

Part 2A of Form ADV: *Firm Brochure*

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February 14, 2012

This brochure provides information about the qualifications and business practices of Charter Oak Partners Management, LP (hereinafter "Charter Oak" or "firm" or "we"). If you have any questions about the contents of this brochure, please contact us at (203) 226-7591 or at info@charteroakpartners.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.

Charter Oak is registered as an investment adviser with the SEC. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about Charter Oak is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for Charter Oak is 156621.

Item 2 MATERIAL CHANGES

This brochure is our initial Form ADV Part 2A submitted with our application for registration with the SEC; as a result, there are no material changes to report.

If we make any material changes to this brochure, this section will be revised to include a summary of such changes.

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Item 4. Advisory Business

Charter Oak is an SEC-registered investment adviser with its principal place of business in Westport, Connecticut. Charter Oak was organized in 2003 under the laws of the State of Delaware. Fine Partners, L.P. (an entity controlled by Jerrold Fine), Deborah Ziskin and Michelle Picker are limited partners of Charter Oak and Charter Oak GP, LLC is its general partner. Charter Oak GP, LLC is ultimately controlled by Jerrold Fine and has ultimate responsibility for the management, operations and the investment decisions made by Charter Oak.

Charter Oak serves as investment manager with discretionary trading authority to the following private funds (hereinafter each, a "Fund" and collectively, "the Funds").

- **Charter Oak Partners**, a Connecticut limited partnership formed in 1976 (hereinafter "*Charter Oak Partners*").
- **Charter Oak Partners II, LP**, a Delaware limited partnership formed in 2003 (hereinafter "*Charter Oak Partners II*").
- **Charter Oak Master Fund, LP**, a Cayman Islands exempted limited partnership formed in 2007 (hereinafter "*Charter Oak Master Fund*" or the "*Master Fund*").
- **Charter Oak Offshore Fund**, a Cayman Islands exempted company also formed in 2007 (hereinafter "*Charter Oak Feeder Fund*" or the "*Feeder Fund*"). Charter Oak Feeder Fund invests substantially all of its capital through a "master-feeder" structure in Charter Oak Master Fund, through which Charter Oak Feeder Fund's investment program is effectuated. It is anticipated that Charter Oak Feeder Fund will be the only "feeder fund" investing through Charter Oak Master Fund.

Charter Oak Partners, Charter Oak Partners II and Charter Oak Master Fund follow a substantially similar investment program, although specific investments made by each Fund may vary due to, among other things, tax or regulatory considerations. As such, the Funds have similar risk profiles.

Charter Oak also serves as investment manager with discretionary trading authority to **COP SPV**, a special purpose vehicle organized as a Cayman Islands exempted company and incorporated in 2009. COP SPV is being managed with the intent of liquidating the investments held therein in a commercially reasonable manner.

As used herein, the term "client" generally refers to each Fund and COP SPV.

Fine Partners, LP, a Connecticut limited partnership, is the managing general partner of Charter Oak Partners and Charter Oak Partners II. Fine Partners, LP has delegated the day-to day investment management of Charter Oak Partners and Charter Oak Partners II to Charter Oak.

Charter Oak Management GP LLC (collectively with Fine Partners, LP, the "General Partner"), a Delaware limited liability company, also serves as a general partner of Charter Oak Partners, Charter Oak Partners II and Charter Oak Master Fund.

This brochure generally includes information about Charter Oak and its relationships with its clients and affiliates. While much of this brochure applies to all such clients and affiliates, certain information included herein applies to specific clients or affiliates only.

This brochure does not constitute an offer to sell or solicitation of an offer to buy any securities. The securities of the Funds are offered and sold on a private placement basis under exemptions promulgated under the U.S. Securities Act of 1933, as amended (the "Securities Act") and other exemptions of similar import under U.S. state laws and the laws of other jurisdictions where any offering may be made. Persons reviewing this brochure should not construe this as an offer to sell or solicitation of an offer to buy the securities of any of the Funds described herein. Any such offer or solicitation will be made only by means of a confidential private placement memorandum.

Our management of the Funds is based on a value oriented, long/short equity investment strategy that is designed to control risk and limit volatility while generating absolute returns over time that have a low correlation to the overall market. Through this investment program, we seek to outperform the market over the long term while preserving capital during difficult markets. We may invest the Funds' assets across market capitalizations, with a U.S. focus. Investment opportunities are identified in both growth and value situations through a bottom-up investment research and analysis process.

Short positions are subject to the same research discipline as long positions. The primary purpose of short positions is to generate profits for the Funds, although at times short positions may be initiated as a hedge.

The Funds are generally invested in a variety of industries in stocks whose valuation is generally perceived to be either value or growth at a reasonable price (GARP). Though mindful of prevailing market sentiment, our investment philosophy emphasizes individual stock research. In addition, we may implement investment themes, which often result in a number of related short or long positions.

Subadviser: Charter Oak has entered into a sub-advisory arrangement with Empire Capital Management, LLC (hereinafter "Empire"), an unaffiliated investment adviser, to provide investment management services to a portion of the Funds' portfolios. Empire was engaged by Charter Oak to focus on the technology sector as such sector is not generally covered by the members of Charter Oak's investment team. Please see Item 10 for additional disclosure regarding Empire.

We manage the Funds on a discretionary basis in accordance with the terms and conditions of each Fund's offering and organizational documents.

Assets: As of December 31, 2011, we managed \$297,328,370 on a discretionary basis. As of December 31, 2011, Charter Oak did not manage any assets on a non-discretionary basis.

ADDITIONAL CONSIDERATIONS: *The descriptions set forth in this brochure of specific advisory services that Charter Oak offers to clients, and investment strategies pursued and investments made by Charter Oak on behalf of its clients, should not be understood to limit in any way Charter Oak's investment activities. Charter Oak may offer any advisory services, engage in any investment strategy and make any investment,*

including any not described in this brochure, that Charter Oak considers appropriate, subject to each client's investment objectives and guidelines. The investment strategies Charter Oak pursues are speculative and entail substantial risks. Clients and investors should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any client will be achieved.

