

**Part 2A of Form ADV: Firm Brochure**

**Item 1 - Cover Page**

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The date of this brochure is March 31, 2012.

**This brochure provides information about the qualifications and business practices of Solaris Alternative Asset Management, LLC. If you have any questions about the contents of this brochure, please contact us at (212) 542-3600. 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 Solaris Alternative Asset Management, LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Any reference to Solaris Alternative Asset Management, LLC as a “registered investment adviser” or as being “registered,” does not imply a certain level of skill or training.**

**Item 2 - Material Changes**

There are no material changes.

**Item 3 - Table of Contents**

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**Item 4 - Advisory Business**

- A. Solaris Alternative Asset Management, LLC (“we” or “us”) is a Delaware limited liability company that was formed in September 2011. Its principals are Christopher Mailman, Peter Keogh, Ralph Sinsheimer, Albert Bellas, Timothy Ghriskey and Stephen Wells.
- B. We provide discretionary investment advice to the following private investment funds: (i) Millbrook Domestic Fund, LLC (the “Domestic Fund”); (ii) Millbrook International Offshore Fund, Ltd. (the “Offshore Fund” and, together with the Domestic Fund, the “Feeder Funds”); and (iii) Millbrook Partners, LLC, a private investment fund through which the Feeder Funds invest (the “Master Fund,” and collectively with the Feeder Funds, the “Funds”). We also provide non-discretionary investment advice to a separately managed account. We generally allocate our clients’ capital among a select number of portfolio managers (“Portfolio Managers”), limited partnerships and/or the funds they operate (“Portfolio Funds”).
- C. We generally do not permit investors in the Funds to impose limitations on the investment activities described in the offering documents for the Funds. Under certain circumstances, we will contract with a client to adhere to limited risk and/or operating guidelines imposed by the client. We negotiate such arrangements on a case by case basis. (*See Item 16 “Investment Discretion.”*)

In the case of the separately managed account that we manage, we must obtain the consent of the account’s board of directors prior to making investments.

- D. We do not participate in wrap fee programs.
- E. As of December 31, 2011, we managed approximately \$66,793,011 on a discretionary basis and approximately \$81,098,528 on a non-discretionary basis or \$147,891,538 in the aggregate.

**Item 5 - Fees and Compensation**

- A. All of our clients are “qualified purchasers” (as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the “1940 Act”).
- B. For the Funds, we deduct our management fees from client accounts quarterly in advance. For the managed account, we send the client an invoice on a quarterly in advance. Generally, we or our affiliates receive performance-based fees or allocations from the Funds and the managed account on an annual basis in arrears and upon redemptions by investors in the private investment funds we manage. For the Funds, we will deduct such performance-based fees or allocations and for the managed account we will send the client an invoice.
- C. We pay our own expenses as well as certain operating expenses on behalf of the Funds, including, without limitation, office space and utilities, news, quotation and computer equipment and services, secretarial, clerical and other general overhead expenses associated with the operation of the Funds.

The Funds bear all other expenses related to their operation, administration and management including, without limitation, our fees, investment expenses (*e.g.*, expenses which are reasonably determined to be related to the investment of the Funds' assets), administrative and bookkeeping expenses, legal fees, accounting, risk management consulting, the Funds' insurance premiums, audit and tax preparation expenses if any, taxes, expenses incurred in connection with the offering and sale of the Funds' shares or interests, as the case may be, other similar expenses related to the Funds and all extraordinary expenses. In addition, the Offshore Fund bears the fees payable to its administrator. The Funds will not directly incur any brokerage costs (although they will indirectly incur such costs via the investments in the Portfolio Funds).

The expenses that are charged to the separately managed account are determined on a case by case basis, as set forth in the advisory contract with the managed account.

We allocate our clients' capital to Portfolio Funds. In addition to the fees and expenses discussed above, our clients will indirectly incur similar fees and expenses as a result of the investments in the Portfolio Funds, as Portfolio Funds in turn pay similar fees to their investment managers and other service providers.

