

Severn River Capital Management LLC

March 29, 2012

This brochure provides information about the qualifications and business practices of Severn River Capital Management (the “Adviser”), an investment adviser registered with the United States Securities and Exchange Commission (the “SEC”). If you have any questions about the contents of this brochure, please contact us at 203-971-3600 or investor.relations@srcmlc.com. This information 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 Severn River Capital Management LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

Registration with the SEC does not imply a certain level of skill or training.

Severn River Capital Management LLC
12 Havemeyer Place
Greenwich, CT 06830
Tel: 203-971-3600
Fax: 866-856-9570

Table of Contents

Item 4.	Advisory Business	3
Item 5.	Fees and Compensation.....	4
Item 6.	Performance-Based Fees and Side-by-Side Management.....	6
Item 7.	Types of Clients	7
Item 8.	Methods of Analysis, Investment Strategies and Risk of Loss.....	8
Item 9.	Disciplinary Information	12
Item 10.	Other Financial Industry Activities and Affiliations	13
Item 11.	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	14
Item 12.	Brokerage Practices	15
Item 13.	Review of Accounts	18
Item 14.	Client Referrals and Other Compensation	19
Item 15.	Custody	20
Item 16.	Investment Discretion	21
Item 17.	Voting Client Securities.....	23
Item 18.	Financial Information	24
Item 19.	Requirements for State-Registered Advisers.....	25
Appendix: Item 2.	Material Changes.....	26

Item 4. Advisory Business

Severn River Capital Management LLC ("SRCM", or the "Adviser") is an investment adviser with its principal place of business in Greenwich, CT. The Adviser commenced operations as an investment adviser on July 1, 2004 and has been registered with the SEC since December 17, 2010. Stephen Scott Roth, Brendan P. Rogers and Christine M. Glick are the principal owners.

The Adviser provides investment advisory services on a discretionary basis to clients that are pooled investment vehicles (each a "Fund" and, collectively, the "Funds") intended for institutional investors and other sophisticated investors and for separately managed accounts (the "Accounts").

Generally, SRCM does not tailor advisory services to the individual needs of clients. However, under certain circumstances, the Adviser may agree to tailor advisory services to the individual needs of clients with separately managed accounts. Currently, the Adviser tailors its advisory services in the following manner: Certain separately managed accounts have specific investment guidelines that may impose restrictions on investing in certain securities or certain types of securities and specify (i) maximum and minimum exposure limits, (ii) authorized markets, or (iii) other risk measure limits.

SRCM does not participate in wrap fee programs.

As of March 1, 2012, SRCM had approximately \$419 million client net assets under management, all of which was managed on a discretionary basis.

Item 5. Fees and Compensation

As a general matter, the Adviser is paid an annual asset-based fee and, consistent with the Investment Advisers Act of 1940 ("Advisers Act") and Rule 205-3 thereunder to the extent applicable, the Adviser receives incentive allocations or performance fees generally based upon net profits allocable to each Account or, with respect to the Funds, each investor.

Fees Detail: Funds

Asset-based fee:

An asset-based fee of 1.5% is charged quarterly in advance based on the value of each investor's assets as of the first day of the quarter. If SRCM does not manage a Fund or an Account for a full quarter, the asset-based fee charged will be pro-rated for such period.

Performance-based allocation:

In addition, Severn River Capital LLC (SRC), a related party to SRCM, receives incentive allocations equal to 20% of net profits allocable to each investor, subject to a loss carryforward provision and a clawback provision. Generally, the clawback provision will be applicable if SRC is allocated net profits in a given fiscal year and there are net losses allocated to an investor in the next fiscal year. As such, an investor with net losses in the second fiscal year will be allocated an amount equal to 20% of the net losses attributable in the second fiscal year, not to exceed 50% of the first year's incentive allocation reduced by federal, state and local income taxes paid or payable by the person whose tax liability is determined by reference to the incentive allocation.

Some of the investors in the Funds may pay more or less than investors for the same management services, depending, for example, on the date of investment or the total client assets under management by SRCM. SRCM may waive or modify fees for investors in a Fund, including but not limited to investors that are members, employees or affiliates of SRCM and relatives of such persons, and for certain large or strategic investors.

