

**FORM ADV PART 2A**

**Ulysses Management LLC**

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February 14, 2012

**This brochure provides information about the qualifications and business practices of Ulysses Management LLC. If you have any questions about the contents of this brochure, please contact us at 212-455-6200. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.**

**Additional information about Ulysses Management LLC is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Ulysses Management LLC is registered with the SEC as an investment adviser. Being a “registered investment adviser” or describing ourselves as being “registered” does not imply a certain level of skill or training.**

## **ITEM 2. MATERIAL CHANGES**

This Brochure is our initial brochure using the SEC's new Form ADV Part 2A.

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#### **ITEM 4. ADVISORY BUSINESS**

Ulysses Management LLC (“Ulysses”, “our” or “we”) was formed in 1997. We are owned principally by Joshua Nash. We provide investment management services to private investment funds (“Funds”) and to a separately managed account (“Client” and together with the Funds “Clients”), as more fully described below.

***Private Investment Funds.*** We are the investment manager for four Funds.

Funds that invest in hedge funds and marketable securities: Two of the Funds invest in other hedge funds, in accounts advised by unaffiliated investment advisers and in marketable securities of all kinds. Joshua Nash and his family members own approximately 74% of the capital of one Fund. A small percentage of that Fund is owned by the family of a long time business partner of the Nash family, and approximately 82% of the capital of the second Fund is owned by private foundations controlled by that family.

Funds that invest in illiquid investments: Two of the Funds invest in illiquid investments such as real estate, private equity and real estate funds and private companies in a wide array of industries. The family of Joshua Nash owns approximately 76% of the capital of one of the Funds, and that Fund owns approximately 29% of the capital of the second Fund.

#### ***Separately Managed Account.***

We serve as investment manager for a private foundation controlled by the family of a long time business partner of the Nash family. This account is invested predominantly in a portfolio of hedge funds and other private investments in real estate and private equity.

#### ***Investment Discretion***

We tailor our advisory services to the stated objectives of each Client. Limitations and restrictions on certain investments or types of investments, if any, are set forth in the investment management agreement entered into with, and in investment guidelines provided by, each Client.

In each case, we have discretion to determine outside investment advisers to be engaged and investment acquisitions and dispositions, consistent with the stated investment objectives and limitations of the respective Client. We do not participate in wrap fee programs.

As of November 30, 2011, we provided discretionary asset management for over \$1.3 billion of Client assets.

## **ITEM 5. FEES AND COMPENSATION**

### ***Private Investment Funds***

#### Funds that invest in hedge funds and marketable securities:

We receive a quarterly management fee based on the capital in the Fund on the first day of each quarter. We have the authority to deduct the fees from each Fund's account.

#### Funds that invest in illiquid investments:

One of the Funds pays us a quarterly management fee as of the first day of each calendar quarter, based upon the Net Cash Value (as defined in the agreement of limited partnership of the Fund) of the Fund's investments. The other Fund pays us a quarterly management fee as of the first day of each calendar quarter, which is based on the aggregate funded capital commitments in respect of portfolio investments that have not been the subject of a disposition. Certain investors who are related to us are not charged a management fee. In each case, the management fees are more fully described in the confidential private placement memorandum, agreement of limited partnership or similar operating agreement and in other applicable documentation of a Fund (hereinafter referred to as the "Fund Documents"). We have the authority to deduct the fees from each Fund's account.

If we cease to serve as the investment manager of any Fund prior to expiration of a calendar quarter, the management fee paid by that Fund for such quarter will be refunded, pro rata, based on the number of days during such quarter that we served as investment manager.

### ***Separately Managed Account***

The separately managed account generally pays us a management fee based on a percentage of the assets being managed. Management fees are generally billed on a quarterly basis around the first business day of each calendar quarter. The fees are not deducted from the Client's account. The Client may generally withdraw from or terminate its separately managed account under the terms specified in the investment management agreement. The management fee for any period in which we manage the account for less than a full quarter will be refunded pro rata, based on the number of days during such quarter that we served as investment manager.

All terms and conditions including, but not limited to, withdrawal/termination, management fees and refunds are negotiated on an account-by-account basis. Generally, marketable securities held in the account are valued at fair value, investments in hedge funds are valued at the net asset value as reported to us by each hedge fund (which may be quarterly or annually), special investments (as defined in the respective investment management agreement) are valued at cost and all other assets in a Client's account are valued at fair value as we determine.