Item 5. Fees and Compensation

For our services to the Funds, Charter Oak or its affiliate receives the fees and compensation summarized below. Such fees and compensation are described in detail in each Fund's offering documents.

MANAGEMENT FEES: Each of Charter Oak Partners, Charter Oak Partners II and Charter Oak Feeder Fund pays Charter Oak an annual fee for management services equal to 1.00% of the net asset value of each investor's capital account or series of shares as of the end of each month or each quarter (as applicable). The management fee is pro-rated for partial periods.

INCENTIVE ALLOCATION:

Charter Oak Partners and Charter Oak Partners II

Generally, at the end of each fiscal year of Charter Oak Partners and Charter Oak Partners II, an aggregate amount equal to 20% of the excess of any net capital appreciation allocated to a capital account of a Limited Partner (other than a Special Limited Partner) for such year (adjusted for any redemptions made during such fiscal year and any accrual for the incentive allocation) over the management fees debited to such capital account for such year will be reallocated to the capital accounts of the General Partner and trusts or other entities created for the benefit of persons affiliated with or employed by Charter Oak (the "Special Limited Partners").

Each of Charter Oak Partners and Charter Oak Partners II maintains a memorandum loss recovery account (a "Loss Recovery Account"), sometimes called a "high water mark", for each Limited Partner (other than a Special Limited Partner). The balance of a Limited Partner's Loss Recovery Account will begin at zero, and at the end of each fiscal year, will be (i) debited by the management fee attributable to such Limited Partner for such fiscal year; (ii) debited by the amount, if any, of the net capital depreciation allocated to such Limited Partner's capital account for such fiscal year; and (iii) credited (but not above zero) by the amount, if any, of the net capital appreciation (before any incentive allocation) allocated to such Limited Partner's capital account for such fiscal year. There will not be any incentive allocation with respect to a Limited Partner's capital account until such Limited Partner has recovered any net capital depreciation debited to its Loss Recovery Account. A balance in a Limited Partner's Loss Recovery Account will be adjusted (i.e., decreased proportionately) for withdrawals of capital by such Limited Partner. Additional capital contributions will not affect a Limited Partner's Loss Recovery Account.

Charter Oak Feeder Fund and Charter Oak Master Fund

Generally, at the end of each fiscal year of Charter Oak Feeder Fund, an aggregate amount equal to 20% of the excess of any net capital appreciation allocated to each Master Fund capital account for such year (adjusted for any redemption of shares at the Feeder Fund level made during such fiscal year from the series of shares corresponding to such Master Fund capital account and any accrual for the incentive allocation) over (i) the management fees debited to the series of shares corresponding to each such Master Fund capital account for such year and (ii) any expenses attributable to such series of Shares that are charged at the Feeder Fund level and are not otherwise reflected in the Master Fund's net asset value, will be reallocated from each such Master Fund capital account to the capital accounts of the General Partner and the Special Limited Partners by the Master Fund.

The Master Fund will maintain a Loss Recovery Account, sometimes called a "high water mark," for each of its capital accounts, the opening balance of which is zero. For each fiscal year, each Master Fund capital account's Loss Recovery Account will be credited with the aggregate net capital depreciation, if any, allocated to such capital account for such year (taking into account the management fee attributable to the series of shares at the Feeder Fund level corresponding to such capital account and the amount of any expenses attributable to such capital account that are charged at the Feeder Fund level) and debited, but not below zero, with the aggregate net capital appreciation, if any, allocated to such capital account for such fiscal year (taking into account the management fee attributable to the series of shares at the Feeder Fund level corresponding to such capital account and the amount of any expenses attributable to such capital account that are charged at the Feeder Fund level). No incentive allocation will be allocated with respect to a Master Fund capital account until such capital account has recovered any positive balance in its Loss Recovery Account. A positive balance in a Loss Recovery Account will be adjusted (i.e., decreased) for withdrawals of capital from such Master Fund capital account (i.e., as a result of redemptions from the corresponding series of shares).

GENERAL INFORMATION:

Personal Investments in Funds: Certain executive officers and/or other employees of Charter Oak have invested or may invest a portion of their personal net worth in one or more of the Funds and COP SPV.

Different Fee Schedules: The management fee and the incentive allocation may be waived, reduced or calculated differently with respect to any of the General Partner's or Charter Oak's affiliates, members or employees.

Payment of Fees. Fees and compensation paid or allocated to Charter Oak or its affiliates by the Funds are generally deducted from the assets of such clients. As discussed above, management fees are generally deducted on a quarterly or a monthly basis and performance compensation is generally deducted on an annual basis.

Other Fees and Expenses: Each Fund bears its own expenses, including, but not limited to, the management fee; investment expenses (e.g., expenses that are reasonably determined to be related to the investment of such Fund's assets, brokerage commissions (See Item 12), expenses relating to short sales, clearing and settlement charges, custodial fees, bank service fees and interest expenses); investment-related travel expenses; legal expenses; professional fees (including, without limitation,

expenses of consultants and experts and the fee of any sub-advisor in excess of the management fee charged on the capital allocated to such sub-advisor) relating to investments; accounting expenses (including the cost of accounting software packages); auditing and tax preparation expenses; costs of printing and mailing reports and notices; entity-level taxes; corporate licensing; expenses related to the maintenance of any registered office of such Fund; regulatory expenses (including filing fees); organizational expenses; expenses incurred in connection with the offering and sale of share or interests (including the legal and other expenses associated with preparing and updating offering materials) and other similar expenses related to such Fund; remuneration to members of the board of directors (if applicable); premiums for directors' and officers' liability insurance (if any); and extraordinary expenses. As a Fund may outsource certain functions (e.g., accounting, tax preparation) to third parties (e.g., administrator), the expenses associated with the performance of such functions and the retention of such third-party providers will be paid by such Fund.

