may cause the client's accounts to incur higher commissions or transaction costs than its accounts would otherwise incur had that client determined to effect account transactions through alternative clearing arrangements that may be available through GMAG.

B. Aggregation of Orders

GMAG may (but is not obligated to) aggregate or "batch" client orders to obtain "best execution", in order to negotiate more favorable commission rates or to allocate equitably among GMAG's clients differences in prices and commissions or other transaction costs that might have been obtained had those orders been placed independently. Those batched orders

may include orders on behalf of clients that participate in the Wrap Fee Program as well as clients that do not participate in the Wrap Fee Program, including the Fund. Trading of aggregate batches of securities composed of assets from multiple client accounts allows GMAG to execute equity trades in a timely and equitable manner and to reduce overall transaction charges incurred by GMAG. Any reduction in transaction charges incurred by GMAG will not reduce the fees charged to clients participating in the Wrap Fee Program. In connection with the execution of any such trade, no advisory client will be favored over any other advisory client, and each client that participates in an aggregated batch order will participate at the average share price for all of GMAG's transactions in the applicable securities during the applicable business day.

On occasion, GMAG, through its clearing/custodial firm relationships, may have limited access to initial public offerings of shares ("IPO") and in limited circumstances may purchase and recommend for purchase IPOs for its client accounts, including the Fund. If one or more managed account clients request that GMAG purchase a specific IPO, GMAG will evaluate the suitability of the investment and may, if available, purchase that IPO for each of the requesting managed account clients' accounts and the Fund on a pro-rata basis among all requesting clients and the Fund. We shall use reasonable efforts to allocate available IPO shares on a fair and equitable basis, and applicable laws, rules, and regulations, including FINRA Rule 5130.

ITEM 13 — REVIEW OF ACCOUNTS

Managed accounts are reviewed by the Frank Marzano, the Managing Principal, and other associated persons. While the underlying securities within these client accounts are continuously monitored, those accounts are formally reviewed at least quarterly. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. We advise all of our managed account clients that it is their responsibility to advise us of any changes in their investment objectives or financial situation. We ask all of our managed account clients to review financial planning issues (to the extent applicable), investment objectives, and account performance, with us on an annual basis.

We also review and monitor investment opportunities and investments of the Fund on an ongoing basis. The Fund Manager performs those reviews.

The custodian and applicable mutual fund companies or partnerships provide managed account clients with transaction confirmation notices and regular summary account statements directly. We shall provide quarterly performance reports for each client's account. Managed account clients are encouraged to contact GMAG to discuss ongoing access to account information for their accounts. Investors in the Fund will receive annual audited financial reports and monthly unaudited statements of net asset value. GMAG has arranged for an auditor to examine and report upon the financial statements of the Fund at the end of each fiscal year. Copies of the audited financial statements will be furnished to each investor as soon as practicable after the end of each fiscal year. The Fund reserves the right to make interim reports available solely in electronic form on the web site (with appropriate password protections) of the Fund, GMAG, or the Fund's administrator.

ITEM 14 — CLIENT REFERRALS AND OTHER COMPENSATION

We do not compensate any person, either directly or indirectly, for client referrals who is not our supervised person.

ITEM 15 — CUSTODY

Managed account clients should receive at least quarterly statements from the custodian, Pershing, LLC. GMAG urges clients to carefully review those statements and compare the official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

An investment adviser to a private fund need not arrange for the custodian to send to each investor (or the fund itself) a quarterly account statement or have an annual surprise examination if the fund (i) is subject to an audit (as defined in section 2(d) of Article 1 of Regulation S-X) by an accountant registered with the Public Company Accounting Oversight Board at least annually and upon liquidation, and (ii) distributes its audited financial statements prepared in accordance with generally accepted accounting principles to all investors (or, in certain cases, the Fund itself) within 120 days of the end of the fund's fiscal year. We rely upon this audit exception for the Fund.