## ***Additional Fees and Expenses***

### **Private Investment Funds**

Additional fees and expenses for which the Funds may be responsible are described in the Fund Documents of each Fund. Generally, each Fund pays its operating costs. Operating costs are all expenses incurred in order to hold, protect, purchase, sell, deliver and receive assets of the Fund including, without limitation, brokerage fees and commissions, delivery charges, interest on margin accounts and other indebtedness, borrowing charges, custodial fees and bank and service fees, all fees and expenses for tax and accounting services required by the Fund, premiums for insurance against liabilities which may arise out of the management of the Fund, all legal fees of the Fund, all costs and expenses for research, including, without limitation, the costs for research-related services, market data and pricing services, the cost of publications and subscriptions, service contracts for quotation equipment and other information services, and all other expenses which, in our judgment, are required to be incurred in order to protect the assets of the Fund or in connection with the purchase, sale or carrying of any security or investment. In addition, the Funds may compensate one or more investment professionals, other than Joshua Nash, managing an identified portfolio/private equity investment of a Fund with an incentive fee based on the performance of the identified portfolio/private equity investment, which will be a cost of the Fund.

### **Separately Managed Account**

A Client may incur additional fees and expenses including, but not limited to, brokerage commissions, custodian fees and other transaction expenses. See Item 12 Brokerage Practices below.

Neither we nor any of our “supervised persons” accepts compensation for the sale of securities or other investment products.

We may elect to reduce, waive or calculate different management fees with respect to certain Clients.

## **ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

### ***Private Investment Funds***

#### **Funds that invest in hedge funds and marketable securities:**

As described more fully in the Fund Documents, the general partners (our affiliates) of the Funds (or the management company in the case of one of the Funds that is organized offshore (the “Offshore Fund”), are entitled to receive from the Funds an annual incentive fee or performance allocation, which is charged to each investor’s capital account depending on the class of the investor in the respective Fund. The incentive fee or

performance allocation charged to an investor's capital account is generally a percentage of the capital appreciation of the investor's investment in the Fund during the respective year. Depending on the class of an investor, the incentive fee or performance allocation may be determined on the capital appreciation in excess of a hurdle rate. Generally, losses, if any, are carried forward so that no incentive fee or performance allocation is charged to an investor's capital account unless all the losses incurred through the end of the period for which the fee is paid have been recouped, subject to certain adjustments (such an arrangement being called a "high water mark").

#### Funds that invest in illiquid investments:

As described more fully in the Fund Documents, the general partners (our affiliates) of the Fund making private equity and real estate investments are entitled to receive from the Fund an annual incentive fee or performance allocation, which is determined and charged to each Fund investor's capital account as dispositions of investments occur. The incentive fee or performance allocation is determined as a percentage of the disposition proceeds to each Fund investor that are in excess of (a) the investor's initial capital contributed to the investment and (b) depending on the class of the investor, an amount that would provide such investor with a specified internal rate of return or "hurdle rate" on the amount described in clause (a). Losses from one investment are not offset by gains from other investments in determining the incentive fee or performance allocation. The incentive fee or performance allocation is not generally negotiable, though it may be waived or reduced by us. Certain investors who are related to us are not charged an incentive fee or performance allocation and certain investors do not have a hurdle rate.

As described more fully in the Fund Documents, the general partner (our affiliate) of the Fund making only real estate and related investments, is entitled to receive from the Fund an incentive fee or performance allocation, which is determined and charged to each Fund investor's capital account as dispositions of investment occur and investment proceeds are distributable to the Fund investors. The incentive fee or performance allocation is determined as a percentage of the investment proceeds distributable by the Fund in excess of the capital invested by each investor and the investor's allocable share of fees and expenses, and is subject to a preferred return. The general partner of the Fund is subject to a "clawback" of incentive fees or performance allocations paid, to the extent that the general partner has received cumulative distributions in excess of amounts otherwise distributable or anticipated to be distributed to it applied on an aggregate basis covering all transactions of the Fund. The general partner is not required to restore more than the cumulative distributions received by it, determined on an after-tax basis. Certain investors who are related to us are not charged an incentive fee or performance allocation.

#### ***Separately Managed Account***

The separately managed account pays us an incentive fee based on the performance of the assets.

