
PRAGMA GESTÃO DE PATRIMÔNIO LTDA

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This Brochure provides information about the qualifications and business practices of Pragma Gestão Patrimônio Ltda. (“Pragma”). If you have any questions about the contents of this brochure, please contact us at +55 11 3035 1559 or via email at alexandrebraga@pragmapatrimonio.com.br. 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.

Pragma is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information that enables you to determine whether to hire or retain an adviser.

Additional information about Pragma also is available on the SEC’s website at www.adviserinfo.sec.gov.

June 12, 2012

ITEM 2 – MATERIAL CHANGES

On July 28, 2010, the SEC published “Amendments to Form ADV” which amends the disclosure document that registered investment advisers provide to clients as required by SEC Rules. This Brochure dated, June 12, 2012, is prepared according to the SEC’s requirements and rules.

In the future, this item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our Brochure.

Pursuant to SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’s fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting the Chief Operations Officer, Alexandre Quintas da Rocha Braga, alexandrebraga@pragmapatrimonio.com.br.

Additional information about Pragma is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with Pragma who are registered, or are required to be registered, as investment adviser representatives of Pragma.

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ITEM 4 – ADVISORY BUSINESS

Adviser’s Advisory Business

Pragma Gestão Patrimônio Ltda., a Brazilian limited liability company (“Pragma” or “Adviser”), is an asset and wealth management firm that provides investment and wealth management services for high net worth individuals and families, private investment companies and other accredited investors and qualified clients. Pragma was established in 2007 and is controlled by PRGM Participações Ltda., which holds 80% of the Adviser’s share capitals. PRGM Participações Ltda. does not have any owners holding 25% or more of its share capital.

Types of Advisory Services Adviser Offers

Pragma provides investment and wealth management services, with expertise in investing in and allocating money to a wide array of asset classes denominated in several currencies on a global basis, including emerging market and G7 market countries. Pragma typically serves its clients that are high net worth individuals and families through investment management agreements, under which securities portfolios may hold investments directly or indirectly, through private funds or managed accounts under professional management (the “Funds”) by Pragma or external managers (the “Portfolio Managers”).

Interests in the Funds are not registered securities under the U.S. Securities Act of 1933, as amended (the “Securities Act”). In addition, the Funds are not registered as investment companies under the U.S. Investment Company Act of 1940, as amended (the “Investment Company Act”). Accordingly, interests in the Funds are offered and sold in the United States and to United States persons exclusively to those investors satisfying the applicable eligibility and suitability requirements in private transactions pursuant to available exemptions under the Securities Act, the Investment Company Act and any applicable U.S. state securities laws.

Pragma provides investment and wealth management services to its clients in accordance with the objectives and guidelines set out in the investment management agreement of its managed account clients, offering document of each Fund (*e.g.*, the “Private Offering Memorandum”), or in accordance with the risk profiles of clients.

Investment Restrictions

Pragma develops customized investment strategies based on the stated investment objectives, risk tolerance and financial circumstances of the each client. The investment objectives, risk tolerance and financial circumstances of the Funds are generally described in their Private Offering Memoranda. Clients may impose reasonable restrictions on the management of their accounts, including by restricting particular

securities or types of investments. Clients should be aware that performance of restricted accounts may differ from performance of accounts without such impediments, possibly producing lower overall results.

Wrap Fee Programs

Pragma does not participate, sponsor or act as a portfolio manager for any wrap fee programs.

Assets Under Management

As of December 31, 2011, Pragma had US\$3.1 billion in discretionary assets under management.

ITEM 5 – FEES AND COMPENSATION

Pragma' Basic Management Fees

Clients pay a fee based upon the percentage of assets under management at fixed annual rates, generally in a range from 0.3% to 0.5% and subject to negotiation. The compensation method is explained and agreed with the client in advance before any services are rendered. Management fees may be billed monthly or quarterly in arrears pursuant to the written investment management agreement, and may vary on a client to client basis, being based on ordinary fee, ordinary fee and performance fee and funds's fee, which is not included in the management account. Fund's fees are paid on a monthly basis, and management accounts' ordinary fees are paid twice a year, while performance-based fees are paid annually.