- D. As noted above, we deduct our management fees from the Funds quarterly in advance. Management fees are not refundable if the advisory contract with a Fund is cancelled prior to the end of a payment period. In the case of the separately managed account that we manage, if the management of the managed account terminates at any time other than the end of a calendar quarter, the management fees shall be prorated.

E. *Not applicable.*

#### **Item 6 - Performance-Based Fees and Side-By-Side Management**

We or our affiliates receive annual performance-based fees or allocations from the Funds and the separately managed account that we manage, which are based on a percentage of the capital appreciation of client assets (and subject to a hurdle).

The terms of the performance-based fees and allocations may differ among the Funds and the separately managed account we manage. This may result in a conflict of interest when we allocate opportunities among these clients because we will have an incentive to favor accounts that have higher performance-based fees and allocations. To avoid such a conflict of interest we generally follow documented procedures in allocating opportunities among such clients, which does not take into account the performance-based fees and allocations to which such clients are subject (*see Item 12, Section A.4, "Allocation of Investment Opportunities" below*).

As the management fees and performance-based fees and allocations are based directly on the net asset value of the client accounts, we may have a conflict of interest in valuing the assets held in the accounts. However, since the assets of the Funds and the managed account are Portfolio Funds, we will generally rely on valuations provided by the Portfolio Managers. Any deviation from such valuations must be in accordance with our documented Pricing Policy.

#### **Item 7 - Types of Clients**

We primarily provide investment advice to clients who are private investment funds (either through a fund-vehicle or a separately managed account). Investors in such private investment

funds are generally high net worth individuals and institutional investors that qualify as “accredited investors” (as defined in Rule 501 under the Securities Act of 1933, as amended) and “qualified purchasers” (as defined under the 1940 Act). Investors in the Domestic Fund must invest a minimum of \$5,000,000, subject to waiver by Solaris Alternative Asset Management GP, LLC, the Domestic Fund’s managing member (the “Managing Member”) to accept lesser amounts. We determine the minimum investment for a separately managed account on a case by case basis.

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

### *A. Methods of Analysis and Investment Strategies Generally*

#### **Investment Objective**

The Funds’ investment objectives are to generate attractive risk-adjusted returns primarily through the allocation of capital among a select number of Portfolio Managers and Portfolio Funds. We allocate the Funds’ assets primarily to Portfolio Managers and Portfolio Funds which generally follow credit based, event driven and/or market neutral arbitrage strategies and seek to provide low volatility and attractive risk-adjusted returns. We seek to construct a portfolio of Portfolio Managers and Portfolio Funds which utilize strategies that generate overall returns for the Funds with low volatility and a low correlation to the performance of U.S. equity markets.

While our objective is to seek capital appreciation, we are also concerned with preservation of capital. For that reason, we utilize a multi-strategy structure designed to take advantage of broad market opportunities. The Funds do not follow a rigid investment policy which would restrict them from participating through Portfolio Managers and Portfolio Funds in any market, strategy or investment. The Funds’ assets may be deployed in whatever investment strategies are deemed appropriate under prevailing economic and market conditions to attempt to achieve capital appreciation, including, if appropriate, the concentration of their investments in a small group of strategies or Portfolio Managers.

We recommend investments for the managed account based on similar objectives and strategies; however, the Portfolio Managers and Portfolio Funds recommended to the managed account also follow a long-short strategy.

**Investing in securities involves risk of loss that clients and investors should be prepared to bear.**

### *B. Certain Risks Associated with Methods of Analysis and Investment Strategies*

#### **Market and Investment Risk**

Highly Volatile Markets The prices of certain assets of the Portfolio Funds, including futures and options prices, are highly volatile. Price movements of forward contracts, futures contracts and other assets are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies, financial

instrument futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The Portfolio Funds also are subject to the risk of the failure of any of the exchanges on which their positions trade or of their clearinghouses.

