



**Brochure** February 10, 2012

**Item 1- Cover Page**  
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This brochure provides information about the qualifications and business practices of Busara Advisors LLC (**Busara**). Additional information about Busara is available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). References to "we" or "us" in this Brochure are to Busara. If you have any questions about the contents of this Brochure or additional information about us made available on the SEC's website, please contact us at [info@busaraadvisors.com](mailto:info@busaraadvisors.com).

Busara is registered with the U. S. Securities and Exchange Commission (**SEC**) as an investment adviser under the U.S. Investment Advisers Act of 1940 (**Advisers Act**) and conducts itself accordingly. Registration with the SEC as an investment adviser under the Advisers Act does not imply a certain level of skill or training. Further, the information in this Brochure has not been approved or verified by the SEC, any state securities authority, any other governmental authority or any regulatory or self-regulatory organization, nor has any of the foregoing approved or disapproved of our qualifications.

## **Item 2 – Material Changes (not applicable)**

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## Item 4 – Advisory Business

### *Our Business*

Busara Advisors, LLC. (**Busara**) was formally established in March 2010 as a Delaware limited liability company, and has been certified as a Minority Business Enterprise by the NY and NJ Minority Supplier Development Council. Busara is a “fund of hedge funds” adviser, meaning that we advise Clients (which we define below) on investments in various types of private investment vehicles or managed accounts commonly referred to as “hedge funds” (each, a “Portfolio Fund”), in each case where the underlying investment decisions are made by others (“Investment Managers”). Busara primarily provides investment advisory services related to “Emerging” Investment Managers. While there is no standardized definition of “Emerging”, most of our Clients and prospective Clients include smaller (less than \$500 million in assets under management) and newer (less than a three year history) within their definition of “Emerging.” In addition, many of our Clients and prospective Clients include minority and woman-owned firms within their definition of “Emerging,” regardless of the size or age of the Investment Manager.

Busara may provide these advisory services to a variety of Clients on either a discretionary or non-discretionary basis. In particular:

- Busara may serve as the sponsor, manager or investment adviser of funds that have a single investor (or group of affiliated investors) (“Single Investor Funds”);
- Busara may serve as the sponsor, manager or investment adviser of funds that have multiple investors that are generally not affiliated with each other (“Commingled Funds”); and
- Busara may enter into agreements to provide advisory services regarding Portfolio Funds and/or Investment Managers (“Advisory Accounts”).

We use the term **Client** to mean Single Investor Funds, Commingled Funds, Advisory Accounts, and any other person to whom Busara provides investment advisory services. Although investors (or group of affiliated investors) in a Commingled Fund or a Single Investor Fund are not, in their capacity as such, our Clients, we sometimes refer to them as our Clients for purposes of convenience. The list of Clients above is not exhaustive and Busara may provide advisory services to other types of Clients and engage in other forms of providing advisory services.

We use the term **Client Account** to refer to a Single Investor Fund, a Commingled Fund, and an Advisory Account.

We use the term **Busara Fund** to refer to Single Investor Funds and Commingled Funds.

We use the term **Investor** to refer to those who invest in a Busara Fund as well as to those for whom we provide advisory services through an Advisory Account.

For all Clients, Busara researches and evaluates Portfolio Funds that Busara believes will meet the Clients' investment objectives. Where Busara has investment discretion, Busara is also responsible for implementing its investment advice for a Client by causing the investment or redemption of Client assets in Portfolio Funds and other appropriate investments.

Busara works with each Single Investor Fund and Advisory Account to determine each investor's specific investment objectives. During the course of these discussions, an investor in a Single Investor Fund or Advisory Account may place various types of restrictions on the management of their Single Investor Fund or Advisory Account. Investors in Commingled Funds may not generally impose restrictions on Busara's investment discretion. Rather, the offering memorandum for the Commingled Fund discloses the restrictions on the investment activities of the Commingled Fund.

Our investment management/advisory services currently are limited to the services discussed above, but we may in the future determine to offer additional types of investment management/advisory services.

#### *Our Assets Under Management*

As of February 10, 2012, we managed approximately \$150 million (all on a non-discretionary basis). See Item 16 of this Brochure for a description of the manner in which we determine whether a Client Account is "discretionary" or "non-discretionary" for purposes of reporting our "assets under management."

#### *Our Principal Owners*

Our principal owners are Joseph Schlater and Andrew Timpson. Please see below for their professional biographies.

## **Item 5 – Fees and Compensation**

### ***Background***

As discussed in greater detail in [Item 7](#) of this Brochure, we have two basic types of Clients:

Type 1: Privately-offered investment funds. Those privately-offered funds that are designed for and contain multiple investors we refer to as Commingled Funds. Those privately-offered funds that are designed for and contain a single investor (or a group of related investors) we refer to as Single Investor Funds. When we

refer in this Brochure to Busara Funds we mean both Commingled Funds and Single Investor Funds.

Type 2: Institutional investors, such as pension plans, may enter into investment management agreements, investment advisory agreements or investment services agreements with us. We refer to the relationships established under such agreements as Advisory Accounts (regardless of whether we manage or advise such Advisory Accounts on a discretionary or non-discretionary basis).

Set forth below is a description of how we calculate and receive compensation from the different types of Clients discussed above and the expenses borne by such Clients in connection with receiving investment management and advisory services from us.

### ***Fees in General***

Except as discussed below under the heading “Fees for Commingled Funds”, we charge one of, or a combination of, the following management fees or performance fees or allocations to a Client in connection with managing/advising the Client’s account:

- a percentage of assets under management which:
  - may be on a sliding or “tiered” scale; and
  - may be subject to a minimum floor (expressed in dollars or as a percentage of assets under management); and
- a percentage of capital appreciation (which may be subject to a “hurdle,” a “high watermark” and/or a “preferred return”), or outperformance of a particular benchmark return

### ***Fees for Commingled Funds***

Each Commingled Fund sets forth its specific fee structure (including how and when fees are calculated, charged and payable) in a confidential explanatory memorandum or similar offering document provided to each prospective Investor in the Commingled Fund prior to the prospective Investor’s decision to invest in the Commingled Fund. Fees are payable either monthly or quarterly, in arrears. Persons associated or formerly associated with us (and members of their families) who are eligible to participate in Commingled Funds may do so on a non-fee paying basis or at fee rates that are lower than those charged to other investors in such Commingled Funds, in our discretion.