Fees for Pragma's Funds depend upon the vehicle and strategy (equities, currency, hedge, etc.). Funds typically pay a management fee based upon the percentage of assets under management at fixed annual rates, generally in a range from 0.15% to 2%, subject to negotiation, and depending upon the strategy of the privately offered vehicle.

Pragma' actual fees, minimum fees and minimum account sizes may also be negotiated and may vary from the fees described above. A client may pay more or less fees than similar clients depending on the particular circumstances of the client, size, liquidity terms, additional or differing levels of servicing or as otherwise agreed with specific clients.

Calculation and Deduction of Advisory Fees

In addition to performance-based fees described in Item 6 below, Pragma will generally calculate and accrue its management fees daily. Its management fees generally will be payable monthly in arrears as of certain valuation dates. When Pragma provides direct investment advisory services for clients on a discretionary basis, clients may elect to be

billed directly for management fees or to authorize Pragma to directly debit management fees from client accounts. In this case, the Client must authorize each debit for purposes of payment and transfer the amount to Pragma. Pragma is not authorized to discretionally debit any client's account. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Other Fees and Expenses

In addition to investment management fees and performance-based fees, investors in the Funds will indirectly bear any other costs charged to the Funds. Such costs will vary and typically include, though are not limited to, accounting, legal, fund administration fees and other related costs. Fees charged by the Funds managed directly by Pragma are generally deductible from the fees otherwise due under the investment management agreement of each client. Furthermore, Pragma's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. The impact of mark-ups and mark-downs shall also be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as fees charged by sub-managers, custodial fees, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Such charges, fees and commissions are exclusive of and charged before Pragma's fees, and Pragma shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that Pragma considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

Prepaid Fees

Pragma generally does not charge clients fees in advance.

Compensation for the Sale of Securities

Neither Pragma nor Pragma's supervised persons accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of investment funds.

ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Performance fees or allocations, if any, generally will be an annual percentage rate of the net realized and unrealized profits for each year (the "Performance Fee"). In certain cases, the Performance Fee may be charged after restoration of any losses carried forward from prior years and, in certain cases, after achieving a threshold annual return on invested capital at varying rates. Generally the annual percentage rate of Performance Fees will range from approximately 0 to 20% of the net realized and unrealized profits, subject to negotiations. Performance Fees generally, but not necessarily, will be billed or

reallocated after the close of each calendar year. Performance Fees may also be subject to a highwater mark as described in the client's written agreement with Pragma or the Fund's Private Offering Memorandum.

Pragma has adopted trade allocation policies and procedures that govern the treatment of Funds with different fee structures and the potential conflicts of interest that these fee structures might present. All Pragma's employees must adhere to these trade allocation policies and all other employee policies and procedures in place at the Advisor. As a general rule, trades from similar strategies are allocated to Pragma's various managed account clients or Funds pro rata based on assets under management. The intent of this policy is that assets cannot be allocated on a preferential basis to any one account. It is possible for the allocation policy to be applied differently in instances where one managed account client or Fund has a higher cash position as compared to other managed account clients or Funds using a similar strategy due to, among other reasons, account funding.

ITEM 7 – TYPES OF CLIENTS

Pragma primarily provides investment and wealth management services for high net worth individuals and families, private investment companies and other accredited investors and qualified clients on a discretionary basis.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

General Investment Strategies and Methods of Analysis

Pragma seeks capital appreciation by searching for undervalued securities offering current income and/or opportunities for future capital appreciation. Pragma adheres to a long-term strategic approach while seeking to meet the investment objectives of income and capital appreciation.

The accounts and Funds managed by Pragma seek high, total returns on a risk-adjusted basis, with low volatility and correlation to the broader markets. The accounts and Funds' primary investment objective is to maximize total return via current income and capital appreciation. Under normal market conditions, the accounts and Funds will invest in a diversified portfolio of fixed income securities, currencies, commodities and derivative instruments. The accounts and Funds may sell short certain securities or indexes for hedging purposes and/or to enhance returns. Investments may also be made in various other derivative instruments, including options and swaps.

Securities portfolios managed by Pragma may invest a significant portion of its assets through Funds managed by Pragma or Portfolio Managers that it selects.