**Institutional Risk** The institutions, including brokerage firms and banks, with which the Portfolio Funds may trade or invest, may encounter financial difficulties that impair the operational capabilities or the capital position of the Portfolio Funds. In addition to the risk of a counterparty or broker defaulting, there also is the risk that major institutional investors in the Portfolio Funds may be compelled to withdraw/redeem from the Portfolio Funds or that their counterparties or brokers will be required to restrict the amount of credit previously granted to the Portfolio Funds due to their own financial difficulties, resulting in forced liquidation of substantial portions of the assets of the Portfolio Funds.

**Non-U.S. Investments** The Portfolio Managers may invest in securities of foreign corporations and foreign countries. Investing in the securities of companies (and, from time to time, governments) of foreign countries involves certain considerations not usually associated with investing in securities of United States companies or the United States Government, including political and economic considerations, such as greater risks of expropriation, nationalization and general social, political and economic instability; the relatively small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict the Portfolio Funds' investment opportunities. In addition, accounting and financial reporting standards that prevail in foreign countries may not be as high as United States standards and, consequently, less information is available to investors in companies located in foreign countries than is available to investors in companies located in the United States. There is also less regulation, generally, of the securities a market in foreign countries than there is in the United States.

**Currency** A portion of the Funds' assets may be invested by Portfolio Managers in debt and equity securities denominated in various currencies and in other financial instruments, the price of which is determined with reference to such currencies. The Funds, however, value their investments and other assets in U.S. dollars. To the extent unhedged, the value of the Funds' net assets will fluctuate with U.S. dollar exchange rates as well as with price changes of the investments in the various local markets and currencies. Forward currency contracts and options may be utilized on by Portfolio Managers to hedge against currency fluctuations, but Portfolio Managers are not required to hedge and there can be no assurance that such hedging transactions, even if undertaken, would be effective.

## **Strategy Risk**

**Investment and Trading Risks in General** All investments made by the Portfolio Funds risk the loss of capital. Portfolio Managers may use such investment techniques as margin transactions, short sales, option transactions and forward and futures contracts, which practices can, in certain circumstances, maximize the adverse impact to which the Funds

may be subject. No guarantee or representation is made that the Funds' programs will be successful, and investment results may vary substantially over time.

Trading is Leveraged Portfolio Managers may borrow funds from brokerage firms, banks and other available sources in order to be able to increase the amount available for investments by Portfolio Funds. In addition, Portfolio Funds may in effect borrow funds through entering into repurchase agreements, and may purchase or sell options, forwards and other derivative instruments. The amount of borrowings which the Portfolio Funds may have outstanding at any time may be large in relation to their capital. Consequently, the level of interest rates, generally, and the rates at which Portfolio Funds can borrow, in particular, will affect the operating results of Portfolio Funds, and thus affect investors in the Funds. Leverage has the effect of magnifying both profits and losses compared with unleveraged positions.

Short-term borrowings by Portfolio Funds could result in certain additional risks to the Funds For example, should the securities pledged to brokers to secure a Portfolio Fund's margin accounts decline in value, the Portfolio Fund could be subject to a "margin call" pursuant to which the Portfolio Fund would either have to deposit additional funds with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden precipitous drop in the value of a Portfolio Fund's assets, the Portfolio Manager might not be able to liquidate assets quickly enough to pay off its margin debt and the Portfolio Fund and the Funds may therefore also suffer additional significant losses as a result of its default.

Forward Trading Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market traded by the Portfolio Managers due to unusually high trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit such forward (and futures) trading to less than that which the Portfolio Managers would otherwise recommend, to the possible detriment of the Funds. Market illiquidity or disruption could result in major losses to the Funds.

Spread Trading Risks The Portfolio Managers' trading operations may involve spreads between two or more instruments (*i.e.*, equity securities and debt securities convertible into such equity securities), such as the use of inter- and intra-company capital structure arbitrage strategies. To the extent the price relationships between such positions remain constant, no gain or loss on the positions will occur. Such positions do, however, entail a substantial risk that the price differential could change unfavorably.