### ***Fees for Single Investor Funds and Advisory Accounts***

Each Single Investor Fund and each Advisory Account sets forth its specific fee structure (including how and when fees are calculated, charged and payable) in a confidential explanatory memorandum, the operating or limited partnership agreement in the case of a Single Investor Fund, subscription agreement or investment management or advisory agreement provided to the prospective investor/participant prior to the prospective investor's/participant's decision to invest in the Single Investor Fund or Advisory Account. Management fees (and other terms) for Single Investor Funds and Advisory Accounts are negotiated on a case-by-case basis with the investor/participant. Fees are payable either monthly or quarterly, in arrears.

### ***Deduction of Fees***

In the case of Commingled Funds, we typically invoice them for our fees (typically on a monthly or quarterly basis) and then deduct such fees directly from the assets of the Commingled Funds. In the case of Single Investor Funds and Advisory Accounts, depending on our agreement with the relevant Investor and Portfolio Manager, we may:

- invoice the relevant Single Investor Fund or Advisory Account (typically on a monthly or quarterly basis) and then deduct our fees directly from the assets of such Single Investor Fund or Advisory Account;
- invoice the relevant Single Investor Fund or Advisory Account (typically on a monthly or quarterly basis) and, upon the investor's approval of our invoice, receive our fees from the relevant Single Investor Fund or Advisory Account, or from the Investor; or
- negotiate other terms on a case-by-case basis with an Investor for the payment of fees that may include, but are not limited to, invoicing and payments through third parties.

### ***Expenses***

Each Busara Fund typically pays its organizational and offering costs and expenses out of the proceeds of the offering of its securities. Each Busara Fund typically pays such costs and expenses as are necessary for the conduct and operation of its business as well as for its investment activities, including, where applicable, third-party administration, custodial and transfer agent fees and expenses.

As an investor in Portfolio Funds, each Busara Fund, and with respect to an Advisory Account, the Client associated with an Advisory Account, bears its allocable share of the Portfolio Funds' respective organizational, offering, investment and operating expenses, including taxes, interest due on borrowings, brokerage and other transaction costs, the fees, expenses and profit participations of the Investment Managers and any extraordinary costs incurred. However, either the asset based management fee, the performance/incentive fee or allocation, or both, charged by the Investment Managers may be higher or lower depending on circumstances. For example, certain performance/incentive fees or allocations are paid or made only after a "hurdle" rate of return has been achieved and others are calculated period-to-period without a

“high water mark.” Moreover, some performance/incentive fees or allocations may be calculated after investors have received a return of capital and a preferred return, or variations of such arrangements.

Each Client Account is thus subject to two levels of fees and a potentially higher expense-to-equity ratio than would be associated with an investment fund that invests and trades directly in financial instruments under the direction of a single investment manager.

We do not charge, and we are not reimbursed for, our own overhead or other internal costs, such as employee payroll and benefits, office space and furnishings, travel and entertainment, and telecommunications, unless otherwise agreed to with respect to a particular Client Account.

However, in accordance with our internal policies and procedures and the documents governing certain Client Accounts, payments made to independent third-parties for services rendered by the third parties are borne by those Client Accounts (as discussed more fully below, **Third Party Costs**). Third Party Costs represent payment for services rendered by external vendors, consultants or professional advisers that are directly required to support the ongoing management, administration and operations of those accounts. Third Party Costs include, among others:

- insurance expenses, which consist primarily of premium payments made to third party insurance underwriters related primarily to errors and omissions coverage and directors’ and officers’ liability coverage;
- operational due diligence expenses, which consist primarily of professional fees paid to third party firms to conduct background investigations and operational risk assessment on existing and potential Investment Managers;
- technology expenses, which consist primarily of software licensing, development, programming and operating costs paid to third party vendors to support the operating platforms of the accounts; and
- risk-aggregation reporting expenses, which consist primarily of fees payable to organizations that collect and aggregate exposure data from Portfolio Funds and provide related reports to us in connection with our risk management process.

All costs and expenses that are directly attributable to a particular Client Account (and not to any other Client Account) are charged to that Client Account. Third Party Costs, to the extent allocable to multiple Client Accounts, are allocated to them on a pro rata basis in accordance with their respective net asset values, even though they may not benefit from such expenses on a strictly pro rata basis. In certain limited cases, we may bear all or a portion of the Third Party Costs that otherwise would be borne by a Client Account pursuant to the principles discussed above.

Organizational and offering expenses and (to the extent allocated to a Commingled Fund) investment expenses of a Commingled Fund will be amortized during the life of the Commingled Fund using amortization methods that we believe provide for a fair and equitable means of allocating these expenses among Clients who are investors in such Commingled Fund. These amortization methods may or may not conform to generally accepted accounting principles.

In certain limited cases, we may bear all or a portion of the Third Party Costs that otherwise would be borne by a Client Account pursuant to the principles discussed above.

### ***Brokerage Expenses***

When a Busara Fund or another Client that we advise invests in a Portfolio Fund they contract directly with the Portfolio Fund without the involvement of any financial intermediary such as a broker-dealer, and commissions are not payable in connection with such investments. However, a Busara Fund may incur brokerage commissions in connection with the temporary investment of cash pending further investment or distribution.

## **Item 6 – Performance Based Fees and Side-by-Side Management**

As discussed in greater detail in [Item 5](#) of this Brochure:

- We accept performance-based fees or other types of performance-based compensation from certain Clients, including certain Busara Funds. Performance-based compensation is compensation based on a share of either (i) the capital gains on or capital appreciation in the value of the Client's account (which may be subject to a "hurdle," a "high watermark" and/or a "preferred return") or (ii) the outperformance of the Client's account relative to the performance of a particular benchmark.
- We charge fees to certain Clients, including certain Busara Funds and Advisory Accounts, based on a percentage of the value of the Client's assets under management with us, either in lieu of or in addition to charging performance-based compensation to such Clients.

The receipt of performance-based compensation in connection with managing a Busara Fund or an Advisory Account rewards us for continuing increases in the value of the assets of such account (or the outperformance of such account relative to the performance of a particular benchmark) without directly penalizing us for losses (or underperformance relative to a particular benchmark). While this creates an incentive for us to invest and reinvest the assets of such account in a manner that is riskier or more speculative than would otherwise be the case, we continue to be bound by our fiduciary duty to our Clients to act in their best interests.

In some cases, a Commingled Fund may issue more than one class of securities, and, in these cases, one or more classes of securities issued by a particular Commingled Fund may bear performance-based compensation while one or more other classes of securities issued by such Commingled Fund do not. In these cases, all investors in such Commingled Fund are subject to the risk discussed in the preceding paragraph – not just those investors who invest in classes of



securities that bear performance-based compensation – because we manage the assets of such Busara Fund as a single pool of assets.