The general partner or director of each fund that is affiliated with SRCM generally has the discretion to agree with an investor to waive or modify the application of any provisions of the respective agreement with respect to such investor without obtaining the consent of any other investor (other than the investor who is materially and adversely affected by such waiver or modification). Such waivers or modifications are "side letter agreements", usually benefiting the investor subject to the side letter agreement. Side letter agreements could alter various agreement provisions including, but not necessarily limited to, redemption or contribution privileges, management fees or incentive allocations, and other such agreement provisions. The general partner or director may agree to, and in some cases has agreed to, such "side letter agreements" with certain limited partners or shareholders in the funds. The side letter agreements are solely at the discretion of the Fund.

Fees Detail: Accounts

Fees for the Accounts are negotiated and vary.

Asset-based fee:

Asset-based fees for the Accounts may be charged:

- quarterly in advance based on the value of the Account on the first day of the quarter;
- monthly in arrears based on the value of the Account on the last day of the month; or
- daily based on each day's value of the Account.

The range of annual asset-based fees is generally from 1.00% to 1.50% of each Account's assets. Similar to the Funds, if SRCM does not manage an Account for a full calculation period, the asset-based fee charged to the Account will be pro-rated for such period.

Performance-based fees:

The performance fee payable is generally based upon net profits allocable to each Account and is generally equal to 20% - 25% of the net profits allocable to a particular Account, subject to a loss carryforward.

The basic fee schedules described above for the Funds and the Accounts are the normal basis of compensation. Fees may vary from the fee schedules above and may be negotiated based upon factors that include, but are not limited to, the amount and/or composition of the assets in the client's account, the number of accounts and/or total amount of assets that the client has with SRCM, the range and extent of services provided to the client, and whether the client is an employee of SRCM. Moreover, investors' fees and other account requirements may vary as a result of prior policies and the date the relevant account opened.

Payment of Fees: Funds

The Adviser deducts the investment management fee from client accounts by requesting the Funds' administrator to calculate and then process a wire request from each Fund's bank account.

Payment of Fees: Accounts

The Adviser does not deduct the investment management fee from client accounts. Rather, the Adviser bills clients or the administrator of the Accounts calculates and pays fees upon instruction from the client.

In addition to paying investment management fees and, if applicable, performance-based fees or other compensation, client accounts will also be subject to legal, compliance, administrator, audit and accounting expenses (including third party accounting services); shareholder proxy voting services; out-sourced administration; organizational expenses; investment expenses such as commissions, research fees and expenses (including market data and research products, as well as research-related testing, expert consulting, travel, meal and lodging expenses); directors' fees and expenses; interest on margin accounts and other indebtedness; borrowing charges on securities sold short; custodial fees; bank service fees, account related insurance costs (including D&O insurance costs), and any other expenses reasonably related to the purchase, sale or transmittal of client assets.

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

Client assets may be invested in a master-feeder structure. Feeder funds bear a pro rata share of the expenses associated with the related master fund. In addition, clients will incur brokerage and other transaction costs. Please refer to Item 12 of this Firm Brochure for a discussion of the Adviser's brokerage practices.

The clients may be required to pay the Adviser's fees in advance.

The client may obtain a refund of a pre-paid fee in the following manner if the advisory contract is terminated or a withdrawal is made from the account before the end of a billing period:

The client may submit a written request to the Chief Financial Officer of SRCM and to the administrator of the account to have the pre-paid fee refunded. This request will be reviewed and, if appropriate, SRCM will submit a payment to the client within 30 days following the receipt of the request.

The Adviser will determine the amount of the relevant refund in the following manner:

SRCM will determine the period for which the pre-paid fees were based on and refund the amount that relates to the period after the date on which the advisory contract is terminated, the date of withdrawal, or the date advisory services ceased.

SRCM does not accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

The Adviser and its investment personnel provide investment management services to multiple portfolios for multiple clients. The Adviser is entitled to be paid performance-based compensation by its private pooled investment vehicle clients and certain other client accounts. In addition, the Adviser's investment personnel are typically compensated on a basis that includes a performance-based component.

The Adviser and its investment personnel, including investment personnel that share in performance-based compensation, manage both client accounts that are charged performance-based compensation and client accounts that are charged an asset-based fee, which is a non-performance-based fee.