Interest Rate Risk The value of the fixed-rate securities in which the Portfolio Funds invest generally will have an inverse relationship with interest rates. Accordingly, if interest rates rise, the value of such securities may decline. In addition, to the extent that

the receivables or loans underlying specific securities are prepayable, the value of such securities may be negatively affected by increasing prepayments, which generally occur when interest rates decline.

**Illiquid Securities** A portion of the Portfolio Funds may consist of securities, loans and other financial instruments which are not actively and widely traded. Consequently, it may be relatively difficult for the Portfolio Funds to dispose of such investments rapidly and at favorable prices in connection with withdrawal/redemption requests, adverse market developments or other factors. Illiquid securities may also be more difficult to value.

**Hedging Instruments** The Portfolio Managers may enter into swaps, forwards and other negotiated principal transactions and sell securities short for hedging, leveraging or other purposes. Typically, these techniques involve one or more of the following risks: (i) imperfect correlation between the performance and value of the instrument and the value of the securities or other objectives of the Portfolio Managers, (ii) possible lack of a secondary market for closing out a position in such instrument; (iii) losses resulting from interest rate, spread or other market movements not anticipated by the Portfolio Managers; (iv) the possible obligation to meet additional margin or other payment requirements, all of which could worsen the position; and (v) default or refusal to perform on the part of the counterparty with which the Portfolio Managers trade.

**Derivative Instruments** The Portfolio Managers may utilize various derivative instruments, such as warrants, options and convertible securities. The use of derivative instruments involves a variety of material risks, reflecting the often extremely high degree of leverage embedded in such instruments. The derivatives markets are frequently characterized by limited liquidity, which can make it difficult as well as costly to close out open positions in order either to realize gains or to limit losses. Many derivatives are valued on the basis of dealers' pricing of these instruments. However, the price at which dealers value a particular derivative and the price which the same dealers would actually be willing to pay for such derivative, should a Portfolio Fund wish or be forced to sell such position, may be materially different. The pricing relationships between derivatives and the underlying instruments on which they are based may not conform to anticipated or historical correlation patterns, resulting in unanticipated losses.

**Futures Contracts and Futures Options** The Portfolio Managers may trade futures and futures options for speculative or hedging purposes. The prices of such contracts are highly volatile. Because of the low margin deposits normally required in futures trading, a high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to the investor. Commodity exchanges limit fluctuations in futures contract prices during a single day. During a single trading day trades may not be executed at prices beyond the "daily limit." Once the price of a futures contract for a particular commodity has increased or decreased by an amount equal to the daily limit, positions in the commodity can be neither taken nor liquidated unless managers are willing to effect trades at or within the limit.

**Short Sales** A short sale involves the sale of a borrowed security in the expectation of purchasing the same security (or a security exchangeable therefor) at a later date at a lower price. To make delivery to the buyer, a short seller must borrow the security, and is obligated to return the security to the lender, which is accomplished by a later purchase of the security. When the short seller makes a short sale in the United States, it must



leave the proceeds thereof with the broker and it must also deposit with the broker an amount of cash or U.S. Government or other securities sufficient under current margin regulations to collateralize its obligation to replace the borrowed securities that have been sold. If short sales are effected on a foreign exchange, local law will govern such transactions. A short sale involves the risk of a theoretically unlimited increase in the market price of the security. Furthermore, if the short seller has sold short the securities offered in an exchange offer or merger and has purchased the securities of the target company, it is exposed to the risk that, if the transaction is not consummated, it may suffer losses with respect to its long and its short positions.