The Funds may invest their excess funds in short term investments, including U.S. Government securities, money market funds, commercial paper, certificates of deposit and bankers' acceptances. All fees paid to Charter Oak for investment advisory services are separate and distinct from the fees and expenses charged by such short term investments.

Charter Oak Partners, Charter Oak Partners II and the Master Fund pay Empire a quarterly management fee equal to .375% (1.5% per annum) of the average quarterly market value of the portion of each Fund's portfolio managed by Empire. Each such Fund bears the portion of such fee in excess of the Management Fee charged by Charter Oak.

Side Letters: Charter Oak and the Funds may enter into "side letter" agreements with certain investors which terms generally differ from the shares/interests generally offered to investors with respect to, among other things, incentive allocation, management fees, redemption rights (including more frequent redemption dates), informational rights and other rights. Charter Oak and/or a Fund may enter into "side letter" arrangements without providing notice to, or receiving consent from, existing investors. The terms of such "side letters" will be determined by Charter Oak and/or such Fund in their sole discretion. To date, neither Charter Oak nor the Funds have entered into a side letter providing an investor in the Fund with greater rights relating to fees, transparency or liquidity, other than certain rights to accommodate legal, regulatory, tax or similar considerations applicable to an investor.

Special Purpose Vehicle: Charter Oak has formed COP SPV, a special purpose vehicle that holds certain illiquid assets previously held by Charter Oak Partners. Investors in Charter Oak Partners that had participated in these investments received interests in the special purpose vehicle based on their proportional share of such illiquid assets. COP SPV is being managed with the intention of liquidating such illiquid assets in a commercially reasonable manner, with a view toward realizing reasonable value under current market conditions. Charter Oak does not receive any management fees or incentive-based compensation from COP SPV. COP SPV bears its investment-related expenses. Charter Oak pays for COP SPV's non-investment related expenses (e.g., organizational costs, audit costs, costs related to directors' and officers' liability insurance, fees of third party administrator and preparation of Internal Revenue Service Schedules K-1, if any) (the "Reimbursable Expenses"). COP SPV's board of directors

may apply the reserve established as a result of the contribution by Fine Partners, L.P. to reimburse Charter Oak for such Reimbursable Expenses. In addition, if upon liquidation of an illiquid asset held by COP SPV, the proceeds realized from such liquidation are in excess of the net asset value of such asset as of December 31, 2009, such excess may first be used to reimburse Charter Oak for portion of the Reimbursable Expenses attributable to such asset.

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

As we disclosed in Item 5 of this brochure, the General Partner and the Special Limited Partners may be entitled to receive an annual incentive allocation from Charter Oak Partners, Charter Oak Partners II and Charter Oak Master Fund.

Performance-based compensation can create an incentive for an adviser such as Charter Oak to recommend investments which may be riskier or more speculative than those which would be recommended under a different compensation arrangement. Also, because the incentive allocation is calculated on a basis which includes unrealized as well as realized appreciation of assets, it may be greater than if such compensation were based solely on realized gains.

At this time, we do not offer advisory services to clients with no performance-based compensation, and, therefore, we do not have an incentive to direct the best investment ideas to, or to allocate or sequence trade in favor of, clients with performance-based compensation arrangements. However, we may have incentive to favor a Fund with significantly greater assets than another Fund as the performance compensation may be higher from Funds with greater assets. In addition, we may have incentive to favor a Fund in which the officers and employees of the firm may have more of their personal assets invested. We take the following steps to address these conflicts:

- We disclose to clients, investors and prospective investor the existence of material conflicts of interest, including the potential for our firm and its employees to earn more compensation from some clients than others;
- We have implemented written allocation policies and procedures (see Item 11 for a brief description of these policies and procedures);
- We periodically compare holdings and performance of all client accounts with similar strategies to identify significant performance disparities indicative of possible favorable treatment;
- We educate our employees regarding the responsibilities of a fiduciary, including the equitable treatment of all clients, regardless of the fee arrangement.

Item 7. Types of Clients

Our firm provides investment management services to several pooled investment vehicles as disclosed at Item 4 of this brochure.

Investors in the Funds are persons who generally are (a) "accredited investors" as defined under the Securities Act or (b) not U.S. Persons (as defined under Regulation S of the Securities Act). In addition, investors in the Charter Oak Partners II and Charter Oak Offshore who are U.S. Persons (as defined under Regulation S of the Securities Act) must generally be "qualified purchasers" as defined under the U.S. Investment Company Act of 1940, as amended.

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

METHODS OF ANALYSIS:

The descriptions set forth in this brochure of specific advisory services that Charter Oak offers to clients, and investment strategies pursued and investments made by Charter Oak on behalf of its clients, should not be understood to limit in any way the firm's investment activities. Charter Oak may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this brochure, that Charter Oak considers appropriate, subject to each client's investment objectives and guidelines. The investment strategies Charter Oak pursues are speculative and entail substantial risks. Investors in the Funds should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any client will be achieved.

Fundamental analysis: Our investment strategy is driven by a fundamental research discipline and collaboration of the investment team. Fundamental analysis attempts to measure the intrinsic value of a security by examining macroeconomic and financial factors (including the overall economy, industry conditions, the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell or sell short).

We do not adhere to any rigid formula for choosing stocks, but believe that fundamental analysis and price discipline are key factors in our selection of investments. Charter Oak pursues a bottom-up strategy of analysis and portfolio construction, with positions selected one stock at a time. In determining the size of positions, we take into account such factors as macroeconomic factors, prevailing market conditions, assessment of the risk/reward profile, conviction level and liquidity.