In addition, certain client accounts may have higher asset-based fees or more favorable performance-based compensation arrangements than other accounts. When the Adviser and its investment personnel manage more than one client account, a potential exists for one client account to be favored over another client account. The Adviser and its investment personnel have a greater incentive to favor client accounts that pay the Adviser (and indirectly the investment personnel) higher asset-based or performance-based fees.

The Adviser has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple accounts, including accounts with multiple fee arrangements, and the allocation of investment opportunities. It is the Adviser's basic policy that no client for whom the Adviser has investment decision responsibility shall receive preferential treatment over any other client. In allocating securities among clients, it is the Adviser's policy that all clients should be treated fairly and that, to the extent possible, all clients should receive equivalent treatment.

The Adviser's procedures relating to the allocation of investment opportunities require that similarly managed accounts participate in investment opportunities pro rata based on asset size and require that, to the extent orders are aggregated, the client orders are price-averaged.

Other factors that are considered when allocating transaction to clients include specific investment objectives, risk profile, tax status, investment restrictions, size of client account, total portfolio invested position, nature of security, size of available position, supply or demand for a security, current market condition, timing of cash flows and account liquidity, asset servicing abilities and ability to borrow securities at each client's prime broker, and any other information determined to be relevant to the fair allocation of securities.

Finally, the Adviser's procedures also require the objective allocation for limited opportunities (such as initial public offerings and private placements) to ensure fair and equitable allocation among accounts.

Currently, the Funds and Accounts for which SRCM provides investment management services to are run on a *pari passu* basis, subject to specific client restrictions or investment guidelines. As such, the following procedures ("Allocation Procedures") generally apply:

- purchase or sell short transactions will typically be allocated pro rata capital;
- transactions involving fewer than 1000 shares will be allocated in any manner deemed appropriate by the Adviser under the circumstances.
- sell or cover transactions will typically be allocated pro rata exposure; and
- orders may also be allocated specifically to certain client accounts in order to achieve a specific desired exposure. This type of allocation is most common during a rebalancing period whereby the Adviser is purchasing or selling a security because of changes in a client's capital due to subscriptions or redemptions and net gains or losses. Other specific allocations of this nature require written explanations of the methodology and are reviewed by operations personnel.

Notwithstanding the foregoing, an aggregated order may be allocated on a basis different from that specified in the allocation statement, if the reason for the different allocation is explained in writing and approved by the Compliance Officer no later than the close of trading on the day on which the order was executed. Reasons for allocation on a basis different from that specified in the allocation statement may include: a client's investment guidelines and restrictions; change in a client's capital due to subscription or redemption; available cash; liquidity requirements; legal regulatory reasons; asset servicing constraints for each client; or to avoid odd lots.

The Adviser's Chief Compliance Officer is responsible for monitoring the Adviser's compliance with allocation policies and reviews investment decisions for the purpose of ensuring that all accounts with substantially similar investment objectives are treated equitably. In addition, the Chief Compliance Officer reviews the performance of similarly managed accounts to determine whether there are any unexplained significant discrepancies.

Item 7. Types of Clients

The Adviser's clients consist of private funds, endowments, pension and profit sharing plans and other business entities.

For investments in the Funds, the minimum dollar value of assets for starting an investment is \$1,000,000. Fund clients should refer to disclosures in the offering memorandum for the relevant pooled vehicle.

For investments made in the form of a separately managed account, the minimum dollar value of assets for starting an investment is generally \$50,000,000.

The Adviser has the discretion to accept investments that are less than the minimums stated above and has done so for both Fund and Account investments. Typically, the Adviser has waived minimum requirements for investors due to the timing of the investment made and for other investors considered to be strategic.

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

The Adviser has broad and flexible investment authority. Accordingly, the Adviser may transact in many investment types that include, without limitation, long and/or short positions in US or non-US publicly traded common stocks, preferred stocks, stock warrants and rights, corporate debt, bonds, notes or other debentures or debt participations, convertible securities, fixed income securities, swaps, options (purchased or written), real estate investment trusts, future contracts, commodities, forward contracts and other derivative instruments, partnership interests and other securities or financial instruments including those of investment companies. The Adviser also has the authority to invest in private investments and new issues of securities.

The Adviser employs various methods of analysis, sources of information and investment strategies to achieve its investment objective, which is to achieve capital appreciation primarily through investing and trading equity, equity related securities, and debt securities. The Adviser focuses on fundamentals driven security selection, value investing, event driven investing and short selling.