High Yield Securities The Portfolio Funds may invest in “high yield” bonds and preferred securities which are rated in the lower rating categories by the various credit rating agencies (or in comparable non-rated securities). Securities in the lower rating categories are subject to greater risk of loss of principal and interest than higher-rated securities and are generally considered to be predominantly speculative with respect to the issuer’s capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than securities with higher ratings in the case of deterioration of general economic conditions. Because investors generally perceive that there are greater risks associated with the lower-rated securities, the yields and prices of such securities may tend to fluctuate more than those for higher-rated securities. The market for lower-rated securities is thinner and less active than that for higher-rated securities, which can adversely affect the prices at which these securities can be sold. In addition, adverse publicity and investor perceptions about lower-rated securities, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of such lower-rated securities.

#### **Fund of Fund Structure Risk**

Independent Portfolio Managers The Portfolio Managers trade wholly independently of one another and may at times hold economically offsetting positions. To the extent that the Portfolio Managers do in fact hold such positions, the Funds or accounts as a whole may not achieve any gain or loss despite incurring expenses. In addition, a Portfolio Manager may be compensated based on the performance of its portfolio. Accordingly, a particular Portfolio Manager may receive incentive compensation in respect of its portfolio for a period even though the Funds’ overall portfolio depreciated during such period.

Access to Information and Activity We are responsible for the allocation of the Funds’ assets among the various Portfolio Managers, but we will not have control over the day-to-day management of the underlying investments through Portfolio Funds. In this regard, we may not have access to information concerning the securities positions of the underlying Portfolio Funds.

Limited Liquidity Distributions of proceeds upon an investor’s withdrawal/redemption may be delayed as a result of restrictions imposed upon withdrawals/redemptions under the terms of the investment partnerships or investment advisory agreements in or pursuant to which the Funds’ assets are invested.

Non-Diversification; Inadvertent Concentration Although we will allocate the Funds’ assets among several Portfolio Managers and recommend that the managed account invest in several Portfolio Managers, the Portfolio Funds may not be diversified among

geographic areas or types of securities. Further, the Portfolio Funds may not be diversified among a wide range of issuers. Accordingly, the Funds may be subject to more rapid change in value than would be the case if the Portfolio Funds were required to maintain a wide diversification among geographic areas, types of securities and issuers.

In addition, different Portfolio Managers acting separately may each acquire significant positions in the same investment, resulting in an inadvertent concentration by the Funds in such investment, which may subject the investments of the Funds to more rapid changes in value than would be the case if the assets of the Funds were more widely diversified.

The managed account will also be exposed to risks similar to those described above.

**C. Material Risks Involved in a Particular Type of Security.**

The Funds only invest in, and we only make recommendations for the managed account to invest in, Fund Portfolios. Investments in Portfolios are subject to all of the risks described above in Item 8.B.

**Item 9 - Disciplinary Information**

*Not applicable.*

**Item 10 - Other Financial Industry Activities and Affiliations**

A. Albert C. Bellas, one of the principals Solaris Alternative Asset Management, LLC is an investment banking registered representative of Meeschaert Capital Markets, LLC, a broker/dealer. This arrangement is not material to our investment management business and does not present any conflict of interest to any client of Solaris Alternative Asset Management, LLC.

B. *Not applicable.*

C.

1. **broker-dealer, municipal securities dealer, or government securities dealer or broker**

*Not applicable.*

2. **investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)**

We and our related persons manage a number of pooled investment vehicles which may be deemed to be our related persons. These vehicles include the Funds.

The management of multiple pooled investment vehicles may result in conflicts of interests when we and our related persons allocate our time and investment opportunities among the Funds and the managed account. In addition, the compensation earned by us and our related persons from each of the Funds may

differ from one another and from the managed account. We and our related persons will generally follow documented procedures in allocating or recommending investments among the Funds and the managed account (to the extent that a Portfolio Manager is only accepting a limited amount of capital) (*see Item 12, Section A.4, "Allocation of Investment Opportunities" below*).