We believe that fundamental analysis wins out over time and that with proper price discipline, absolute returns consistent with the Funds' objectives can be generated. A key tenet of our investment philosophy is the belief that the investment business is not formulaic; rather, there are numerous factors that contribute to a successful investment, including financials, quality of business, quality of management, industry dynamics, changes in the competitive landscape, character of the shareholder base, and, to a certain extent, prevailing market sentiment.

INVESTMENT STRATEGIES:

As discussed in Item 4 above, Charter Oak employs a value oriented, long-short equity investment program that is designed to control risk and limit volatility while generating consistent absolute returns over time that have a low correlation to the overall market.

MATERIAL, SIGNIFICANT OR UNUSUAL RISKS RELATING TO INVESTMENT STRATEGIES:

The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in the clients advised by Charter Oak. These risk factors include only those risks the firm believes to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis employed by Charter Oak. Certain risk factors may not be applicable to all clients.

Use of Third Party Sub-Advisors. Charter Oak and the Funds may retain (and in fact, have retained) third parties to provide investment advice on behalf of the Funds. Subjective decisions made by any such sub-advisor may cause the Funds to incur losses or to miss profit opportunities on which they may otherwise have capitalized.

Although the Funds do not intend to use leverage as a material component of their investment strategy, their sub-advisors may buy and sell securities on margin and otherwise utilize leverage, increasing the volatility of the Funds' investments.

It will be difficult, if not impossible, for Charter Oak to protect the Funds from the risk of a sub-advisor's fraud, misrepresentation, material strategy alteration or poor judgment. Although any sub-advisor will be required to adhere to the terms of the agreement between the Funds and such sub-advisor, the firm cannot control the investments made by a sub-advisor with discretionary trading authority. Furthermore, although Charter Oak will have transparency as to the composition of the portion of the Funds' portfolio managed by a sub-advisor, the firm will generally not have extensive familiarity with the issuers in which such sub-advisor invests, thereby potentially delaying the discovery by the firm of any fraud, misrepresentation, material strategy alteration or poor judgment by such sub-advisor. Moreover, in light of the broad exculpation and indemnification provisions typically contained in the agreements with sub-advisors, the Funds will likely have only limited recourse against each sub-advisor. In most cases, the firm's sole remedy in the event of a deviation by a sub-advisor from the terms of the sub-advisory agreement will be to terminate such agreement.

Illiquid Portfolio Instruments. Certain securities may be illiquid because, for example, they are subject to legal or other restrictions on transfer or there is no liquid market for such securities. Valuation of such securities may be difficult or uncertain because there may be limited information available about the issuers of such securities. The market prices, if any, for such securities tend to be volatile and may not be readily ascertainable, and the Funds may not be able to sell them when they desire to do so or to realize what they perceive to be their fair value in the event of a sale. The sale of restricted and illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. The Funds may not be able to readily dispose of such illiquid investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time. As a result, the Funds may be required to hold such securities despite adverse price movements. Even those markets which Charter Oak expects to be liquid can

experience periods, possibly extended periods, of illiquidity. Occasions have arisen in the past where previously liquid investments have rapidly become illiquid.

Investment and Trading Risks. **An investor should be aware that it may lose all or part of its investment in the Funds.** All investments risk the loss of capital. Charter Oak believes that the Funds' investment program and research techniques moderate this risk through a careful selection of securities, the use of short positions and other financial instruments. However, no guarantee or representation is made that the Funds' investment program will be successful, and investment results may vary substantially over time. The Funds' investment program may utilize such investment techniques as option transactions, margin transactions, short sales, limited diversification and leverage, which practices can, in certain circumstances, increase the adverse impact to which the Funds' portfolio may be subject. In addition, the Funds' investments may be materially affected by conditions in the financial markets and overall economic conditions occurring globally and in particular countries or markets where the Funds may invest its assets.

The Funds' methods of minimizing such risks may not accurately predict future risk exposures. Risk management techniques are based in part on the observation of historical market behavior, which may not predict market divergences that are larger than historical indicators. Also, information used to manage risks may not be accurate, complete or current, and such information may be misinterpreted.

Leverage and Financing Risk. In general, the Funds do not employ much financial leverage. However, at times, the Funds may pledge their securities in order to borrow additional funds for investment purposes. The Funds may also leverage their investment return with options and other similar instruments.

While leverage presents opportunities for increasing the Funds' total return, it also has the potential effect of increasing losses as well. Accordingly, any event which affects the value of an investment by the Funds either positively or negatively would be magnified to the extent the Funds are leveraged.

In general, the anticipated use of margin borrowings results in certain additional risks to the Funds. For example, should the securities pledged to brokers to secure the Funds' margin accounts decline in value, the Funds could be subject to a "margin call," pursuant to which the Funds must either deposit additional funds or securities with the broker, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden drop in the value of the Funds' assets, the Funds might not be able to liquidate assets quickly enough to satisfy their margin requirements.

Although the Funds have not generally entered into repurchase and reverse repurchase agreements, they may enter into such agreements from time-to-time. When the Funds enters into a repurchase agreement, they "sell" securities issued by the U.S. or a non-U.S. government, or agencies thereof, to a broker-dealer or financial institution, and agree to repurchase such securities for the price paid by the broker-dealer or financial institution, plus interest at a negotiated rate. In a reverse repurchase transaction, the Funds "buy" securities issued by the U.S. or a non-U.S. government, or agencies thereof, from a broker-dealer or financial institution, subject to the obligation of the broker-dealer or financial institution to repurchase such securities at the price paid by the Funds, plus interest at a negotiated rate. The use of repurchase and reverse repurchase agreements by the Funds involves certain risks. For example, if the seller of

securities to the Funds under a reverse repurchase agreement defaults on its obligation to repurchase the underlying securities, as a result of its bankruptcy or otherwise, the Funds will seek to dispose of such securities, which action could involve costs or delays. If the seller becomes insolvent and subject to liquidation or reorganization under applicable bankruptcy or other laws, the Funds' ability to dispose of the underlying securities may be restricted. It is possible, in a bankruptcy or liquidation scenario, that the Funds may not be able to substantiate their interest in the underlying securities. Finally, if a seller defaults on its obligation to repurchase securities under a reverse repurchase agreement, the Funds may suffer a loss to the extent that they are forced to liquidate their position in the market, and proceeds from the sale of the underlying securities are less than the repurchase price agreed to by the defaulting seller.