Similarly, in some cases, two or more “feeder” funds managed or advised by us may invest all or substantially all of their assets in a “master” fund managed or advised by us and, in these cases, one or more of the “feeder” funds that invest in a particular “master” fund may pay performance-based compensation to us while one or more other “feeder” funds that invest in such “master” fund do not. In these cases, all investors in the “feeder” funds are subject to the risk discussed above – not just those investors who invest in the “feeder” funds that bear performance-based compensation – because we manage the assets of such “master” fund as a single pool of assets.

We may have an incentive to allocate what we consider to be the best investment opportunities to Client Accounts from which we receive performance-based compensation – in preference to Client Accounts from which we do not receive performance-based compensation – because we may stand to gain greater compensation from the former types of accounts by allocating the best investment opportunities to them. We have adopted detailed portfolio opportunity allocation policies and procedures that are designed to ensure that investment opportunities are fairly allocated to all accounts (including our proprietary accounts and accounts of our related persons) for which such opportunities are appropriate and that have the funds available to take advantage of such opportunities.

## **Item 7 – Types of Clients**

We have two basic types of Clients:

Type 1: Privately-offered investment funds. Those privately-offered funds that are designed for and contain multiple investors we refer to as Commingled Funds. Those privately-offered funds that are designed for and contain a single investor we refer to as Single Investor Funds. When we refer in this Brochure to Busara Funds we mean both Commingled Funds and Single Investor Funds.

Type 2: Institutional investors, such as pension plans, may enter into investment management agreements, investment advisory agreements or investment services agreements with us. We refer to the Client Accounts established under such agreements as Advisory Accounts (regardless of whether we manage or advise such accounts on a discretionary or non-discretionary basis).

(Please see Item 4 above for a description of how we use the terms “Client”, “Client Account”, “Busara Fund” and “Investor” in this brochure.)

Commingled Funds will generally have a minimum investment amount of \$1,000,000. Single Investor Funds and Advisory Accounts will generally have a minimum investment amount of \$50,000,000. Investors may generally not effect a partial redemption if, after such redemption,

the net asset value of their investment would be less than the applicable minimum investment amount. The foregoing investment minimums may be waived or modified in the sole discretion of Busara (or, in the case of Busara Funds that have a separate board of directors, general partner or managing member, then the board of directors, general partner or managing member of those funds).

Each investor in a Busara Fund must generally be an “accredited investor” as defined in Regulation D under the Securities Act of 1933 and a “qualified purchaser” as defined in the Investment Company Act of 1940. In the case of certain offshore funds, non-U.S. investors generally need not be “accredited investors” or “qualified purchasers” so long as each such non-U.S. investor is not a “U.S. person” as defined in Regulation S under the Securities Act of 1933, as amended. Certain Busara Funds may impose other eligibility requirements in addition to those discussed above.

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

### **Methods of Analysis**

Busara uses a variety of quantitative and qualitative criteria to analyze and assess (a) investment strategies, (b) Investment Managers and their Portfolio Funds and (c) the portfolios of our Clients.

*Strategy Assessment:* Busara utilizes its professional network (including investment managers, proprietary traders, strategic partners, prime brokers, Clients, etc.) in order to attempt to identify attractive investment themes and the desired strategy mix. These information sources are supplemented by a review of financial news, analysis of public and private databases, and a review of market forecasts, research and conditions.

*Investment Managers and their Portfolio Funds:* Busara engages in a continuous research effort in order to identify promising managers (and eliminate undesirable ones). The research process incorporates numerous levels of quantitative and qualitative due diligence. The primary factors involved in manager selection include an evaluation of the relevant manager’s research process, strategy and opportunity set, portfolio management, risk management, current portfolio exposures and limits, liquidity, historical performance, peer group analysis, experience of the management and portfolio management teams, and the commitment of principals. An onsite meeting with the Investment Manager is conducted as part of the review process.

Busara’s due diligence process also includes a separate assessment of the operational risks of the Portfolio Funds and Investment Managers. Operational due diligence generally focuses on the analysis of following key operational areas: Pricing & Valuation, Accounting & Reconciliation, Trade Execution, Personnel, Documentation, System Administration, Service Providers and Disaster Recovery. The operational due diligence process also includes reference checks, background checks, audit review, and compliance review. Busara may use third party service

providers to conduct the operational due diligence process. In addition, Busara may use a third party service provider to conduct background checks of the key personnel of the prospective Investment Manager.

Busara maintains a proprietary database of qualitative and quantitative information. Busara obtains its information regarding the underlying Portfolio Funds and Investment Managers from its professional network (including investment managers, consultants, prime brokers and other service providers), various on-line data services, industry publications, reports and other materials prepared by the managers of the underlying Portfolio Funds, and direct conversations with the managers of the underlying Portfolio Funds and their service providers.

*Portfolio Construction:* Busara's portfolio construction for Single Investor Funds and Advisory Accounts begins with a discussion of the given Client's investment objectives, overlaid with our perceived opportunity set at the Portfolio Fund and Investment Manager level. Portfolio guidelines for such Single Investor Fund and Advisory Account are then developed and formalized within an investment management, investment advisory or investment services agreement. The portfolio construction process includes top down, bottom up, quantitative and qualitative factors in establishing an initial portfolio within Client guidelines/expectations. Busara's portfolio construction process for a Commingled Fund is similar to the process for Single Investor Funds and Advisory Accounts, with one key difference. For a Commingled Fund, Busara sets the portfolio guidelines, which are outlined in the offering documents for the Busara Fund.

*Portfolio and Risk Management:* Busara's ongoing portfolio and risk management are a continuous process, with invest/redeem decisions based upon investment guidelines, strategy assessments, Portfolio Manager assessments, portfolio characteristics and risk/reward dynamics which will change over time. Risk management includes both quantitative as well as qualitative elements. Busara may utilize the monitoring services of third party service providers to obtain and process data sourced from Portfolio Managers and independent third parties. Busara attempts to get full transparency on at least a monthly basis for Portfolio Funds. Busara monitors the underlying Portfolio Fund managers on an ongoing basis to seek to understand the sources of the Portfolio Managers' risk and return.

From time to time, Busara may make a recommendation or a determination that it is necessary to rebalance a portfolio's assets. Busara considers numerous factors in determining whether to terminate a relationship with an underlying Portfolio Fund manager, including, but not limited to (a) poor or inconsistent performance, (b) personnel changes or changes in the organization or control of an underlying Portfolio Fund, (c) changes to, or the failure to adhere to, the stated investment strategy or risk characteristics of an underlying Portfolio Fund, (d) changes to Busara's strategy or, in Busara's view, the general economic outlook, and (e) whether Busara has identified a better alternative Portfolio Fund.