Pragma performs comprehensive due diligence on prospective and existing Portfolio

Managers. Pragma seeks to identify Portfolio Managers with established track records who have historically been able to generate consistent, superior returns at what Pragma believes to be acceptable risk levels. Both quantitative and qualitative factors are analyzed in evaluating prospective Portfolio Managers, including: general type of strategy employed, history, duration and speed of recovery from downturns, experience, organizational infrastructure, fee levels and reputation in the industry. In particular, appropriate risk control policies is a criteria very strongly considered by Pragma. Portfolio Managers are not subject to restrictions on the types of securities or geographic regions in which they may invest.

When investing on behalf of its clients directly, Pragma uses qualitative and quantitative proprietary and third party research and proprietary analytical modeling systems to search for undervalued securities offering current income and/or opportunities for future capital appreciation. Pragma performs credit analysis of debt issuers and seeks to maintain a diversified portfolio to limit exposure to any given credit. Pragma also analyzes macro economic cycles and structural adjustments as part of the asset allocation decision.

Material Risks for Significant Investment Strategies

While it is the intention of Pragma to implement strategies which are designed to minimize potential losses suffered by its client, there can be no assurance that such strategies will be successful. It is possible that a client may lose a substantial proportion or all of its assets in connection with investment decisions made by Pragma. The following is a discussion of material risks for Pragma's significant investment strategies, but it does not purport to be a complete explanation of the risks involved in Pragma's investment strategies.

Investment objective

There is no guarantee that in any time period, particularly in the short term, a client's portfolio will achieve appreciation in terms of capital growth or that a client's investment objective will be met by Pragma.

Portfolio investments may be volatile

The value of the securities in which Pragma, on behalf of its clients, will invest may be volatile. There can be no assurance that portfolio companies will ultimately be successful. Furthermore, a client will be subject to the risk that inflation, economic recession, changes in the general level of interest rates or other market conditions over which Pragma will have no control may adversely affect the operating results of the client.

Fund of funds risks

With respect to Pragma's strategy of investing through Funds managed by Portfolio Managers, there are particular risks associated with the particular investments made by the underlying funds, and such risks would generally be described in the offering

documents of such underlying funds. In addition, there are inherent risks to investors who invest through fund of funds (including fund of hedge funds) structures, including lack of transparency, lack of liquidity, duplication of fees and style-drift (i.e., divergence of an investment fund from its stated investment style or objective).

Hedging transactions may increase risks of capital losses

Pragma may utilize a variety of financial instruments, such as options, for risk management purposes. While Pragma may enter into hedging transactions to seek to reduce risk, such transactions may result in a worse overall performance for a client's portfolio than if it had not engaged in any such hedging transactions. Moreover, the portfolio is always exposed to certain risks that cannot be hedged, such as credit risk, relating both to particular securities and counterparties.

Liquidity of investment portfolio

Although Pragma's investments focus primarily on investing in publicly listed securities and in liquid markets, it may invest in some securities which markets may be relatively illiquid. Liquidity relates to the ability of Pragma, on behalf of its clients, to sell an investment in a timely manner. The market for relatively illiquid securities tends to be more volatile than the market for more liquid securities. Investment of a client's assets in relatively illiquid securities may restrict the ability of Pragma, on behalf of the client, to dispose of its investments at a price and time that it wishes to do so. The risk of illiquidity also arises in the case of over-the-counter transactions. There is no regulated market in such contracts, and the bid and offer prices will be established solely by dealers in these contracts.

Foreign currency markets

Pragma's investment strategy may cause a client to be exposed to fluctuations in currency exchange rates where it invests directly or indirectly in securities denominated in currencies other than U.S. dollars. Pragma, on behalf of the client, may, in part, seek to offset the risks associated with such exposure through foreign exchange transactions. The markets in which foreign exchange transactions are effected are highly volatile, highly specialized and highly technical. Significant changes, including changes in liquidity and prices, can occur in such markets within very short periods of time, often within minutes. Foreign exchange trading risks include, but are not limited to, exchange rate risk, interest rate risk and potential interference by foreign governments through regulation of local exchange markets, foreign investment, or particular transactions in foreign currency.