The financing used by the Funds to leverage their portfolio will be extended by securities brokers and dealers in the marketplace in which the Funds invests. While the Funds will attempt to negotiate the terms of these financing arrangements with such brokers and dealers, their ability to do so will be limited. Therefore, the Funds are subject to changes in the value that the broker-dealer ascribes to a given security or position, the amount of margin required to support such security or position, the borrowing rate to finance such security or position and/or such broker-dealer's willingness to continue to provide any such credit to the Funds. Because the Funds currently have no alternative credit facility which could be used to finance their portfolio in the absence of financing from broker-dealers, they could be forced to liquidate their portfolio on short notice to meet their financing obligations. The forced liquidation of all or a portion of the Funds' portfolio at distressed prices could result in significant losses to the Funds.

Hedging Transactions. The Funds may utilize financial instruments, both for investment purposes and for risk management purposes in order to: (i) protect against possible changes in the market value of the Funds' investment portfolio resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect the unrealized gains in the value of the Funds' investment portfolio; (iii) facilitate the sale of any such investments; (iv) enhance or preserve returns, spreads or gains on any investment in the Funds' portfolio; (v) hedge the interest rate or currency exchange rate on any of the Funds' liabilities or assets; (vi) protect against any increase in the price of any securities the Funds anticipate purchasing at a later date; or (vii) for any other reason that the investment team deems appropriate.

The success of the Funds' hedging strategy will depend, in part, upon the investment team's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Funds' hedging strategy will also be subject to the investment team's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While the Funds may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Funds than if they had not engaged in such hedging transactions. For a variety of reasons, the Funds may not seek to establish a perfect correlation between the hedging instruments utilized and the portfolio holdings being hedged. Such an imperfect correlation may prevent the Funds from achieving the intended hedge or expose the Funds to risk of loss. The investment team may not hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because it does not foresee the

occurrence of the risk. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of the Funds' portfolio holdings.

A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by the Funds is called for redemption, the Funds will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on the Funds' ability to achieve their investment objective.

RISKS ASSOCIATED WITH PARTICULAR TYPES OF SECURITIES:

Equity Securities Long. The Funds' investment portfolio may include positions in common stocks, preferred stocks and convertible securities principally of U.S. issuers and, to a lesser extent, non-U.S. issuers. Equity securities' prices fluctuate in value in response to many factors, including the activities and financial condition of individual companies, the business market in which individual companies compete, industry market conditions, interest rates, general economic environments and overall market volatility. Events such as domestic and international political instability, terrorism and natural disasters may be unforeseeable and contribute to market volatility in ways that may adversely affect investments made by the Funds.

Equity Securities Short. Short sales are expected to be a central component of the Funds' investment strategy. Short selling involves selling securities which are not owned by the short seller and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from a decline in market price to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. The extent to which a Fund engages in short sales will depend upon its investment strategy and opportunities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Funds of buying those securities to cover the short position. There can be no assurance that the Funds will be able to maintain the ability to borrow securities sold short. In such cases, the Funds can be "bought in" (i.e., forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

Fixed Income Securities. The Funds may, but do not generally, invest in bonds or other fixed income securities of U.S. and non-U.S. issuers, including, without limitation, bonds, notes and debentures issued by corporations; debt securities issued or guaranteed by the U.S. Government or one of its agencies or instrumentalities; and commercial paper. Fixed income securities pay fixed, variable or floating rates of interest. The value of fixed income securities in which the Funds invest will change in response to fluctuations in interest rates. In addition, the value of certain fixed-income securities can fluctuate in response to perceptions of creditworthiness, political stability or soundness of economic policies. Fixed income securities are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to

price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer, general market liquidity and bond market spreads.

Call Options. The Funds may incur risks associated with the sale and purchase of call options. The seller (writer) of a call option which is covered (e.g., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The securities necessary to satisfy the exercise of an uncovered call option may be unavailable for purchase, except at much higher prices, thereby reducing or eliminating the value of the premium. Purchasing securities to cover the exercise of an uncovered call option can cause the price of the securities to increase, thereby exacerbating the loss. The buyer of a call option assumes the risk of losing its entire premium investment in the call option.

Put Options. The Funds may incur risks associated with the sale and purchase of put options. The seller (writer) of a put option which is covered (e.g., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security if the market price falls below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

Non-U.S. Investments. The Funds may invest in securities of non-U.S. corporations and non-U.S. countries. Investing in the securities of companies (and, from time to time, governments) of non-U.S. countries involves certain considerations not usually associated with investing in securities of U.S. companies or the U.S. Government, including possible adverse political and economic developments, possible seizure or nationalization of non-U.S. deposits and possible adoption of governmental restrictions that might adversely affect the payment of principal and interest to investors located outside the country of the issuer, whether from currency blockage or otherwise. In addition, there may be less publicly available information about issuers in non-U.S. countries which are generally not subject to uniform accounting, auditing and financial reporting standards and other disclosure requirements comparable to those applicable to U.S. issuers. Furthermore, some of the securities may be subject to brokerage taxes levied by governments, which has the effect of increasing the cost of such investment and reducing the realized gain or increasing the realized loss on such securities at the time of sale. Income received by the Funds from sources within some countries may be reduced by withholding and other taxes on interest, dividends, capital gains or other income imposed by such countries. Any such taxes paid by the Funds will reduce their net income or return from such investments. While Charter Oak will take these factors into consideration in making investment decisions for the Funds, the firm may not avoid these risks.