Identifying opportunities includes the use of proprietary quantitative screens, industry analysis, individual company analysis and the review of regulatory environments. The Adviser uses external consultants who are experts in specific industries, companies or government in order to better understand discrete events, the financial impact of different outcomes and the probability of different outcomes. Other factors considered in the investment analysis process include the volatility, liquidity, short interest and the availability of borrow.

The Adviser uses a variety of sources to gather information used in the investment analysis process including, but not limited to, industry consultants, industry and company research, interviews with current management, interviews with former employees, company filings, historical financials, court documents and transcripts, Internet and printed articles and proprietary models.

The Adviser expresses investment ideas by buying securities long with a horizon of a 24-36 month period or selling securities short with a horizon of 12-24 month period. At times, the Adviser will trade securities (long or short) short term (within 30 days). The Adviser also uses options, including writing options, and futures. The Adviser also engages in foreign currency transactions in order to hedge any foreign currency risk.

These methods, strategies and investments involve risk of loss to clients and clients must be prepared to bear the loss of their entire investment or subscription.

Concentration / Lack of Diversification. Client accounts will not be diversified among a wide range of types of securities, countries or industry sectors. Accordingly, client portfolios are subject to more rapid change in value than would be the case if the Adviser were required to maintain a wider diversification among types of securities and other instruments. Typically, the Adviser will maintain a portfolio of 20 - 30 positions whereby a single long position may reach a maximum exposure of up to 20% of NAV and a single short position may reach a maximum exposure of up to 15% of NAV.

Short Selling Risk. The Adviser's investment program includes a significant amount of short selling. Short selling transactions expose the Adviser to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed by the Adviser in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, wherein the Adviser might be compelled, at the most disadvantageous time, to replace the borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

Leverage. Performance may be more volatile if a client's account employs leverage. Generally, the Adviser intends to target gross exposure of 150% and will have no more than 300% gross exposure.

Distressed Situation Risk. Investment in distressed situations exposes the client to significant risks, including: the difficulty in obtaining information as to the issuer's true condition; regulatory risk, including laws relating lender liability and bankruptcy and liquidity risk.

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

Interest Rate Risks. Generally, the value of fixed-income securities changes inversely with changes in interest rates. As interest rates rise, the market value of fixed-income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed-income securities tends to increase. This risk is greater for long-term securities than for short-term securities.

Issuer-Specific Changes. 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 increase the risk of default by an issuer or counterparty, which can affect a security's or instrument's value. The value of securities of smaller, less well-known issuers can be more volatile than that of larger issuers. Smaller issuers can have more limited product lines, markets, or financial resources.

Commodities. Commodity investments are affected by business, financial market or legal uncertainties. There can be no assurance that the Adviser will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on its commodity investments. Prices of commodity investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Adviser's portfolio and the value of its investments. In addition, the value of the Adviser's portfolio may fluctuate as the general level of interest rates fluctuates.

Relative Value Risk. In the event that the perceived mispricings underlying the Adviser's relative value trading positions were to fail to converge toward, or were to diverge further from, relationships expected by the Adviser, client accounts may incur a loss.

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

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

Distressed Securities. Investments in unrated or low grade debt securities of distressed companies are subject to greater risk of loss of principal and interest than higher-rated debt securities. Also, securities of distressed companies are generally more likely to become worthless than the securities of more financially stable companies. In addition, evaluating credit risk for foreign debt securities involves greater uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult.

Security Futures and Options. In connection with the use of futures contracts and options, there may be an imperfect correlation between the change in market value of a security and the prices of the futures contracts and options in the client's account. In addition, the Adviser's investments in security futures and options may encounter a lack of a liquid secondary market for a futures contract and the resulting inability to close a futures position prior to its maturity date.

Illiquid Instruments. Certain instruments may have no readily available market or third-party pricing. Reduced liquidity may have an adverse impact on market price and the Adviser's ability to sell particular securities when necessary to meet liquidity needs or in response to a specific economic event, such as the deterioration of creditworthiness of an issuer. Reduced liquidity in the secondary market for certain securities may also make it more difficult for the Adviser to obtain market quotations based on actual trades for the purpose of valuing a fund's portfolio.