Derivatives

Pragma's investment strategy may cause a client to be exposed to derivatives including instruments and contracts the value of which is linked to one or more underlying securities, financial benchmarks or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark, index,

currency or interest rate at a fraction of the cost of investing in the underlying asset. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives trading. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement can result not only in the loss of the entire investment, but may also expose a client to the possibility of a loss exceeding the original amount invested.

Economic and political risks

The economies of individual countries in which Pragma, on behalf of its clients, may invest may differ favorably or unfavorably from the economies of more developed countries in such respects as growth of gross domestic product, rate of inflation, currency depreciation, capital reinvestment, resource self-sufficiency and balance of payments position. With respect to any emerging country (including Brazil), there is the possibility of nationalization, expropriation or confiscatory taxation, political changes, government regulation, social instability or diplomatic developments (including war) which could affect adversely the economies of such countries or the value of a client's investments in such countries. In addition, it may be difficult to obtain and enforce a judgment in a court in an emerging country.

The economic and political risks described above may also adversely impact the value of derivative instruments and securities that are linked to the performance of emerging markets.

Global investing risk

Pragma invests in various capital markets throughout the world. As a result, Pragma is subject to risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the base currency of the Funds and the various other currencies in which the Funds' investments may be denominated, and costs associated with conversion of investment principal and income from one currency into another and (ii) the possible imposition of withholding taxes on income received from the issuer of, or gains with respect to, such securities. In addition, investing in certain of these capital markets involves certain factors not typically associated with investing in established securities markets, including risks relating to (i) differences between markets, including potential price volatility in and relative illiquidity of some securities markets, (ii) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements, and less governmental supervision and regulation and (iii) certain economic and political risks, including potential exchange control regulations and potential restrictions on investment and repatriation of capital.

Short selling

Pragma, on behalf of its clients, may sell securities of an issuer short. If the price of the issuer's securities declines, Pragma may then cover the short position with securities purchased in the market. The profit realized on a short sale will be the difference between the price received in the sale and the cost of the securities purchased to cover the sale.

The possible losses from selling short securities differ from losses that could be incurred from a cash investment in the security; the former may be unlimited, whereas the latter can only equal the total amount of the cash investment. Short selling activities are also subject to restrictions imposed by the various national and regional securities exchanges, which restrictions could limit the investment activities of Pragma.

Material Risks for Particular Types of Securities

Pragma does not recommend primarily a particular type of security. The material risks involved in Pragma's general investment strategies are described above.

ITEM 9 – DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of an adviser or the integrity of the adviser's management. Pragma has no information applicable to this Item 9. Pragma is committed to observing the highest standards of integrity and regulatory compliance in all aspects of its work.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Broker-Dealer Registration

Pragma and Pragma's management persons are not registered and do not have applications pending to register with the SEC as a broker-dealer or registered representatives, respectively.

Commodity Pool Operator, Commodity Trading Adviser, Futures Commission Merchant Registration

Pragma is not registered with the Commodity Futures Trading Commission ("CFTC") as a futures commission merchant ("FCM"), a commodity pool operator ("CPO") or a commodity trading advisor ("CTA"). Pragma has made exemption filings with the CFTC pursuant to CFTC Rules 4.13(a)(4) and 4.14(a)(8).

Other Material Relationships

Pragma has no relationships or arrangements with affiliates that are material to our advisory business or to our clients.

Receipt of Compensation from Investment Advisers

Pragma does not receive any compensation from the Portfolio Managers it recommends or selects. Pragma generally negotiates with the Portfolio Managers discounted fees on behalf of its clients so that any potential compensation that would otherwise be payable to Pragma is reverted to Pragma's clients in the form of discounted fees.

ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

Pragma has adopted a Code of Ethics as part of its compliance policy. All Pragma employees must adhere to the compliance policy and all employee policies and procedures in place at the Advisor. In short, Pragma is committed to maintaining the highest legal and ethical standards in the conduct of its business. Pragma has built its reputation on client trust and confidence in its professional abilities and its integrity. As fiduciaries, Pragma and its employees place clients' interests above their own. Meeting this commitment is the responsibility of the firm and each and every one of Pragma's employees.

Pragma will provide a copy of the Code to any client or prospective client upon request.