Additional costs could be incurred in connection with the Funds' international investment activities. Non-U.S. brokerage commissions generally are higher than in the United States. Expenses also may be incurred on currency exchanges when the firm chooses

to use a currency hedge as the result of buying a stock in a currency other than U.S. dollars. Increased custodian costs as well as administrative difficulties (such as the applicability of non-U.S. laws to non-U.S. custodians in various circumstances, including bankruptcy, ability to recover lost assets, expropriation, nationalization and record access) may be associated with the maintenance of assets in non-U.S. jurisdictions.

Investments in Unlisted Securities. The Funds may, but generally do not, invest in unlisted securities of U.S. and non-U.S. companies. Because of the absence of any trading market for these investments, it may take longer to liquidate than would be the case for publicly-traded securities and/or it may not be possible to liquidate these positions at reasonable prices. Although these securities may be resold in privately negotiated transactions, the prices realized on these sales could be less than those originally paid by the Funds. Further, companies whose securities are not publicly traded may not be subject to public disclosure and other investor protection requirements applicable to publicly traded securities. In the event there is no trading market for these investments, Charter Oak values such investments based either on consistently applied objective standards, such as indications from unaffiliated brokers, an independent appraisal or in accordance with other procedures it deems reasonable.

Item 9. Disciplinary Information

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

Item 10. Other Financial Industry Activities and Affiliations

Charter Oak and its management persons are not registered as broker-dealers and do not have any application to register with the SEC as a broker-dealer or registered representative of a broker-dealer.

Charter Oak and its management persons are not registered as, and do not have any application to register as, futures commission merchants, commodity pool operators, commodity trading advisors or associated persons of the foregoing entities.

As discussed above in Item 4, Charter Oak has entered into a sub-advisory arrangement with, Empire, an unaffiliated investment adviser, to provide investment management services to a portion of the Funds' portfolios. Empire is not affiliated with Charter Oak through common ownership or control; however, a co-founding partner of Empire is also an immediate family member of Charter Oak's founder, Jerrold Fine. To address the inherent conflict of interest created by this relationship Jerrold Fine does not vote on any decisions the investment team makes with respect to Empire.

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

Code of Ethics. Charter Oak strives to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, honesty and trust. In seeking to meet these standards, Charter Oak has adopted a Code of Ethics (the "Code"). The

Code incorporates the following general principles that all employees are expected to uphold:

- employees must at all times place the interests of clients first;
- all personal securities transactions must be conducted in a manner consistent with the Code and any actual or potential conflicts of interest or any abuse of an employee's position of trust and responsibility must be avoided;
- employees must not take any inappropriate advantage of their positions;
- employees must act in accordance with all applicable securities laws;
- information concerning the identity of securities and financial circumstances of the Funds and COP SPV, including the Funds' and COP SPV's investors, must be kept confidential; and
- independence in the investment decision-making process must be maintained at all times.

A copy of our Code is available to our advisory clients and prospective clients, as well as investors and prospective investors in one or more of the Funds or COP SPV, by contacting Charter Oak at the address or telephone listed on the first page of this document.

Cross-Transactions. Charter Oak may cause a client to engage in trades, including principal transactions (collectively, "Cross-Transactions"), with one or more other clients, typically for purposes of rebalancing the portfolios of such clients, in order to further such clients' respective investment programs, or for other reasons consistent with the investment and operating guidelines of such clients. A Cross-Transaction may be effected if Charter Oak determines the transaction to be in the interests (and consistent with the investment program, risk management and other relevant considerations) of such clients. Generally, a Cross-Transaction between two clients occurs as an "internal cross," where Charter Oak instructs the custodian for the clients to book the transaction at a price determined in accordance with Charter Oak's valuation policy. Charter Oak does not receive any fee in connection with an "internal cross" transaction. Any expenses incurred in a Cross-Transaction will be allocated equitably in the sole discretion of Charter Oak between the transferee and the transferor.

To the extent that Cross-Transactions may be viewed as principal transactions due to the ownership interest in a client by Charter Oak or its personnel, Charter Oak will comply with the requirements of Section 206(3) of the Advisers Act, including that any such transactions will be considered on behalf of investors in such a client and approved or disapproved by (i) an advisory board comprised of representatives of such investors or (ii) a committee consisting of one or more persons selected by Charter Oak (or its affiliate), and any valuation approved by such a committee will be determined by an independent third party that has appropriate experience in providing such valuations.

Investing in Securities that the Firm or a Related Person Recommends to Clients. The Code places restrictions on personal trades by employees, including that they

disclose their personal securities holdings and transactions to the firm on a periodic basis, and requires that employees pre-clear certain types of personal securities transactions. Charter Oak, its affiliates and its employees may invest on behalf of themselves in securities and other instruments that would be appropriate for, held by, or may fall within the investment guidelines of clients.

As disclosed at Item 5 of this brochure, certain partners and/or employees of Charter Oak have invested or may invest a portion of their personal net worth in one or more of the Funds and COP SPV. In addition, certain partners of Charter Oak have direct investments in one or more of the underlying portfolio companies which the Funds and COP SPV have invested in.

It is the express policy of our firm that no employee may take advantage of an investment opportunity which may be appropriate for one or more of the Funds without first presenting the opportunity to our investment team, particularly when there is limited availability for participation in the opportunity.

Charter Oak, its affiliates and its employees may give advice or take action for their own accounts that may differ from, conflict with or be adverse to advice given or action taken for clients. These activities may adversely affect the prices and availability of other securities or instruments held by or potentially considered for one or more clients. Potential conflicts also may arise due to the fact that Charter Oak and its personnel may have investments in some clients but not in others or may have different levels of investments in the various Clients.