The following security types are not typically included in clients' portfolios, however the related risks should be noted should these types of securities become relevant:

REITs. REITs in which the Adviser invests client accounts are affected by underlying real estate values, which may have an exaggerated effect to the extent that REITs in which the Adviser invests concentrate investments in particular geographic regions or property types. Investments in REITs are also subject to the risk of interest rate volatility. Further, rising interest rates will cause investors in REITs to demand a higher annual yield from future distributions, which will in turn decrease market prices for equity securities issued by REITs. REITs are subject to risks inherent in operating and financing a limited number of projects because they are dependent upon specialized management skills, and have limited diversification. REITs depend generally on their ability to generate cash flow to make distributions to investors.

Non-U.S. Securities. Foreign securities, foreign currencies, and securities issued by U.S. entities with substantial foreign operations can involve additional risks relating to political, economic, or regulatory conditions in foreign countries. These risks include fluctuations in foreign currencies; withholding or other taxes; trading, settlement, custodial, and other operational risks; and the less stringent investor protection and disclosure standards of some foreign markets. All of these factors can make foreign investments, especially those in emerging markets, more volatile and potentially less liquid than U.S. investments. In addition, foreign markets can perform differently from the U.S. market.

Commodity Futures and Options. Commodity futures markets are highly volatile and are influenced by factors such as changing supply and demand relationships, governmental programs and policies, national and international political and economic events and changes in interest rates. In addition, because of the low margin deposits normally required in commodity futures trading, a high degree of leverage may be typical of a pooled investment vehicle engaging in commodity futures trading. As a result, a relatively small price movement in a commodity futures contract may result in substantial losses to such a pooled investment vehicle. Commodity options, like commodity futures contracts, are speculative, and their use involves risk. Specific market movements of the cash commodity or futures contract underlying an option cannot be predicted, and no assurance can be given that a liquid offset market will exist for any particular futures option at any particular time.

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

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

Hard Assets. The production and marketing of hard assets may be affected by actions and changes in governments. In addition, hard assets and hard asset securities may be cyclical in nature. During periods of economic or financial instability, hard asset securities may be subject to broad price fluctuations, reflecting volatility of energy and basic materials prices and possible instability of supply of various hard assets. In addition, hard asset companies may also be subject to the risks associated with extraction of natural resources as well as the risks of the hazards associated with natural resources, such as fire, drought, and increased regulatory and environmental costs. Hard asset securities may also experience greater price fluctuations than the relevant hard asset.

Mortgage-Backed Securities. Mortgage-backed securities are subject to credit risk associated with the performance of the underlying mortgage properties. Factors such as consumer spending habits, local economic and competitive conditions, tenant occupancy rates and regulatory or zoning restrictions, or the loss of a major tenant may adversely affect the economic viability of a mortgaged property. In addition, these securities are subject to prepayment risk. Some securities have a structure that makes their reaction to interest rates and other factors difficult to predict, making their value highly volatile.

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

Item 9. Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of SRCM's advisory business or the integrity of its management.

Item 10. Other Financial Industry Activities and Affiliations

None noted.

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

The Adviser has adopted a Code of Ethics (the "Code") that obligates all partners, officers, directors, members or employees (collectively, "Access Persons") to put the interests of Adviser's clients before their own personal interests and to act honestly and fairly in all respects in their dealings with clients. All of the Adviser's personnel are also required to comply with all applicable federal securities laws.

Clients or prospective clients may obtain a copy of the Code of Ethics by contacting Christine Glick (Chief Compliance Officer) by email at christine.glick@srcmlc.com, or by telephone at (203) 971-3600.

The Adviser also maintains policies and procedures to prevent insider trading that are designed to prevent the misuse of material, non-public information. It is the Adviser's policy to prohibit it and its personnel from trading for client or themselves any security or security-based derivative position while in possession of material, nonpublic information. In addition, persons associated with the Adviser are prohibited from communicating material, nonpublic information to any person (including Adviser personnel) in violation of the law. The Adviser's policy applies to the Adviser and persons associated with the Adviser, and extends to activities within and outside their duties at the Adviser.

Neither SRCM nor a related person buys or sells, for client accounts, securities in which it has a material financial interest. As such, SRCM does not engage in principal transactions.