Recommendations and allocations to Portfolio Funds, including both initial and subsequent additions for rebalancing (or other) purposes are presented to Busara's investment committee for approval prior to allocation. Generally, redemptions from Portfolio Funds are also submitted

to Busara's investment committee prior to submission. However, in certain cases, the Chief Investment Officer may authorize redemptions from Portfolio Funds without prior approval from the investment committee.

### **Investment Strategies**

Busara implements its investment advice by allocating capital among the approved underlying Portfolio Funds in a manner designed to meet the risk and return objectives of its Clients.

The Investment Managers/Portfolio Funds in which Client assets are invested generally employ one or more of the following investment strategies: commodities, convertible arbitrage, credit/distressed, dedicated short bias, emerging markets, equity long/short, equity market neutral, event driven, fixed-income, global macro, managed futures, niche strategies, and multi-strategy. Investment Managers may also engage in other investment strategies that Busara considers appropriate, subject to the limitations imposed under the legal documents governing the Portfolio Fund.

Unless the investment guidelines of a Busara Fund or Advisory Account provide otherwise, the underlying Portfolio Funds held by Busara Funds or Advisory Accounts invest in a wide range of instruments, including, but not limited to, U.S. and non-U.S. equities, equity-related instruments, commodities, currencies, futures, options, other derivatives, and fixed income and other debt-related instruments. Busara expects that underlying Investment Managers will utilize both over-the-counter and exchange traded securities (including derivative instruments), trade on margin, and engage in short sales. Investment Managers may invest, without limitation, in cash and cash equivalents when they determine that such an investment is warranted.

Busara allocates the assets in Client Accounts among underlying Portfolio Funds and their Investment Managers using its knowledge and experience to assess the capabilities of the managers and to determine what it considers the optimal mix of investment sectors and styles given the economic and investment environment, as well as the investment guidelines and restrictions of the Client Account.

In an attempt to mitigate the overall risk to Client portfolios, Busara generally seeks to diversify the portfolios' assets among underlying Portfolio Funds that pursue different investment strategies and styles, to closely monitor the underlying Portfolio Funds in which the portfolios' assets are invested, and to reallocate the assets as required.

With respect to Busara Funds or Advisory Accounts, Busara generally invests the cash balances of the Client Accounts in money market instruments or accounts or other cash equivalents. Any income earned from such investments is reinvested. Unless the investment guidelines of a Client Account provide otherwise, Busara generally does not utilize leverage in connection with allocating the assets of the Client Accounts among the underlying Portfolio Funds. However, it may be authorized on behalf of certain Client Accounts to utilize short-term borrowings for operating and cash management purposes. In addition, certain Busara Funds and Advisory

Accounts may authorize a short term lending facility to help manage subscriptions and redemptions.

The underlying Portfolio Funds held by Client Accounts are generally permitted to borrow and use leverage. The use of leverage can, in certain circumstances, substantially increase the adverse impact to which the Client Account portfolios may be subject.

### **Risk of Loss**

Investing in hedge funds involves, and Clients should be prepared to bear, risk of loss, including the potential for the loss of the entire investment.

There can be no assurance that the investment objectives of a Client Account, including risk monitoring and diversification goals, will be achieved, and results may vary substantially over time.

Clients who invest in hedge funds face a variety of risks which generally can be categorized as follows: risks related to market or regulatory conditions; risks related to the trading or operations of the underlying Portfolio Fund/Investment Managers; and risks related to the structure of funds which in turn invest in hedge funds.

#### *Market and Regulatory Risks*

Events in the world financial markets may materially adversely affect the Busara Funds, the Advisory Accounts and the underlying Portfolio Funds in which the Busara Funds and the Advisory Accounts invest. Market events, such as the world financial crisis of 2008, can cause extreme losses and volatility in securities markets and the failure of certain markets to function normally. The Busara Funds and the Advisory Accounts may be materially and adversely affected by similar or other events in the future and it is impossible to predict when such events may happen, what their impact on world markets will be, or how long they will continue.

In addition, the regulatory environment for private funds, including the Busara Funds, the Advisory Accounts and the underlying Portfolio Funds, is evolving, and changes in the regulation of private funds and their trading activities may adversely affect the ability of the Busara Funds, the Advisory Accounts and the underlying Portfolio Funds to pursue their investment strategies, their ability to obtain leverage and financing, and the value of investments held by them. It is impossible to predict what, if any, changes in regulation applicable to Busara, Busara Funds, Advisory Accounts and underlying Portfolio Funds, the markets in which they trade and invest or the counterparties with which they do business may be instituted in the future. The effect of any such future regulatory change could be substantial and adverse.

Finally, Busara Funds and Advisory Accounts and the underlying Portfolio Funds in which they invest are not required to, and generally do not, register as investment companies under the U.S. Investment Company Act of 1940, as amended, and, accordingly, the provisions of this law which provide certain protections to investors are not applicable.

### *Risks at the Underlying Portfolio Fund Level*

Underlying Portfolio Fund managers pursue a variety of investment strategies, each of which carries inherent risks. Such trading risks include concentration risks, volatility risks, risks associated with investing in non-US securities and emerging markets, and other risks associated with specific strategies that underlying Investment Managers may undertake. These risks may include, for example, risks associated with trading in high yield securities, fixed income securities, derivatives, and distressed securities, as well as risks associated with short selling and the use of leverage. Additionally, from time to time, a significant portion of an underlying Portfolio Fund's portfolio may be invested in illiquid securities and instruments. Underlying Portfolio Fund managers are also subject to operational risks such as the ability to provide an adequate operating environment for the underlying Portfolio Fund including appropriate back office functions, trade processing, accounting, administration, risk management, valuation services and reporting.

### *Risks of Emerging Managers*

Busara primarily focuses on Emerging Managers, including newer and smaller Investment Managers. Newer Investment Managers may have less experience managing their respective Portfolio Funds and in operating an investment management firm than other managers that have been in business for a longer period of time. Smaller Investment Managers may have less infrastructure in place than managers with a greater level of assets under management. The relatively lesser experience and infrastructure of Emerging Managers could lead to greater losses for their respective Portfolio Funds and for a Busara Fund or Advisory Account than if a Busara Fund or Advisory Account had invested in Portfolio Funds managed by more experienced or larger managers under similar circumstances.

### *Risks at the Busara Funds and the Advisory Accounts Level*

At the Busara Funds and the Advisory Accounts level, the success of a Client Account depends upon Busara's ability to develop and implement investment strategies that achieve that portfolio's investment objectives. Busara invests Client assets through a variety of underlying Portfolio Fund managers. Market conditions and trading approaches are continually changing, and a particular Portfolio Fund manager's past successful performance may be largely irrelevant to such Portfolio Fund manager's prospects for future profitability. Busara endeavors through its initial due diligence and on-going monitoring to detect fraud, misrepresentation, material strategy alteration or poor judgment of an underlying Investment Manager. [No assurances can be given, however, that we will be able to detect such events should they occur.]