ITEM 16 — INVESTMENT DISCRETION

GMAG usually receives discretionary authority from managed account clients at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. This authority is established by the Wrap Fee Investment Advisory Agreement signed by the client and GMAG. We exercise that discretion based on the stated investment objectives for the particular client account. In addition, managed account clients provide us with a power of attorney.

When selecting securities and determining amounts, GMAG observes the investment policies, limitations and restrictions of the clients for which it advises. Any limitations of discretionary authority will be included in the written agreement between each client and GMAG. Clients may amend those limitations in writing submitted to us.

We have discretionary authority for the Fund. Any limitations on discretionary authority are described in the Fund's offering documents.

ITEM 17 — VOTING CLIENT SECURITIES

A. Managed Account Clients

GMAG does not vote proxies for its managed account clients. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client will be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. GMAG or the client instruct each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

If we inadvertently receive proxy information for a security held in a managed account client's account, we shall immediately forward that information to the appropriate managed account client, but will not, and will not be obligated to, take further action to vote the proxy. Upon termination of its agreement with a managed account client, we shall make a good faith attempt to forward proxy information we receive on behalf of the managed account client to the forwarding address provided to us by the client.

We affirmatively disclaim responsibility for voting (by proxies or otherwise) on, and will not take any action with regard to, all matters (other than forwarding proxies and proxy information to managed account clients) for which shareholder action is required or solicited for the securities beneficially held by a client's managed account, including, without limitation, (i) all matters relating to class actions, including without limitation, matters relating to opting in or opting out of a class and approval of class settlements and (ii) all matters relating to bankruptcies or reorganizations.

Our Chief Compliance Officer remains available to address any questions that a client may have regarding proxy solicitations.

B. The Fund

We have adopted proxy voting policies and procedures for the Fund. Those proxy voting policies are different from the proxy voting policies applicable to managed account clients. From time to time, we are asked to vote on or otherwise consent to certain actions on behalf of the Fund as a holder of limited partnership interests, membership interests, or similar securities in connection with investments in limited partnership, limited liability

companies, or other privately held pooled investment vehicles. The Fund also invests directly in securities, and we may occasionally be asked to vote on or otherwise consent to certain actions on behalf of the Fund as the holder of those direct investments. We are committed to voting proxies (including exercising the Fund's rights as a holder of limited partnership interests, membership interests, or similar securities) in a manner consistent with the best interest of the Fund. GMAG and its designated affiliates will keep copies of (i) each proxy statement it receives regarding securities held in the Fund, (ii) a record of each vote GMAG casts with respect to securities in the Fund, (iii) any document GMAG creates that is material to GMAG's decision on voting a proxy or that describes the basis for that decision, (iv) each written request from an investor for information about how GMAG votes proxies, and (v) GMAG's written responses to each oral or written request from an investor for that information.

We may delegate to a third party our duty to keep the records identified in clauses (i) and (ii) above, if the third-party agrees to furnish the records to us promptly upon our request. Although the decision whether or not to vote a proxy must be made on a case-by-case basis, we generally will not vote a proxy if we believe the proposal is in the best interest of the Fund or, if adverse, the outcome of the vote is not in doubt. In those situations in which we decide to vote a proxy, we shall generally vote in accordance with specified guidelines based upon the proxy proposal. We maintain additional documentation in the following circumstances: (i) when we make a decision to vote a proxy in a manner inconsistent with any general guidelines set forth in its policies; (ii) when we make a decision to vote a proxy when the guidelines call for a case-by-case determination; and (iii) when we make a proxy voting decision when we have identified a material conflict of interest. A copy of our proxy policies and the proxy voting record relating to the Fund may be obtained by contacting us.

ITEM 18 — FINANCIAL INFORMATION

We are not required to attach a balance sheet because we do not require or solicit the payment of fees six months or more in advance.

We have no financial condition that is reasonably likely to impair our ability to meet contractual and fiduciary commitments to our clients.

We have never been the subject of a bankruptcy petition.