In addition, the Adviser or its related persons may invest in the same securities (or related securities, e.g., warrants, options or futures) that the Adviser or a related person recommends to clients. Such practices present a conflict where, because of the information an Adviser has, the Adviser or its related person are in a position to trade in a manner that could adversely affect clients (e.g., place their own trades before or after client trades are executed in order to benefit from any price movements due to the clients' trades). In addition to affecting the Adviser's or its related person's objectivity, these practices by the Adviser or its related persons may also harm clients by adversely affecting the price at which the clients' trades are executed.

In order to mitigate these risks, the Adviser's Code of requires its Access Persons to preclear all transactions in their personal accounts with the Chief Compliance Officer and a Portfolio Manager, who may deny permission to execute the transaction if such transaction will have any adverse economic impact on one of its clients. Trading in employee accounts are reviewed by the Chief Compliance Officer and compared with preclearance request forms. All of the Adviser's Access Persons are required to disclose their securities holdings on an annual basis. All of the Adviser's Access Persons are also required to instruct duplicate broker confirmations of each transaction as well as period statements to be sent to the Chief Compliance Officer.

The Adviser or a related person from time to time recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that the Adviser or related person buys or sells the same securities for its own account in accordance with the procedures described above for personal trading in order to minimize the conflicts stemming from situations where the contemporaneous trading results in an economic benefit for the Adviser or its related person to the detriment of the client.

Item 12. Brokerage Practices

The Adviser considers a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation. Such factors include:

- financial stability of the broker;
- the actual executed price of the security and the broker's commission rates;
- research (including economic forecasts, investment strategy advice, fundamental and technical advice on individual securities, valuation advice and market analysis), custodial and other services provided by such brokers and/or dealers that are expected to enhance the Adviser's general portfolio management capabilities;
- the size and type of the transaction;
- the difficulty of execution and the ability to handle difficult trades;
- the operational facilities of the brokers and/or dealers involved (including back office efficiency); and
- the ability to handle a block order for securities and distribution capabilities.

In selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not the Adviser's practice to negotiate "execution only" commission rates, thus a client may be deemed to be paying for research, brokerage or other services provided by a broker-dealer that are included in the commission rate.

The Adviser's Chief Compliance Officer, traders and portfolio managers meet semiannually to evaluate the broker-dealers used by the Adviser to execute client trades using the foregoing factors.

The Adviser typically does not use "soft dollars." However, the Adviser does have an agreement with Bloomberg Tradebook LLC whereby a percentage of commissions charged by Bloomberg Tradebook in a quarter will accumulate as credits to be used in the following quarter. These credits are used to pay Bloomberg terminal expenses and Bloomberg entitlement (market data feeds) expenses. The Adviser typically charges the Fund and Accounts for market data expenses; as such, this agreement with Bloomberg Tradebook reduces the expense allocated to the Fund and Accounts.

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

In some instances, the Adviser may receive a product or service that may be used only partially for functions within Section 28(e). In such instances, the Adviser will make a good faith effort to determine the relative proportion of the product or service used to assist the Adviser in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e). The proportion of the product or service attributable to assisting the Adviser in carrying out its investment decision-making responsibilities will be paid

through brokerage commissions generated by client transactions and the proportion attributable to administrative or other purposes outside Section 28(e) will be paid for by the Adviser from its own resources.

Research and brokerage services obtained by the use of commissions arising from a client's portfolio transactions may be used by the Adviser in its other investment activities and thus, a client account may not necessarily, in any particular instance, be the direct or indirect beneficiary of the research or brokerage services provided.

Although the Adviser will make a good faith determination that the amount of commissions paid is reasonable in light of the products or services provided by a broker, commission rates are generally negotiable and thus, selecting brokers on the basis of considerations that are not limited to the applicable commission rates may result in higher transaction costs than would otherwise be obtainable. The receipt of such products or services and the determination of the appropriate allocation in the case of "mixed use" products or services creates a potential conflict of interest between the Adviser and its clients.