Busara will receive limited information regarding the securities held in the underlying Portfolio Funds and will have limited ability to assess the accuracy of information (including the valuations) received from the underlying Portfolio Fund managers or the administrators of the underlying portfolio funds.

The portfolios of Busara Funds and the Advisory Accounts will also have limited liquidity with respect to their respective Portfolio Fund investments. Moreover, investors in the Busara Funds and the Advisory Accounts will have limited liquidity as they will only be permitted to redeem or withdraw from the Busara Funds and the Advisory Accounts at certain limited times.

Finally, Client Accounts may be subject to a tiered fee structure. The underlying Portfolio Fund managers and their Portfolio Funds they manage charge investment management fees, which may include asset-based fees and/or performance-based compensation. An investor in a Busara Funds or the Advisory Accounts will indirectly bear such fees in addition to directly bearing the fees charged by Busara at the level of the Busara Fund or Advisory Account. The aggregate amount of these fees may exceed the fees that an investor would incur by investing directly with Portfolio Fund managers or Portfolio Funds.

The foregoing discussion of risk factors is not a complete explanation of the risks involved in an investment in a Busara Fund or Advisory Accounts managed by Busara. Risks associated with an investment in a particular Client Account are discussed in its legal documents, as appropriate.

## **Item 9 – Disciplinary Information**

We are required to disclose to you all legal and disciplinary events relating to us or to our personnel that are material to your evaluation of our advisory business or the integrity of our management.

There are not currently (nor have there been in the past) any legal or disciplinary events relating to us or our personnel that are material to your evaluation of our advisory business or the integrity of our management.

## **Item 10 – Other Financial Industry Activities and Affiliations**

Joseph Schlater, a principal of Busara, serves as a consultant to Blaylock Robert Van, LLC, a minority-owned investment banking and financial services firm.

## **Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### ***Code of Ethics***

We have adopted a Personal Investment and Trading Policy, Statement on Insider Trading and Code of Ethics pursuant to Rule 204A-1 under the Advisers Act and Rule 17j-1 under the ICA (our **Code of Ethics**).

Our Code of Ethics is designed to ensure, among other things, that we and our related persons do not violate our fiduciary duties to any Client or federal securities laws, rules or regulations in connection with:

- performing investment management and investment advisory services for Clients, and
- acquiring or disposing of investments on behalf of Clients.

Our personnel have three basic types of obligations under the Code of Ethics:

- (1) to act consistently with our fiduciary duties to our Clients;
- (2) to refrain from engaging in certain types of prohibited transactions; and
- (3) to submit certain reports to us.

### ***Our Ability To Invest in the Same Securities in Which Our Clients Invest***

We and/or our related persons may invest in Busara Funds for our own accounts alongside investors who are not related to us. When we do so, we and/or our related persons participate in the investment opportunities in which such Busara Funds participate, alongside the other investors in such Busara Funds.

In addition, we and/or our related persons may place assets under the management of (or otherwise procure investment advisory or investment management services from) any Investment Manager directly or indirectly used by one or more of our Client Accounts. For example, we and/or our related persons may invest in a Portfolio Fund in which one or more of our Client Accounts invest. Further, we and/or our related persons may invest in a Portfolio Fund at or about the same time one or more of our Client Accounts invest in such Portfolio Fund.

In certain cases, a Portfolio Fund may have what we refer to as “limited capacity.” A Portfolio Fund has “limited capacity” when it is not willing to accept all capital that our Client Accounts, we and/or our related persons wish to invest in such Portfolio Fund. If we and/or our related persons wish to invest in such a Portfolio Fund at a time when an investment in such Portfolio Fund is appropriate for one or more of our Client Accounts, we have a conflict of interest because we have a financial incentive to allocate the opportunity to the greatest extent possible to our firm and/or our related persons. In order to avoid this conflict, we may determine in certain cases that we and/or our related persons will not directly participate in a Portfolio Fund that has “limited capacity” unless and until all of our Client Accounts that wish to invest in such Portfolio Fund (including, for this purpose, Busara Funds in which we and/or our related persons participate) have invested the full amount of capital they wish to invest in such Portfolio Fund.

In other cases, we employ policies and procedures for allocating limited investment opportunities in a manner that we believe to be equitable to our Client Accounts, us and our related persons. Under these policies and procedures, to the extent that one or more of our Client Accounts, we and/or our related persons (each of the foregoing, a **Participating Account**) wish to invest in a particular Portfolio Fund (and have funds available to make such investment) but such Portfolio Fund has “limited capacity” and is willing to accept only a portion of the aggregate investment that the Participating Accounts wish to make, the aggregate capacity made available by such Portfolio Fund to the Participating Accounts generally is allocated to each



Participating Account in the proportion that the amount such Participating Account wishes to invest in such Portfolio Fund bears to the aggregate amount that all Participating Accounts wish to invest in such Portfolio Fund, subject to the investment guidelines and constraints applicable to such Participating Account and to certain limited exceptions set forth in such policies and procedures. (Similarly, if interests in a Portfolio Fund are available in the “secondary market” but such interests are not available in an amount sufficient to satisfy the aggregate amount that Participating Accounts wish to invest in such interests, such interests generally are allocated to each Participating Account that has funds available to make such investment in the proportion that the amount such Participating Account wishes to invest in such interests bears to the aggregate amount that all Participating Accounts wish to invest in such interests, subject the investment guidelines and constraints applicable to such Participating Account and to certain limited exceptions set forth in such policies and procedures).