### *Conflicts of Interest*

Because we receive incentive or performance-based fees, there may be an incentive for us to select investments that are riskier or more speculative than would otherwise be selected. See Item 11 below for a further discussion of conflicts of interest.

### **ITEM 7. TYPES OF CLIENTS**

We manage the Funds that are exempt from registration under Section 3(c)(7) of the U.S. Investment Company Act of 1940, as amended. We also serve as investment manager for an account of a private foundation controlled by the family of a long time business partner of the Nash family.

### **ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

The analytical methodologies and investment strategies of the Funds are described in the Fund Documents, however, these methodologies and strategies are not intended to represent an exclusive list. Not all these methodologies or strategies may be utilized at the same time or in the same proportions, and we may modify and/or implement additional strategies as appropriate for different investments or in response to different market conditions.

#### Hedge funds and marketable securities

For investments with other managers in hedge funds or in separately managed accounts we generally seek to construct a portfolio which employs a broad range of investing strategies, including, without limitation: (i) long positions in securities of companies believed to be attractive investments; (ii) short positions in securities of companies believed to be overvalued and/or whose market share, fundamentals or other characteristics are deteriorating; (iii) option strategies, trading tactics or other approaches designed to benefit from market declines, volatility or securities appreciation; (iv) arbitrage strategies designed to benefit from market inefficiencies; (v) investing in distressed and high-yield debt, and (vi) commodities or futures trading strategies designed to benefit from anticipated movements in interest rates, currencies, or stock indices.

For direct investments, we seek opportunities in equities and fixed-income and foreign exchange instruments when we perceive fundamentals-based opportunities for capital appreciation. Exploiting anomalous opportunities in equities markets or taking advantage of capital appreciation scenarios in the fixed-income and currency markets, requires the ability to move rapidly into and out of large positions. While we may take a short-term approach to capital markets, patient investing is a hallmark of our style, but with full recognition that the length of a patient holding period is dictated by the fundamental economics of the position. Positions may be unwound in a matter of days, weeks or months or may be maintained for several years.



### Illiquid investments

We seek to invest in private companies and private equity funds that invest in a broad range of industries and geographies. We seek investments in real estate transactions, either directly or through a real estate fund, which are diversified by region, property type and operating partner.

### ***Risk of Loss***

Investing involves the risk of loss that an investor should be prepared to bear. Please see the applicable Fund Documents for a more detailed discussion of risks associated with an investment in our Funds.

**Reliance on Key Individual.** We are dependent on the services of Joshua Nash and the loss of his services would adversely affect our ability to continue in business and to manage the accounts of our Clients.

**Investments in Private Funds.** The success of investments in Private Funds depends on our ability to identify and consummate investments in Private Funds managed by successful investment advisers. Because such investments may occur over time, these investments face the risks of adverse changes in relevant markets, changes in interest rates and other potentially adverse changes in economic conditions. There can be no assurance that suitable investments will be available or selected by us. Although we will conduct due diligence on each Private Fund manager, there is no assurance that the Private Fund managers we select will produce positive returns for our Funds and other Clients.

**Illiquid Investments.** We invest in illiquid private investments across a broad range of industries and geographies, including in private equity and in real estate and related investments. The value of these investments may be subject to substantial fluctuation. No assurance can be given that these investments will generate any income or will appreciate in value. Losses may occur.

**General Economic Conditions.** General economic conditions may affect our investment activities. Interest rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value and the number of investments considered and made by our Clients. The value of investments may fluctuate in accordance with changes in the financial condition of companies and other factors that affect the markets in which we invest. Economic slowdowns or downturns could lead to financial losses.

**Leverage.** We have discretionary authority to make investments on behalf of the Funds on margin. As a result, the possibilities of profit and loss will be increased. Certain of the Funds have the ability to borrow money to purchase securities, to meet liquidity needs in connection with investor withdrawals, and to achieve any other result consistent with

the goals of the respective Fund. Borrowed funds will provide the advantages of leverage, but exposes the respective portfolio to capital risk, interest rate risk and higher current expenses. Any gain in the value of securities purchased with borrowed money or income earned from these securities that exceeds interest paid on the amount borrowed would cause the profit to increase faster than would otherwise be the case. Conversely, any decline in the value of the securities purchased would cause any loss to increase faster than would otherwise be the case. In addition to purchasing securities on margin, we may engage in short selling of securities. A short sale will result in a gain if the price of the securities sold short declines sufficiently between the time of the short sale and the time at which securities are purchased to replace those borrowed. A short sale will result in a loss if the price of the securities sold short increases or does not decline sufficiently to cover transaction costs.