Charter Oak has established policies and procedures to monitor and resolve conflicts with respect to investment opportunities in a manner it deems fair and equitable, including the restrictions placed on personal trading in the Code, as described above, and regular monitoring of employee transactions and trading patterns for actual or perceived conflicts of interest, including those conflicts that may arise as a result of personal trades in the same or similar securities made at or about the same time as client trades.

Conflicts of Interest Created by Contemporaneous Trading. Charter Oak manages investments on behalf of a number of clients. Certain clients have investment programs that are similar or overlap and may, therefore, participate with each other in investments. It is the policy of Charter Oak to allocate investment opportunities among all clients fairly, to the extent practical and in accordance with each client's applicable investment strategies, over a period of time. Charter Oak will have no obligation to purchase or sell a security for, enter into a transaction on behalf of, or provide an investment opportunity to any client solely because Charter Oak purchases or sells the same security for, enters into a transaction on behalf of, or provides an opportunity to any client if, in its reasonable opinion, such security, transaction or investment opportunity does not appear to be suitable, practical or desirable for the client.

When participation in specific investment opportunities is appropriate for more than one client, participation in such opportunities will be allocated on a fair and equitable basis, taking into account such factors as the relative amounts of capital available for new investments, relative exposure to short-term market trends, the tax situation and the respective investment programs and portfolio positions of the clients for which participation is appropriate. Orders may be combined for all such clients and if any

order is not filled at the same price, they may be allocated on an average price basis. Similarly, if an order on behalf of more than one client cannot be fully executed under prevailing market conditions, securities may be allocated among the different clients on a basis which Charter Oak considers equitable.

Item 12. Brokerage Practices

As noted previously, Charter Oak has full discretionary authority to manage the Funds and COP SPV, including authority to make decisions with respect to which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and commissions or markups and markdowns paid. The firm's authority is limited by its own internal policies and procedures and each Fund's and/or COP SPV's investment guidelines.

Portfolio transactions for each client will be allocated to brokers and dealers on the basis of numerous factors and not necessarily lowest pricing. Brokers and dealers may provide other services that are beneficial to Charter Oak and/or certain clients, but not beneficial to all clients. Subject to best execution, in selecting brokers and dealers (including prime brokers) to execute transactions, provide financing and securities on loan, hold cash and short balances and provide other services, we may consider, among other things, the following:

- the ability of the brokers and dealers to effect the transaction;
- the brokers' or dealers' facilities, reliability and financial responsibility; and
- the provision by the brokers of capital introduction, marketing assistance, consulting with respect to technology, operations and equipment, commitment of capital, access to company management and access to deal flow.

Accordingly, the commission rates (or dealer markups and markdowns) charged to the Funds and COP SPV by brokers or dealers in the foregoing circumstances may be higher than those charged by other brokers or dealers who may not offer such services. Charter Oak need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost or spread. Generally, neither Charter Oak nor the Funds and/or COP SPV separately compensate any broker or dealer for any of these other services.

Charter Oak maintains policies and procedures to review the quality of executions, including periodic reviews by its investment professionals.

Research and Other Soft Dollar Benefits: From time to time, Charter Oak may pay a broker-dealer commissions (or markups or markdowns with respect to certain types of riskless principal transactions) for effecting client transactions in excess of that which another broker-dealer might have charged for effecting the transaction in recognition of the value of the brokerage and research services provided by the broker-dealer. Charter Oak will effect such transactions, and receive such brokerage and research services, only to the extent they fall within the safe harbor provided by Section 28(e) of the U.S. Securities Exchange Act of 1934 and subject to prevailing guidance provided by the SEC regarding Section 28(e).

Research products or services provided to Charter Oak may include research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities and other products and services providing lawful and appropriate assistance to the firm in the performance of its investment decision-making responsibilities.

Also, consistent with Section 28(e), research products or services obtained with "soft dollars" generated by one or more client may be used by the firm to service one or more other clients, including clients that may not have paid for the soft dollar benefits. Charter Oak does not seek to allocate soft dollar benefits to client accounts in proportion to the soft dollar credits the client accounts generate. Where a product or service obtained with commission dollars provides both research and non-research assistance to the Fund, the firm will make a reasonable allocation of the cost that may be paid for with commission dollars. In making a reasonable allocations of costs between administrative benefits and research and brokerage services, a conflict of interest may exist by reason of Charter Oak's allocation of the costs of such benefits and services between those that primarily benefit the firm and those that primarily benefit its clients.

When Charter Oak uses client brokerage commissions (or markups or markdowns) to obtain research or other products or services, the firm receives a benefit because it does not have to produce or pay for such products or services. Charter Oak may have an incentive to select or recommend a broker-dealer based on the firm's interest in receiving research or other products or services, rather than on its clients' interest in receiving most favorable execution.

Broker-dealers sometimes suggest a level of business they would like to receive in return for the various products and services they provide. Actual brokerage business received by any broker-dealer may be less than the suggested allocation, but can (and often does) exceed the suggested level, because total brokerage is allocated on the basis of all of the considerations described above. In no case will Charter Oak make binding commitments as to the level of brokerage commissions it will allocate to a broker-dealer, nor will it commit to pay cash if any informal targets are not met. A broker-dealer is not excluded from receiving business because it has not been identified as providing brokerage or research products or services.

Brokerage for Client Referrals. Neither Charter Oak nor any related person receive client referrals from any broker-dealer or third party. However, from time to time, brokers (including prime brokers) may assist the Funds in raising additional funds from investors, and representatives of the firm may speak at conferences and programs sponsored by such brokers for investors interested in investing in hedge funds. Through such "capital introduction" events, prospective investors in the Funds would have the opportunity to meet with the firm. Currently, neither Charter Oak nor the Funds compensate directly any broker-dealer for organizing such events or for any investments ultimately made by prospective investors attending such events, nor do they anticipate doing so in the future.