### ***Our Ability To Withdraw/Redeem from Investments in Which Our Clients Invest***

Certain Clients for which we act on a non-discretionary basis may wish to withdraw or redeem from an underlying Portfolio Fund at the same time that other Clients (or we or our related persons) wish to withdraw or redeem from such Portfolio Fund. The ability to withdraw or redeem from any underlying Portfolio Fund may differ materially from investor to investor in that Portfolio Fund due to the timing of their respective investments in such Portfolio Fund, the different classes of interests in such Portfolio Fund in which they invest, special arrangements negotiated with the Investment Manager of such Portfolio Fund and other factors. The reasons why certain Clients may wish (or be compelled to) withdraw/redeem from a particular Portfolio Fund as of a particular date also may differ materially from the reasons why other Clients (or we or our related persons) may wish (or be compelled to) withdraw or redeem from such Portfolio Fund as of such date. Withdrawals or redemptions or subscriptions by Clients accounts, us or our related persons from or to a particular Portfolio Fund could in certain cases adversely affect other Clients that are invested in such Portfolio Fund. Significant withdrawals or redemptions or subscriptions could, for example, cause portfolio damage, portfolio dilution, depletion of liquidity, costly portfolio rebalancings, imposition of withdrawal “gates” and under-allocation to certain positions. It could also cause a Portfolio Fund to make “in-kind” (as opposed to cash) distributions. In cases such as these, we would have a conflict of interest in making withdrawals or redemptions or subscriptions for our Clients. This conflict of interest could be exacerbated in situations where one or more of our Clients (or we or our related persons) may withdraw or redeem from a particular Portfolio Fund on a date as of which one or more of our other Client Accounts are not able to do so. For example, certain of our Clients (or we or our related persons) may have invested in a particular Portfolio Fund pursuant to a “lock-up” that has expired, whereas one or more of our other Clients may still be subject to “lock-ups” in connection with their investments in such Portfolio Fund because they either (i) purchased their interests in such Portfolio Fund subsequent to the time that we, our related persons or certain other of our Clients purchased their interests in such Fund or (ii) opted for liquidity classes in such Portfolio Fund that are different from the liquidity classes owned by us, our related persons and such other Client Accounts.

In addition, certain withdrawal or redemption “gates” are, for example, calculated based on withdrawals or redemptions during an entire quarter or other period, so that if certain Clients (or we and our related persons) withdraw or redeem during a quarter, this could prevent one or more of our other Clients from withdrawing or redeeming at quarter-end, whereas the earlier withdrawals or redemptions are unaffected. We have a fiduciary duty to our Clients to act in good faith and with fairness in all of our dealings with them, and will take such duties into account in dealing with all actual and potential conflicts of interest arising from the timing of withdrawals or redemptions from Portfolio Funds by our Clients, us or our related persons. At the same time, you should be aware that because the ability to withdraw or redeem from any underlying Portfolio Fund may differ materially from investor to investor due to the timing of their respective investments in such Portfolio Fund, the different classes of interests in such Portfolio Fund in which they invest, special arrangements negotiated with the Investment Manager of such Portfolio Fund and other factors, certain Clients (or we or our related persons) may have withdrawal or redemption rights that differ from those of other Clients, and that the exercise of such rights could have a materially adverse effect on such other Clients.

## **Item 12 – Brokerage Practices**

### ***Our Brokerage Practices***

When a Busara Fund or another Client that we advise invests in a Portfolio Fund they contract directly with the Portfolio Fund without the involvement of any financial intermediary such as a broker-dealer, and commissions are not payable in connection with such investments. However, a Busara Fund may incur brokerage commissions in connection with the temporary investment of cash pending further investment or distribution.

### ***Brokerage Practices of Investment Managers of Portfolio Funds***

In general, Investment Managers of the underlying Portfolio Funds in which our Client Accounts invest select the brokers-dealers and other financial intermediaries that execute transactions for their respective Portfolio Funds and negotiate the related brokerage commissions and other transactional costs paid to such intermediaries. In certain cases, however, the Portfolio Manager may accede to a Client’s request that a particular broker-dealer or financial intermediary be engaged for that Client Account.

In selecting intermediaries and/or in negotiating commissions and other compensation with them, such Investment Managers:

- may consider the full range and quality of the services and products provided by intermediaries (including factors such as the ability of the intermediaries to execute transactions efficiently, their responsiveness to instructions, their facilities, reliability and financial responsibility, and the value of any research or other services or products they provide); and

- do not necessarily select intermediaries that charge the lowest transaction costs. In this regard, Investment Managers may engage in the practice known as “paying up,” whereby the Investment Managers cause their Portfolio Funds to pay higher transaction costs than they would otherwise pay so that the Investment Managers may receive “soft dollar” benefits.

The practices discussed above create conflicts between the interests of an Investment Manager and the interests of the Portfolio Fund(s) managed by such Investment Manager. This is because an Investment Manager that receives “soft dollar” benefits receives a benefit that it does not have to purchase out of its own resources. This benefit, in turn, may create an incentive to utilize particular intermediaries based not on the interest of the Portfolio Fund(s) in achieving “best execution” of their transactions, but on the Investment Manager’s interest in receiving benefits for which it does not have to pay out of its own resources.

Further, an Investment Manager may cause a Portfolio Fund managed by such Investment Manager to pay transaction costs to a broker-dealer or other financial intermediary even though such Investment Manager and/or clients of such Investment Manager other than such Portfolio Fund are the exclusive beneficiaries of “soft dollar” benefits provided by such intermediary. We ordinarily are authorized to consent – on behalf of Clients that we advise or manage on a “discretionary” basis – to practices in which the Investment Managers of the Portfolio Funds in which such accounts invest receive “soft dollar” benefits from the broker-dealers or other financial intermediaries selected by such Investment Managers to effect transactions in securities or other financial instruments for such Portfolio Funds (subject to the Investment Managers’ overall duty to obtain “best execution” of all transactions for the Portfolio Funds they manage). This is the case regardless of whether such Investment Managers’ “soft dollar” practices conform to the requirements of the so-called “safe harbor” provided by Section 28(e) of the Securities Exchange Act of 1934 (**Exchange Act**) (except where regulatory considerations do not permit such Investment Managers to engage in such practices). However, most of the underlying Portfolio Funds in which the Clients that we advise or manage invest either do not engage in so-called “soft dollar” activities or do so within the “safe harbor” provisions of Section 28(e). In those cases where the investment manager of an underlying Portfolio Fund indicates that it may engage in “soft dollar” activities outside of the “safe harbor,” we – as part of our due diligence review and ongoing monitoring of Portfolio Fund investments – obtain information concerning such “soft dollar” practices and make an assessment as to whether such practices are appropriate and reasonable under the circumstances.

## **Item 13 – Review of Accounts**

### **Account Reviews**

Busara’s Chief Investment Officer reviews Client Accounts on at least a monthly basis. Factors such as investment performance, asset allocation, industry and market outlook, the composition of Client portfolios, and risk management assessment are considered during such review. In

addition, portfolios are reviewed to consider compliance with any portfolio guidelines that may exist for a given Client Account. Where appropriate information is made available by an Investment Manager, we will review the Portfolio Fund to consider whether it is complying with its portfolio guidelines and investment restrictions.