**Derivative Instruments.** The Funds may invest in swaps, derivatives and certain options and other custom derivative or synthetic instruments. In addition to the investment risks associated with such products, such products 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.

**Assets May Not Be Diversified.** Our Clients may at times have an unusually high concentration of investments in certain private investment funds and in certain types of securities positions. Such investments may subject the portfolio to greater risk of loss than if portfolio investments were more widely diversified, and the failure of one or more of such investments could have a material adverse effect on the entire portfolio.

**Foreign Exchanges.** We may invest in non-U.S. investment funds and other securities and may trade securities on exchanges located outside the United States, such as the London and Tokyo Exchanges, where protections afforded to investors by the SEC and U.S. federal securities laws do not apply. In such instances, Clients are subject to various risks inherent in trading foreign securities and/or trading on foreign exchanges, including fluctuations in currency exchange rates, exchange controls, expropriation, burdensome or confiscatory taxation, or political or economic events, all of which could have an adverse effect on our ability to generate profits on investments. Because we value and report investments and investment returns in U.S. dollars, the value of such investments will necessarily be subject to the risk of fluctuation in the exchange rate between the local currency and dollars and to foreign exchange controls. Although we may hedge against fluctuations in currency exchange rates, there can be no assurance that investments will not incur losses as a result of adverse changes in currency exchange rates and foreign exchange controls. We are unable to predict the nature of future exchange controls; imposition or significant increases in the level of exchange controls or other restrictions could have an adverse effect on the investments of our Clients.

**Risks Associated with Private Investments.** In the case of our Fund that invests in private equity and real estate investments, profits and losses on a particular investment are on an investment-by-investment basis and are not aggregated with realized profits or losses from other investments. Moreover, the portion of realized profits allocated to the

general partners as part of the incentive fee or performance allocation in respect of a particular investment may not be reduced or offset by realized losses in respect of other investments.

**Control Position.** Particularly in the case of private equity and real estate investments, we may seek investment opportunities that allow us to have significant influence over the management, operations and strategic direction of the companies in which we invest. The exercise of control and/or significant influence over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise management and other types of liability in which the limited liability general characteristic of business operations may be ignored. The exercise of control and/or significant influence over a company could expose the assets of the respective Fund to claims by such company, its security holders and its creditors. While we intend to manage the Funds' accounts in a way that will minimize exposure to these risks, the possibility of successful claims cannot be precluded.

**Non-Controlling Investments.** We may invest on behalf of Clients in non-controlling interests in privately owned companies and, therefore, may have a limited ability to protect such investments. Companies may have economic or business interests or goals that are inconsistent with any Client's investment objectives; therefore, we may not be in a position to limit or otherwise protect the value of such investments and investment liquidity could be frozen in a way that could result in substantial loss.

**Unidentified Investments.** We have not identified all of the particular investments we could make on behalf of Clients and will make investment decisions on the basis of opportunities as they may arise. Clients must rely on our ability in identifying and making investments and will not have the opportunity to evaluate the relevant economic, financial and other information which we will utilize in making the investment decision.

**Institutional and Counterparty Risk.** Institutions, such as brokerage firms, banks, and broker-dealers, generally have custody of Client investments, particular those in publicly traded securities and investments may be held in "street name." Bankruptcy or fraud at one or more of these institutions could impair our Clients' investments held by those institutions. We will attempt to limit such exposure by holding such investments at well capitalized and established banks and brokerage firms.

**OTC or Interdealer Markets.** We may effect transactions in OTC or "interdealer" markets and in unregulated private markets. The participants in such markets are typically not subject to the same level of credit evaluation and regulatory oversight as are members of exchange based markets. This may expose our Clients to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions. Such counterparty risk is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or in instances where transactions are concentrated with a single or small group of counterparties.

## **ITEM 9. DISCIPLINARY INFORMATION**

None.

## **ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

We are not registered, nor do we have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. We are also not registered, nor do we have any application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser or an associated person of any of the foregoing.