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

Under certain circumstances, the Adviser may permit clients to direct the Adviser to execute the client's trades with a specified broker-dealer. When a client directs the Adviser to use a specified broker-dealer to execute all or a portion of the client's securities transactions, the Adviser treats the client direction as a decision by the client to retain, to the extent of the direction, the discretion the Adviser would otherwise have in selecting broker-dealers to effect transactions and in negotiating commissions for the client's account. Although the Adviser attempts to effect such transactions in a manner consistent with its policy of seeking best execution, there may be occasions where it is unable to do so, in which case the Adviser will continue to comply with the client's instructions. Transactions in the same security for accounts that have directed the use of the same broker will be aggregated. When the directed broker-dealer is unable to execute a trade, the Adviser under certain circumstances will select broker-dealers other than the directed broker-dealer to effect client securities transactions.

A client who directs the Adviser to use a particular broker-dealer to effect transactions should consider whether such direction may result in certain costs or disadvantages to the client. Such costs may include higher brokerage commissions (because the Adviser may not be able to aggregate orders to reduce transaction costs), less favorable execution of transactions, and the potential of exclusion from the client's portfolio of certain foreign ordinary shares and/or small capitalization or illiquid securities due to the inability of the particular broker-dealer in question to provide adequate price and execution of all types of securities transactions. By permitting a client to direct the Adviser to execute the client's trades through a specified broker-dealer, the Adviser will make no attempt to negotiate commissions on behalf of the client and, as a result, in some transactions such clients may pay materially disparate commissions depending on their commission arrangement with the specified broker-dealer and upon other factors such as number of shares, round and odd lots and the market for the security. The commissions charged to clients that direct the Adviser to execute the client's trades through a specified broker-dealer may in some transactions be materially different than those of clients who do not direct the execution of their trades. Clients that direct the Adviser to execute the client's trades through a specified broker-dealer may also lose the ability to negotiate volume commission discounts on batched transactions that may otherwise be available to other clients of the Adviser.

The Adviser often purchases or sells the same security for many clients contemporaneously and using the same executing broker. It is the Adviser's practice, where possible, to aggregate client orders for the purchase or sale of the same security. Such aggregation may enable the Adviser to obtain for clients a more favorable price or a better commission rate based upon the volume of a particular transaction.

The Adviser will generally follow the guidelines set forth below in aggregating client orders for securities, including any orders placed for private investment vehicles:

- no investment advisory client will be favored over any other investment advisory client;
- each client that participates in an aggregated order will participate at the average share price for all the Adviser's transactions in that security on a given business day or such shorter period, as applicable, or as

specified in these procedures and transaction costs will be shared pro rata based on each client's participation in the transaction; and

- if the aggregated order is filled in its entirety or if it is partially filled, it will be allocated among clients in accordance with the Adviser's general policy (See Allocation Procedures described in Item 6).

Item 13. Review of Accounts

Each client account is reviewed daily in real time by members of the Adviser's Investment Committee to determine whether securities positions should be maintained in view of current market conditions. The review includes information relating to performance and exposures (detailed as well as aggregated).

Daily and monthly reviews are also performed by SRCM's accounting team in order to identify any significant performance variances between the Funds and the Accounts.

Additionally, on a monthly basis, the Investment Committee receives and reviews a compliance report prepared by the Chief Compliance Officer that includes a review of positions, adherence to specific investment guidelines. The Investment Committee also receives and reviews a monthly risk report prepared by the Risk Manager that includes a review of performance by strategy, position exposures (including net, gross, sector detail) and portfolio stress tests.

Significant market events affecting the prices of one or more securities in client accounts, changes in the investment objectives or guidelines of a particular client, or specific arrangements with particular clients may trigger reviews of client accounts other than those described above.

For the Funds, a client's investors receive reports from the client pursuant to the terms of each client's offering memoranda or as otherwise described in the offering document of the client. This typically includes a capital statement from the Funds' administrator within ten business days following each month as well as audited financial statements within 90 days after the fiscal year end.

Each client that is a separate account will receive information that is agreed upon with the Adviser as part of the investment management agreement.

Item 14. Client Referrals and Other Compensation

This item is not applicable.

Item 15. Custody

For separately managed accounts, clients will receive account statements from a broker-dealer, bank or other qualified custodian and clients should carefully review those statements.

Item 16. Investment Discretion

The Adviser provides investment advisory services on a discretionary basis to clients. Please see Item 4 for a description of any limitations clients may place on the Adviser's discretionary authority.