Privacy Policy

Pragma collects personal information primarily to provide investment management services, communicate information about its products and services and process subscriptions in its private investment vehicles. Personal information, which may be obtained from discussions with the related persons and documents they may deliver to Pragma, may include information such as your name, address, telephone number, social security number or tax identification number, assets, net worth, income, bank account information and occupation (collectively, "Personal Information").

Pragma permits only authorized individuals, who have been advised as to the proper handling of investor information, and who need to access this information to perform services, to have access to this information. These authorized individuals are required to maintain and protect the confidentiality of Personal Information. Pragma maintains physical, electronic and procedural safeguards to protect Personal Information. Pragma will disclose Personal Information only in accordance with applicable law and regulations.

Participation or Interest in Client Transactions, Recommendations and Trading

Principals, officers and employees of Pragma and its related persons and affiliates are or may be investors in our Funds. As such, it is possible that Pragma could cause a Fund investor or managed account client to buy or sell securities in which Pragma or one of its related persons has a financial interest. For example, Pragma could recommend that a client or investor invest in a Fund for which Pragma or an affiliate serves as investment manager, general partner, managing member or manager. Pragma also could recommend that a Fund invest in a portfolio company in which another Fund previously has invested. Because Pragma may have a nominal ownership interest in both Funds, Pragma could have a potential conflict of interest in making such a recommendation.

Pragma has adopted a personal trading policy that governs employees' ability to trade securities, including when employees seek to trade the same securities as clients are trading, at the same or at different times. Pragma also has adopted a policy and procedures to prevent the misuse of material, inside information, both of which are designed to avoid conflicts of interest that may arise when Pragma personnel and members of their family engage in securities transactions for their own account. All Pragma employees must adhere to all compliance and other employee policies and procedures in place at the Advisor.

ITEM 12 – BROKERAGE PRACTICES

Broker-Dealer Selection

In the course of providing its services, Pragma will execute trades for its clients through broker-dealers. When a client has given Pragma broker discretion, there is no restriction on the brokers Pragma may select to execute client transactions. Pragma's general guiding principle is to trade through broker-dealers who offer the best overall execution under the particular circumstances. With respect to execution, Pragma considers a number of factors, including if the broker has custody of client assets, the actual handling of the order, the ability of the broker-dealer to settle the trade promptly and accurately, the financial standing of the broker-dealer, the ability of the broker-dealer to position stock to facilitate execution, Pragma's past experience with similar trades, and other factors which may be unique to a particular order. Based on these judgmental factors, Pragma may trade through broker-dealers that charge fees that are higher than the lowest available fees. In addition, Pragma may cause a client to pay a commission that is higher than the lowest available commission if it believes that the value of the products and services, execution and other services rendered by the broker are reasonable in relation to the amount of the commission.

Research and Other Soft Dollar Benefits

Consistent with obtaining best execution, Pragma may direct brokerage commissions on client portfolio transactions to brokers in recognition of research or brokerage services received from them in connection with the execution of orders. Pragma currently has no

formal soft dollar agreements and did not, in its last fiscal year, direct client transactions to any particular broker-dealer in return for any soft dollar credits, although Pragma received research and brokerage services from broker-dealers. However, currently, there is no agreement or formula for the allocation of brokerage business on the basis of such research services and brokerage services. Furthermore, it is generally Pragma's policy that the use of commission or "soft" dollars (including dealer markups or markdowns) to pay for proprietary and/or third party research or brokerage products or services will fall within the safe harbor for soft dollars created by Section 28(e) of the Exchange Act.

The research or brokerage products and services provided to Pragma by broker-dealers generally may include information on the economy, industries, groups of securities, individual companies, statistical information, accounting and tax law interpretations, political developments, legal developments affecting portfolio securities, technical market action, pricing and appraisal services, credit analysis, risk measurement analysis, performance analysis, analysis of corporate responsibility issues, and post-trade services or communication services related to executing, clearing and settlement of transactions. Such research services are received primarily in the form of written reports, telephone contacts, and personal meetings with security analysts. In addition, such research services may be provided in the form of access to various computer-generated data, computer software, and meetings arranged with corporate and industry spokespersons, economists, academics, and government representatives.