Our principals (and/or other related persons) invest in the Funds, but do not invest in the managed account. As a result, we may have a conflict of interest in allocating/recommending investment opportunities among the Funds and the managed account (to the extent a Portfolio Manager or a Portfolio Fund is only accepting a limited amount of capital). We will generally follow documented procedures in allocating/recommending the Funds' and the managed account's investments among the Portfolio Managers and the Portfolio Funds. (*See Item 12, Section A.4 "Allocation of Investment Opportunities" below.*)

**3. other investment adviser or financial planner**

The Managing Member serves as the managing member to the Domestic Fund. There are no material conflicts of interest resulting from the relationship between us and the Managing Member other than any conflicts described in Item 10, section C.2 above.

Ralph Sinsheimer, Albert Bellas, Timothy Ghriskey and Stephen Wells, principals of Solaris Alternative Asset Management, LLC are also principals of Solaris Advisors, LLC, a Member of Solaris Alternative Asset Management, LLC. This arrangement is not material to our investment management business and does not present any conflict of interest to any client of Solaris Alternative Asset Management, LLC.

**4. futures commission merchant, commodity pool operator, or commodity trading advisor**

*Not applicable.*

**5. banking or thrift institution**

*Not applicable.*

**6. accountant or accounting firm**

*Not applicable.*

**7. lawyer or law firm**

*Not applicable.*

**8. insurance company or agency**

*Not applicable.*

**9. pension consultant**

*Not applicable.*

**10. real estate broker or dealer**

*Not applicable.*

**11. sponsor or syndicator of limited partnerships.**

Ralph Sinsheimer, Albert Bellas, Timothy Ghriskey and Stephen Wells, principals of Solaris Alternative Asset Management, LLC are also the four members of BGWS, LLC, the General Partner of the Solaris Constellation Fund, L.P, the ARA Fund, L.P., and the Gemini Fund, L.P. Our affiliate, Solaris Advisors, LLC acts as investment manager of the Solaris Constellation and ARA Funds, and Solaris Asset Management, acts as investment manager of the Solaris Gemini Funds. The Solaris Gemini Fund, L.P. has an investment performance fee. This arrangement is not material to our investment management business and does not present any conflict of interest to any client of Solaris Alternative Asset Management, LLC.

D. *Not applicable.*

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

- A. We have adopted a Code of Ethics (the “Code of Ethics”) which is designed to insure that we conduct our business in accordance with all applicable laws and regulations and in an ethical and professional manner. In addition, we recognize that we have a fiduciary duty to the investors in the Funds and other accounts we manage, and that all of our employees must conduct their business on our behalf in a manner that enables us to fulfill this fiduciary duty. In this regard, we have developed policies and procedures in our Code of Ethics that are premised on fundamental principles of openness, integrity, honesty and trust. In addition, among other things, our Code of Ethics governs all personal securities transactions by our employees, our policies with respect to gifts and entertainment, compliance with applicable federal securities laws, the manner in which violations of our Code of Ethics are to be reported, and certain other outside activities of our employees. We will provide a copy of our Code of Ethics to any client or prospective client upon request.
- B. We make available to qualified prospective investors the ability to invest in the Funds. Our principals and other management persons have significant personal investments in the Funds. In addition, we and our affiliates receive performance-based fees and allocations from the Funds. (See Item 12, Section A.4, “Allocation of Investment Opportunities” below).
- C. We strongly discourage our employees from engaging in any short-term trading, or trading on margin, trading commodities, futures, derivatives or other volatile securities or financial instruments.

No employee may engage in a personal securities transaction without the prior written consent of our Chief Compliance Officer (“CCO”), except for transactions in certain securities and financial instruments. Requests to engage in personal securities

transactions must be submitted on an Employee Investment Request Form to our CCO. Approval to purchase or sell a particular security will be valid only on the date such approval is granted by the CCO (unless otherwise specified on the pre-clearance form by our CCO or our Co-Chief Investment Officers (“CIOs”).