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

Unless otherwise instructed or directed by a discretionary client, the Adviser has the authority to determine (i) the securities to be purchased and sold for the client account (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines) and (ii) the amount of securities to be purchased or sold for the client account. Because of the differences in client investment objectives and strategies, risk tolerances, tax status and other criteria, there may be differences among clients in invested positions and securities held. The following factors may be taken into account by the Adviser in allocating securities among investment advisory clients:

- client's investment objective and strategies;
- client's risk profile;
- client's tax status;
- any restrictions placed on a client's portfolio by the client or by virtue of federal or state law (such as the Employee Retirement Income Security Act of 1974, as amended);
- size of client account;
- total portfolio invested position;
- nature of the security to be allocated;
- size of available position;
- supply or demand for a security at a given price level;
- current market conditions;
- timing of cash flows and account liquidity;
- asset servicing abilities and ability to borrow securities at each client's prime broker; and
- any other information determined to be relevant to the fair allocation of securities.

Securities acquired by the Adviser for its clients through initial public offerings (IPOs) and secondary offerings will be allocated pursuant to the procedures set forth in the Adviser's allocation policy. Refer to Item 6 for SRCM's trade allocation policy. The Adviser will determine the proposed allocations of IPO securities after considering the factors described above with respect to general allocations of securities. Only those client accounts that have established their eligibility to participate in IPOs with the Adviser can participate in IPO allocations.

The Adviser may effect cross transactions between discretionary client accounts, except as otherwise noted below. Cross transactions enable the Adviser to effect a trade between two clients for the same security at a set price, thereby possibly avoiding an unfavorable price movement that may be created through entrance into the market and saving commission costs for both accounts. Cross transactions include rebalancing transactions that are undertaken so that, after withdrawals or contributions have occurred, the portfolio compositions of similarly managed accounts remain substantially similar. The Adviser has a potentially conflicting division of loyalties and responsibilities regarding both parties to cross transactions. The Adviser has adopted policies and procedures relating to cross transactions. The policy states that the Adviser will effect "cross transactions" only if the Adviser believes that, by doing so, each client participating in the cross transaction may benefit in some way by the cross transaction (due to liquidity, transaction costs, etc.). In addition, when effecting a cross transaction, the Adviser may engage in such

cross transactions without obtaining the specific consent of the client to each transaction if the trades are executed by an independent broker and the trades are executed in the market.

If it appears that a trade error has occurred, the Adviser will review the relevant facts and circumstances to determine an appropriate course of action. The Adviser's policy for trade errors is to use its best efforts to break or otherwise correct the trade error. The Adviser has discretion to resolve a particular error in any appropriate manner that is consistent with the above-stated policy. The Compliance Officer has discretion to resolve a particular error in a manner other than specified in these procedures. Any errors resulting shall be resolved on a case-by-case basis.

Item 17. Voting Client Securities

The Adviser has been delegated proxy voting authority on behalf of its clients. The Adviser complies with its proxy voting policies and procedures that are designed to ensure that in cases where the Adviser votes proxies with respect to client securities, such proxies are voted in the best interests of its clients.

The Adviser's clients are permitted to provide the Adviser with their proxy voting guidelines specific to their account and reserve the right to instruct the Adviser on how to vote a particular solicitation.

In voting proxies, the Adviser utilizes the services of a third-party proxy agent that has been instructed to vote proxies in accordance with the specific proxy voting guidelines for each client, if applicable, or in accordance with the Adviser's proxy voting guidelines. Generally, the Adviser will vote in favor of routine corporate housekeeping proposals, including election of directors (where no corporate governance issues are implicated), selection of auditors, and increases in or reclassification of common stock. Also, the Adviser will vote against proposals that make it more difficult to replace members of the issuer's board of directors, including proposals to stagger the board, cause management to be overrepresented on the board, introduce cumulative voting, introduce unequal voting rights, and create supermajority voting.

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

Clients may obtain a copy of the Adviser's proxy voting policies and procedures and information about how the Adviser voted a client's proxies by contacting Christine Glick (Chief Compliance Officer) by email at christine.glick@srcmlc.com or by telephone at (203) 971-3600.

Item 18. Financial Information

This item is not applicable.

Item 19. Requirements for State-Registered Advisers

This item is not applicable.

Appendix: Item 2. Material Changes

There are no material changes from the ADV Part 2 dated March 29, 2011.