Given that Client portfolios generally consist of Portfolio Funds, an integral part of Busara's account review process includes the monitoring of Portfolio Funds on an ongoing basis post-investment, with frequent points of contact with Investment Managers. Busara may outsource the collection and processing of certain Investment Manager data to third party providers. On an ongoing basis, Busara investment team members and/or analysts at a third party provider gather information from Investment Managers. Busara investment team members also gather information from hedge fund databases, independent research analysts, economists and industry publications.

On a monthly basis, Busara's investment team and/or a third party provider collects performance data and portfolio information for each Investment Manager. Quantitative analytics are computed to analyze performance. Portfolio level data (where available) may be processed through systems provided by a third party provider and reviewed by Busara's investment team. Busara's investment team also reviews newsletters, exposure reports and other communications provided by Investment Managers.

On an annual basis (or more frequently based upon judgment of Busara's investment team), Busara conducts extensive meetings with the Investment Managers and reviews audit reports and financial statements (if applicable).

Busara also has a dedicated operational due diligence process to evaluate each Investment Manager on an annual basis (or more frequently based upon judgment of Busara's investment team). These reviews are performed by members of the Busara investment team and/or by analysts at a third party provider. Busara's Platform Services Agreement with one third party provider includes the ability to outsource operational due diligence functions. In either case, operational due diligence generally focuses on the analysis of following key operational areas: Pricing & Valuation, Accounting & Reconciliation, Trade Execution, Personnel, Documentation, System Administration, Service Providers and Disaster Recovery. The operational due diligence process also includes reference checks, background checks, audit review, and compliance review.

Busara may conduct additional reviews at any time based upon factors that may include, but are not limited to, the following: unexpected/outlier performance (positive or negative), a change in investment style, changes in key personnel, changes in documentation or fund terms, significant change in AUM (increase or decrease), news reports, or regulatory investigations or inquiries.

## **Reporting**

The following written reports are typically made available to Clients of Busara:

- **Monthly Statements** – For investors in Busara Funds, a monthly statement showing NAVs and, where applicable and made available by an Investment Manager, the number of shares held by the related Portfolio Fund as of the preceding month-end.
- **Monthly Portfolio Updates** – Portfolio updates for Clients are typically compiled on a monthly basis. These updates contain various portfolio statistics and risk management reports and are typically accessible through a password protected website provided by a third party provider. The portfolio update reports are generally available within thirty days following month end.
- **Monthly Hedge Fund Commentary** – Busara’s investment team produces a written monthly commentary on overall hedge fund performance that is forwarded to Clients upon request

Further, a Busara Fund that is organized as a partnership for U.S. tax purposes may not be able to complete and file its partnership income tax return for any year or deliver a Schedule K-1 for such year to each of its Investors until the Busara Fund has received tax information for that year from the Portfolio Funds in which it invests. Because a large number of the Portfolio Funds in which a Busara Fund invests may be calendar-year taxpayers, and due to the time needed for the preparation of income tax returns, we ordinarily are not able to send a Schedule K-1 to each Investor in time to file the Investor’s income tax returns by the original due date. Thus, it ordinarily is necessary for each Investor to obtain an extension of the filing date for its return for each year.

Please note that the NAV calculations delivered to our Clients are based on reports that we receive from the Portfolio Funds (typically delivered by their fund administrators). Some of those Portfolio Funds may not be valuing their underlying assets on a “mark-to-market” basis. In such cases, to the extent the NAV information we report to our Clients is based on such information, our NAV calculations will also not be prepared on a “mark-to-market” basis.

## **Item 14 – Client Referrals and Other Compensation**

While Busara does not compensate anyone for Client referrals and no person provides Busara with an economic benefit or other compensation for providing investment advice or other advisory services to our Clients, Busara may provide or receive such compensation in the future.

## **Item 15 – Custody**

Under the “custody rule” under the Advisers Act – which imposes certain requirements on SEC-registered investment advisers that have custody of Client funds or securities – we are deemed to have custody of the funds and securities of certain Client Accounts even though:

- we and our affiliates do not physically hold the funds or securities of such Client Accounts, and
- the funds and securities of such Client Accounts are not held or registered in our name or in the name of any of our affiliates.

Although we are deemed, under the “custody rule,” to have custody of the funds and securities of certain Busara Funds, we are exempt from many of the provisions of that rule because we undertake to deliver to the investors/participants in such Busara Funds, within 120 days after the end of the fiscal year of the relevant Busara Funds, financial statements of such Busara Funds that are:

- prepared in accordance with U.S. generally accepted accounting principles; and
- audited by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board.

## **Item 16 – Investment Discretion**

We may manage Client Accounts on either a “discretionary” or a “non discretionary” basis. We consider a Client Account to be a “discretionary” account if the Client has granted us written legal authority (in an investment management agreement, investment advisory agreement, limited partnership agreement, limited liability company agreement, power of attorney or other appropriate legal document) to invest and reinvest the assets of such account without receiving prior authorization from the Client or any other person to engage in particular investment activities for such account. However, in certain cases, Clients who grant written legal investment discretion to us may informally reserve the right to approve or disapprove of our investment decisions for their accounts prior to the implementation of such decisions.

We may manage, on a discretionary basis, Commingled Funds, *.i.e.*, funds that are designed for and contain multiple investors. In these instances, the confidential private placement memorandum for these Commingled Funds will disclose the particular investment objectives and investment restrictions that will apply to our management of the Commingled Fund. These restrictions typically will not include restrictions on the Commingled Fund’s ability to make investments in particular Investment Managers, securities or particular types of securities. Further, investors in a Commingled Fund will not be afforded the opportunity to place restrictions on the fund’s ability to make particular investments or particular types of investments, or otherwise to place any additional material limitations on our exercise of discretionary authority over such fund.

We may manage, on a discretionary basis, Single Investor Funds, *i.e.*, investment funds that are designed and contain a single investor (or groups of related investors) and Advisory Accounts, *i.e.*, contractual arrangements pursuant to which we provide investment advisory services. In these cases, prior to the launch of the Single Investor Funds or the operation of the Advisory Accounts, we intend to propose to the single investor (or group of related investors) or Client, as the case may be, the investment objectives and investment restrictions that will apply to our management of the Single Investor Fund or the Advisory Account, and the Investor will be afforded the opportunity to review and suggest changes to such objectives and restrictions, including restrictions on the Single Investor Fund's or Advisory Account's ability to make particular investments or particular types of investments. If we agree to be bound by any such changes, we will follow them in connection with managing the Single Investor Fund or Advisory Account. For Client Accounts that we may manage on a non discretionary basis, the scope of the advisory services that Busara will provide to a given Client will typically be disclosed in the investment advisory or investment services agreement.