Joshua Nash LLC, a Delaware limited liability company, which is wholly-owned by Joshua Nash, is the managing general partner of certain of the Funds. Joshua Nash is directly a Director and President, and is indirectly the Managing Member of the general partner, of certain of the Funds.

Our Offshore Fund has entered into an investment management agreement with Ulysses Management Offshore LLC, a Delaware limited liability company (“Ulysses Offshore”), of which Joshua Nash is the manager and principal owner. We provide the investment management services to the Offshore Fund on behalf of Ulysses Offshore.

Joshua Nash LLC and Ulysses Management Offshore LLC are deemed to be registered investment advisers relying on our registration in accordance with the position expressed in the letter issued to the American Bar Association, Business Law Section by the Office of Investment Adviser Regulation, Division of Investment Management of the SEC on January 8, 2012.

Joshua Nash II, LLC, a Delaware limited liability company wholly-owned by Joshua Nash, is separately registered as an investment adviser. Joshua Nash II, LLC serves as the investment manager to a private fund that holds shares of common stock of one publicly traded company.

Joshua Nash is the President, a member of the board of directors and a member of the investment committee of JHN Trust Company, which is organized under South Dakota Law and operates under the authority of the South Dakota Banking Commission. JHN Trust Company provides fiduciary services to trusts for the benefit of, and to members of, the Nash family. We provide back office, accounting and administrative services to JHN Trust Company and its customers are investors in the Funds.

See discussion of conflicts of interest at Item 11 below.

## **ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

***Code of Conduct.*** Employees are subject to our Code of Ethics which is based on the fundamental principal that all employees have a fiduciary duty to our Funds and other Clients and must, in this fiduciary capacity, place the interests of the Funds and other Clients before their own. The Code of Ethics requires that employees conduct themselves with integrity and dignity and act in a professional and ethical manner in all dealings on our behalf, comply with applicable federal securities laws, act with competence and strive to maintain and improve their competence, use proper care and exercise independent professional judgment in the execution of their duties, and avoid actions or relationships that might conflict or appear to conflict with their job responsibilities or the interests of our Clients.

***Personal Trading in Securities.*** Our Code of Ethics requires that no employee takes any action in respect of a personal investment in securities that is adverse or appears to be adverse to the interests of any Client. The Code of Ethics includes provisions such as:

- A requirement that employees not trade in securities of issuers identified on a restricted list.
- Periodic reporting of all activity in personal securities accounts.
- Restrictions on the use of material nonpublic information.
- Annual certifications of compliance.

Our Code of Ethics also requires that employees obtain our approval before investing in any initial public offering of securities or in any private placement of securities.

A copy of the Code of Ethics will be made available to any Client upon request.

***Principal and Cross Transactions.*** Generally, we do not purchase or sell any securities for our accounts to or from those of a Client. In the rare event of a principal transaction, it would be executed in compliance with the requirements of applicable law, including Section 206(3) of the Investment Advisers Act of 1940. As we are not registered as a broker-dealer, we do not engage in agency cross transactions. We do not generally direct one Client to sell securities to another Client (a “cross transaction”). In the rare event that we would effect a cross transaction, we would do so at the price and on terms determined by us to be fair to both parties to the cross transaction.

***Conflicts of Interest.*** We manage accounts with similar investment strategies. However, certain conflicts may arise from the fact that we may give advice or take action with respect to the investments of one or more Clients that may not be given or taken with respect to other Clients. Accordingly, Clients with similar objectives or strategies may not hold the same securities or instruments or achieve the same performance.

***Allocation of Investment Opportunities.*** In general, we allocate investment opportunities between two of our Funds on the basis of their relative capital. Other

factors such as liquidity and taxes may also be considered. Private equity and real estate investments are primarily allocated to the Funds which have been formed for the purpose of making those investments. Investments in hedge funds and other opportunities are allocated between certain of our Clients based upon a variety of factors, including the account's liquidity and portfolio mix.