The Funds may accept subscriptions from investors who also provide services to the Funds, including broker-dealers and their affiliates. Relationships such as these could be viewed as creating a conflict of interest that potentially could affect the firm's ability to seek best execution. While Charter Oak's relationship with broker-dealers may influence

it in deciding whether to use such broker-dealer in connection with brokerage, financing and other activities of the Funds and COP SPV, the firm will not commit to allocate a particular amount of brokerage to a broker-dealer in any such situation. Furthermore, Charter Oak conducts periodic best execution reviews in an effort to identify and mitigate compliance risks associated with brokerage relationships, and to determine that the firm is obtaining best execution for clients' accounts.

Directed Brokerage. Charter Oak does not recommend, request or require that a client direct the firm to execute transactions through a specified broker-dealer.

Trade Aggregation: We typically aggregate client trades when doing so is advantageous to the Funds and COP SPV. Mostly, we will batch client transactions to obtain better execution and more uniform pricing across client accounts. When this is done, transactions will be averaged as to price and will be allocated among the clients in proportion to the purchase and sale orders placed from each client account on any given day. Any exceptions from the pro-rata allocation procedure will be carefully explained and documented. Such exceptions may occur due to varying cash availability across accounts, tax considerations, investment restrictions, performance relative to other accounts in the same strategy, and desire to avoid "odd lots" (an amount of a security that is less than the normal unit of trading for that particular security). When orders are not aggregated, trades generally will be processed in the order that they are placed with the broker or counterparty selected by the firm. As a result, certain trades in the same security for one client (including a client in which Charter Oak and its personnel may have a direct or indirect interest) may receive more or less favorable prices or terms than another client, and orders placed later may not be filled entirely or at all, based upon the prevailing market prices at the time of the order or trade. In addition, some opportunities for reduced transaction costs and economies of scale may not be achieved.

Item 13. Review of Accounts

Our investment team performs various daily, weekly, monthly, quarterly and annual reviews of each Fund's portfolio. Fund positions will be reviewed in the overall context of the Fund's investment objectives and guidelines as well as geopolitical and macroeconomic events. A review of a client account may be triggered by unusual activity or special circumstances.

Charter Oak generally provides annual audited financial statements to its clients within 90 days of the applicable client's fiscal year end.

Investors in the Funds receive a monthly letter from Charter Oak documenting the performance of the Fund in which they invest, along with a commentary by the firm.

Investors in the Funds also receive monthly unaudited reports prepared by the Funds' third party administrator. Investors in the COP SPV will receive unaudited reports prepared by COP SPV's third party administrator on a quarterly basis.

In addition, each client's investors will receive, within 90 days of the end of each fiscal year or as soon as reasonably practicable thereafter, annual reports containing financial statements audited by the client's independent auditors as well as such tax information

as is necessary for each investor to complete federal and state income tax or information returns, along with any other tax information required by law.

While all investors generally receive similar information, to the extent an investor receives additional information (that other investors have not received, including in connection with due diligence requests), which is in addition to information provided in a Fund's regular reports to investors, such information may provide such investor with greater insight into the Fund's activities. This may enhance such investor's ability to make investment decisions with respect to the Fund and possibly affect such investor's decision to request a redemption from the Fund.

Item 14. Client Referrals and Other Compensation

Charter Oak does not receive economic benefits from non-clients for providing investment advice and other advisory services.

Neither Charter Oak nor any related person directly or indirectly compensates any person who is not a supervised person, including placement agents, for client referrals.

Item 15. Custody

Charter Oak is deemed to have custody of certain client funds and securities to the extent it has the authority to obtain client funds or securities, for example, by deducting advisory fees from a client's account or otherwise withdrawing funds from a client's account. Account statements related to the clients are sent by qualified custodians to Charter Oak.

Charter Oak is subject to Rule 206(4)-2 under the Advisers Act (the "Custody Rule"). However, it is deemed to have complied with certain requirements of the Custody Rule with respect to each client because it requires that each client be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that each client distribute its audited financial statements to all investors within 120 days of the end of its fiscal year.

Item 16. Investment Discretion

Charter Oak serves as the investment adviser with discretionary trading authority to each Fund and COP SPV.

Charter Oak's investment decisions and advice with respect to each Fund and COP SPV are subject to each Fund's and COP SPV's investment objectives and guidelines, as set forth in its offering documents.

Charter Oak or an affiliate of Charter Oak entered into an investment management agreement, or similar agreement, with each client, pursuant to which Charter Oak or an affiliate of Charter Oak was granted discretionary trading authority.

Item 17. Voting Client Securities

In compliance with Advisers Act Rule 206(4)-6, Charter Oak has adopted proxy voting policies and procedures (the "Policies"). The general policy is to vote proxy proposals, amendments, consents or resolutions (collectively, "proxies") in a prudent and diligent manner that will serve the applicable client's best interests and is in line with each client's investment objectives.

The firm may take into account all relevant factors, as determined by us in our discretion, including, without limitation:

- the impact on the value of the securities or instruments owned by the relevant client and the returns on those securities;
- the anticipated associated costs and benefits;
- the continued or increased availability of portfolio information; and
- industry and business practices.

In limited circumstances, Charter Oak may refrain from voting proxies where we believe that voting would be inappropriate, taking into consideration the cost of voting the proxies and the anticipated benefit to its clients. Generally, clients may not direct Charter Oak's vote in a particular solicitation.

Conflicts of interest may arise when voting proxies. If Charter Oak determines it may have, or is perceived to have, a conflict of interest when voting proxies, the firm will vote (or abstain from voting) in accordance with its Policies.

A copy of our Policies and the relevant proxy voting record is available to our advisory clients and prospective clients by contacting Charter Oak at the address or telephone listed on the first page of this document.

Item 18. Financial Information

Charter Oak is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to clients, and has not been the subject of a bankruptcy petition at any time during the past ten years.