## **Item 17 – Voting Client Securities**

Rule 206(4)-6 under the Advisers Act requires an SEC-registered investment adviser like us to implement proxy voting policies and procedures that are reasonably designed to ensure that the adviser votes proxies in the best interests of its Clients. Busara's Investment Committee will evaluate each voting issue solely in light of the Client's best interests and vote accordingly. In carrying out this responsibility, Busara is obligated to (i) review any written materials provided regarding the issue subject to a vote, and (ii) determine what vote represents each voting Client's best interests.

The most common scenarios in which we are requested to respond to proxy requests relating to securities held by one or more Client Accounts are as follows:

- We have investment discretion over such Client Accounts and are requested by the Investment Manager of an underlying Portfolio Fund in which such Client Accounts invest to vote limited partnership interests, limited liability company interests, shares or similar equity interests in such Portfolio Fund.
- A Client who invests through an Advisory Account over which we do not have investment discretion is requested by the Investment Manager of an underlying Portfolio Fund in which such Advisory Account invests to vote limited partnership interests, limited liability company interests, shares or similar equity interests in such Portfolio Fund, and such Client in turn requests us to make a recommendation as to how such Client should respond to such request.

## **Item 18 – Financial Information**

We are required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual commitments to our Clients.

We have no financial commitment that impairs or is reasonably likely to impair our ability to meet our contractual commitments to our Clients, and we have never been the subject of any bankruptcy petition.

## **Item 19 – Requirements for State-Registered Advisers**

Not applicable.

## **Joseph Schlater's Biographical Information**

Joseph P. Schlater, Chief Executive Officer, is a founding partner of Busara. Mr. Schlater has over 20 years experience in the financial services industry serving both institutional and high-net worth individuals.

Prior to establishing Busara, Mr. Schlater spent eleven years at Morgan Stanley in Los Angeles and San Francisco, where he played a key role as a relationship manager for one of the largest companies in Silicon Valley. In addition to his institutional clientele, Mr. Schlater's expertise expanded into advising high-net worth individuals and families on all aspects of wealth management and preservation. While in Los Angeles, he was selected to additionally take on the role of Sales Manager of the Beverly Hills office in which he was responsible for recruiting and training all new and existing employees.

Prior to Morgan Stanley, Mr. Schlater worked at Hambrecht and Quist where he advised officers and directors on the sale of restricted securities and provided individuals and businesses with comprehensive financial planning for investment, estate planning, and tax management issues.

Mr. Schlater's leadership and achievements have been recognized by various awards which include being a three year Morgan Stanley's President's Club member and a two time Chairman's Club recipient, as well as being named a Top Equity Salesman in the Global Wealth Management Division.

Outside of work, Mr. Schlater is very active in the non-profit community. He is currently serving his sixth year as a member of the national board of directors for After School All-Stars, a non-profit organization devoted to the education and social welfare of inner city youths. He has also served as a member of the Advisory Board for the University of San Francisco Business School for



four years. Mr. Schlater is also a Senior Advisor for the minority-owner broker-dealer Blaylock Robert Van. Mr. Schlater received a BS in Finance from the University of San Francisco.

## **Andrew Timpson's Biographical Information**

Andrew J. Timpson, Chief Investment Officer, is a founding partner of Busara. Prior to Busara, Mr. Timpson was a Managing Director in the Alternative Assets Group ("AAG") of RBC Capital Markets Corp., an indirect, wholly owned subsidiary of Royal Bank of Canada ("RBC"). At the time of his departure, Mr. Timpson was managing AAG's research/due diligence team with responsibility for over \$10 billion in investments distributed among over 1,000 hedge funds and SMAs. The mandate of the position included hedge fund research, risk management duties for client portfolios, and portfolio management responsibilities for pools of employee assets.

Mr. Timpson joined RBC in 1995, and served in AAG (2000-2008), the Independent Middle Office (1996-2000) and the Corporate Banking Group (1995-1996). Mr. Timpson's position in the Independent Middle Office included risk management responsibilities related to both AAG and RBC's Global Equity Derivatives Group, which traded over \$10 billion of RBC's proprietary capital in strategies such as index arbitrage, statistical arbitrage, convertible arbitrage and event driven trading. During this period, Mr. Timpson also served on the Commitment Committee of RBC Capital Markets, which was responsible for the approval of all U.S. underwriting activity. Prior to joining RBC, Mr. Timpson was a credit analyst and account manager at JP Morgan Chase (1992-1995).

Mr. Timpson holds an MBA in Finance (with distinction) from the Stern School of Business at New York University, where he was a Stern Scholar, and a BA in Mathematics (magna cum laude) from Boston College. Mr. Timpson also holds the rank of Nidan (2nd degree black belt) in Seisuikan Ninjutsu. He is active in his community, and periodically teaches an adult self defense class and coaches youth sports teams in Maplewood/South Orange, New Jersey.

## Glossary

**Advisers Act** means the United States Investment Advisers Act of 1940, 15 U.S.C. §§80b *et seq.*

**Advisory Accounts** means Client Accounts established under investment management agreements, investment advisory agreements or investment services agreements with Busara, typically for institutional investors and pension plans.

**Busara** means Busara Advisors, LLC.

**Busara Funds** means Commingled Funds and Single Investor Funds.

**Client** means Single Investor Funds, Commingled Funds, Advisory Accounts, the institution, such as a pension fund, to whom we provide advisory services, and any other person to whom Busara provides investment advisory services.

**Client Account** means a Single Investor Fund, a Commingled Fund, and an Advisory Account.

**Code of Ethics** means Busara's Personal Investment and Trading Policy, Statement on Insider Trading and Code of Ethics pursuant to Rule 204A-1 under the Advisers Act and Rule 17j-1 under the ICA.

**Commingled Funds** are privately-offered investment funds which are designed for and contain multiple investors.

**Exchange Act** means the United States Securities Exchange Act of 1934, 15 U.S.C. §§78a *et seq.*

**ICA** means the United States Investment Company Act of 1940, 15 U.S.C. §§80a *et seq.*

**Investment Managers** are those persons and entities which sponsor, manage or advise Portfolio Funds.

**Participating Account** means accounts in which a Client Account, Busara or a related person of Busara wish to invest.

**Portfolio Funds** are various types of private investment vehicles or managed accounts, sometimes referred to as "hedge funds", in which a Busara Fund invests or is the subject of an Advisory Account's investment strategy.

**SEC** means the United States Securities and Exchange Commission.

**Single Investor Funds** are privately-offered investment funds that are designed for and contain a single investor (or a group of related investors).

**Third Party Costs** represent payment for services rendered by external vendors, consultants or professional advisers that are directly required to support the ongoing management, administration and operations of Busara Funds or Advisory Accounts.