## **ITEM 12. BROKERAGE PRACTICES**

In general, we select brokers to execute securities transactions, based on a number of factors such as price, the ability of the brokers to effect the transactions, the brokers' financial stability, reputation, facilities, reliability and any research products or services provided by such brokers. If, in our good faith judgment, the amount of commissions charged by a broker is reasonable in relation to the value of brokerage and research products or services provided by such broker, we may pay "soft dollars" to obtain research and research-related services, in accordance with the "safe harbor" under Section 28(e) of the Securities Exchange Act of 1934. Research and research-related services obtained through the use of commissions, will primarily benefit our Funds investing in marketable securities, but may be used to benefit all of our Clients. Because the Funds that invest in marketable securities bear the costs of research and related services, our use of "soft" dollars on trades tends to offset directly what would otherwise be out-of-pocket expenses of those Funds. Nevertheless, the use of soft dollars creates a potential conflict of interest between our objective to obtain the best execution and price and our interest in maintaining research and research-related services provided by certain brokers. Private equity, real estate and private fund investments are generally negotiated transactions with the respective counterparties and are not generally made or executed through brokers.

## **ITEM 13. REVIEW OF ACCOUNTS**

Our investment professionals and senior management review at the end of each trading day our trading activities for those Clients that trade in marketable securities. All accounts are reviewed at least monthly by our investment professionals and senior management.

The investors in the Funds receive a quarterly fund update and annual audited financial statements. The financial statements of our Funds that are invested in other private funds and in marketable securities are prepared in accordance with generally accepted accounting principles. The financial statements of our Funds that primarily invest in private equity and real estate are prepared in accordance with the income tax basis of accounting. Investors in our Funds receive an annual statement of their capital account, and more frequently upon request. Investors in certain of our Funds may receive a monthly statement of their capital account.

Our separately managed account Client receives account statements from the investment managers of the underlying investments and reports as may be agreed to or as otherwise specified in its investment management agreement with us.

#### **ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION**

We do not engage solicitors or compensate third parties for referrals of clients.

#### **ITEM 15. CUSTODY**

We do not maintain physical custody or possession of Clients' funds and securities. All funds and securities certificates of Clients are maintained with independent custodians. We are responsible for making the custody arrangements on behalf of each of the Funds.

##### ***Private Investment Funds.***

Two of our Funds are subject to annual audit and copies of the audited financial statements, prepared in accordance with generally accepted accounting principles ("GAAP"), are sent annually, within 180 days after the end of each year, to investors in those Funds.

Our Funds primarily invested in private equity and in real estate investments are also subject to annual audit and copies of the audited financial statements are sent annually, within 270 days after the end of each year, to investors in the those Funds. These non-publicly traded investments are recorded at their income tax basis and, as a result, the financial statements are not prepared in accordance with GAAP. As a result, we have engaged our auditors to perform an annual surprise examination in respect of each of the Funds that does not have audited financial statements prepared in accordance with GAAP for the purpose of independently verifying the non-public investments held by these Funds.

For each of the Funds, we open and maintain one or more bank and/or brokerage accounts, in each case in the name of, and for the benefit of, the respective Fund.

#### **ITEM 16. INVESTMENT DISCRETION**

The Fund Documents of the Funds and the investment management agreement with our separately managed account Client provides us with discretion (and set forth limitations, if any on such discretion) to determine investments to be purchased and sold and the terms of those transactions.

#### **ITEM 17. VOTING CLIENT SECURITIES**

We have developed a securities voting policy. A log is maintained of each upcoming event, if any, that would require a securities voting decision on behalf of a Client. In each such instance, we make sure we have relevant disclosure materials, proxies and/or consents and other documentation and information necessary to cast votes in a timely manner. We determine whether there exists a material conflict of interest that could influence the voting decision in a manner that would be adverse to the interests of any Client. If there is no material conflict of interest, then the portfolio manager will make

the voting determination. If the portfolio manager responsible for the voting decision is subject to a material conflict, then the voting decision will be reviewed by two members of senior management without material conflicts and the Chief Compliance Officer.

In general, our policy is to vote proxy proposals, amendments, consents or resolutions relating to Client securities, if any, in a manner that serves the best interests of our Clients taking into account, without limitation, the following factors: (i) the impact on the value of the investments; (ii) the anticipated associated costs and benefits; (iii) the continued or increased availability of portfolio information and (iv) industry and business practices. We may refrain from voting proxies if we believe that voting would be inappropriate taking into consideration the cost of voting the proxy and the anticipated benefit to our Clients.

**ITEM 18. FINANCIAL INFORMATION**

Not applicable

**ITEM 19. REQUIREMENT FOR STATE-REGISTERED ADVISERS**

Not applicable