Employees may not, directly or indirectly, acquire beneficial ownership in any security in an initial public offering or in a limited offering (*i.e.*, a private placement) without the prior written consent of our CCO (or, in his absence, his designee). Our CCO must obtain the prior written consent of our CIOs before acquiring any such security. Employees wishing to acquire beneficial ownership in any security in an initial public offering or in a limited offering (*i.e.*, a private placement) must complete and submit an Employee Investment Request Form to our CCO for approval.

Our personal securities policy applies to family members of an employee living in the employee’s household (*e.g.*, spouse, domestic partner, siblings, parents and children) and to any account over which the employee exercises investment discretion. However, our CCO may waive by written notice to the employee the application of this policy, and the corresponding reporting requirements, to one or more of such family members of an employee in certain cases where our CCO sees fit. The employee may not use such waiver as a means to circumvent this policy as it applies to such employee or his or her other family members.

Our CCO monitors personal securities trading by our employees on a periodic basis.

D. Not applicable.

## Item 12 - Brokerage Practices

### A. Selection of Brokers

We do not select brokers because we only invest in Portfolio Funds.

*Not applicable*

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

We do not enter any soft dollar arrangements.

*Not Applicable.*

#### 2. Brokerage for Client Referrals

*Not Applicable.*

#### 3. Directed Brokerage

*Not applicable.*

#### 4. Allocation of Investment Opportunities

When we determine that an investment in a particular Portfolio Fund would be desirable for the Funds and the managed account (and the Portfolio Fund is only accepting a

limited amount of capital at such time), we will seek to allocate/recommend such opportunity among the Funds and the managed account in a manner that we believe in good faith to be equitable under the circumstances existing at such time. The factors that we may consider in making such determination include (but are not limited to): the investment objectives the clients; short-term market trends; the overall portfolio composition of the clients' accounts; the relative capital available for new investments; and applicable tax considerations.

B. Aggregation of Orders

*Not Applicable.*

**Item 13 - Review of Accounts**

A. The clients' investments in Portfolio Funds are reviewed on a monthly basis, and their performance analyzed, by our investment professionals and operations team, including, Christopher Mailman and Peter Keogh, the CIOs, our Investment Committee, Michael Faranello, the Chief Financial Officer and Stephen Wells, the CCO. The Portfolio Funds are evaluated based on performance, general market conditions and such other considerations as we deem appropriate.

B. *Not applicable.*

C. We will furnish investors in the Funds with periodic written unaudited performance reports on a monthly basis. On an annual basis, investors receive a copy of the relevant Fund's annual audited financial statements and, where applicable, a statement of taxable income (form K-1).

We may provide certain investors access to more frequent and/or more detailed information regarding the Funds' securities positions, performance, finances, and management and/or other information about the Funds or us, possibly enabling such investors to better assess the prospects and performance of the Funds.

The Portfolio Managers send copies of all reports directly to the investor with the managed account (and we are copied on such reports). However, we also provide such client with monthly performance reports.

**Item 14 - Client Referrals and Other Compensation**

*Not applicable. We currently do not engage in this practice. In the event that we decide to compensate third parties for client referrals, we will comply with the terms of Rule 206(4)-3, as of the Investment Advisors Act of 1940, as amended, and any corresponding state securities laws or requirements that may apply and implement an appropriate policy with respect to such activities.*

**Item 15 – Custody**

*Not applicable*

**Item 16 - Investment Discretion**

We have discretionary authority with respect to the Funds. The investors in the Funds generally may not place any limits on our authority beyond the limitations set forth in the offering and governing documents of such Funds. We do not have discretionary authority with respect to the managed account and just recommend investments in Portfolio Funds.

**Item 17 - Voting Client Securities**

*Not applicable. We currently do not hold any securities. All assets are held by the underlying funds which have the responsibility to vote. In the event that we decide to acquire and hold securities on behalf of the Fund, we will implement an appropriate policy with respect to voting securities.*

**Item 18 - Financial Information**

*Not applicable.*

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

*Not applicable.*