As a general matter, research and brokerage services are used to service all of Pragma's clients. The commission rates (or dealer markups and markdowns arising in connection with riskless principal transactions) charged to the Pragma's clients by brokers may be higher than those charged by other brokers who may not offer such proprietary or third-party services, capabilities or characteristics as described above. This may be done where Pragma has determined in good faith that such commission is reasonable in relation to the value of brokerage and research services received. In reaching such a determination, Pragma would not be required to place or attempt to place a specific dollar value on the brokerage or research services provided by such broker. However, as noted above, Pragma ensures that, when allocating trades to clients, each client is treated fairly and equitably over time in the execution of transactions.

Brokerage for Client Referrals

Pragma does not receive client referrals from any broker-dealer or third party. We note that Pragma has full discretionary powers over its managed products and accounts, including the selection of broker-dealers for its clients (*i.e.*, Pragma does not merely "recommend" broker-dealers for its clients).

Directed Brokerage

Pragma generally has the discretionary authority to determine and direct execution of portfolio transactions within the client's specified investment objectives without prior consultation with the client on a transaction-by-transaction basis.

Aggregation of Trades

Pragma has the fiduciary duty to execute orders for its clients fairly and equitably. Pragma follows written procedures pursuant to which it may, for clients who permit it, and to the extent consistent with best execution, combine purchase or sale orders for the same security for multiple clients (sometimes called “bunching”) so that they can be executed at the same time. The procedures followed by Pragma may differ depending on the particular strategy or type of investment. Pragma is not required to bunch or aggregate orders if: (1) portfolio management decisions for different accounts are made separately; or (2) Pragma determines that bunching or aggregating is not practicable. Pragma may be able to negotiate a better price and lower commission rate on aggregated trades than on trades for accounts that are not aggregated. Where transactions for a client’s account are not aggregated with other orders, it may not benefit from the better price and lower commission rate. Because of prevailing trading activity, it may not be possible to receive the same price or execution on the entire volume of securities purchased or sold. When this occurs, the various prices may, in Pragma’s discretion, be averaged and accounts will be charged or credited with the average price. The effect of such aggregation may operate on some occasions to an account’s disadvantage.

ITEM 13 – REVIEW OF ACCOUNTS

Review of Accounts

Pragma’s investment team monitors capital market conditions and client circumstances and makes portfolio adjustments as appropriate. Separate account client and Fund accounts are formally reviewed quarterly for compliance with investment guidelines. At a minimum, a portfolio manager and the Chief Operating Officer participate in the review. Pragma has a representative responsible for monitoring the reports. In case any noncompliance of portfolio is identified, an e-mail is sent to the Risk and Compliance department and to management (for passive noncompliance the term is 3 months, and in other cases the noncompliance identification occurs real time).

Pragma also performs reviews of its clients’ accounts as appropriate based on, among other things, changes in market conditions, security positions or changes in a clients’ investment objective or policies.

Pragma normally prepares and provides to its clients and investors in the Funds written reports on a monthly basis, which report account or Fund data and performance.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Other Compensation

Pragma does not receive any benefits, economic or otherwise, from non-clients for providing investment advice or other advisory services.

Compensation for Client Referrals

Neither Pragma nor any related person directly or indirectly compensates any person who is not a supervised person of Pragma for client referrals.

ITEM 15 – CUSTODY

With respect to Pragma’s “U.S. Clients” (as defined below), such clients should receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains the clients’ investment assets. Pragma urges U.S. Clients to carefully review such statements and compare such official custodial records to the account statements that Pragma may provide to them. Pragma’s statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. The term “U.S. Clients” includes U.S. holders of Pragma’ separate managed accounts, U.S. Funds (if any) managed by Pragma and U.S. private investment companies and excludes U.S. investors in non-U.S. Funds managed by Pragma.

Under the “regulation lite” regime, a non-U.S. adviser is permitted to treat the non-U.S. funds that it manages as its clients for all purposes of the Investment Advisers Act of 1940, as amended (the “Advisers Act”) other than for certain registration and reporting sections. The investors in the non-U.S. funds are not treated as the non-U.S. adviser’s clients for these purposes. Thus, U.S. investors in non-U.S. funds that are managed by a non-U.S. adviser are not considered U.S. clients of the non-U.S. adviser. Accordingly, most of the substantive provisions of the Advisers Act, including the rules relating to custody, would not apply to Pragma with respect to the non-U.S. Funds and non-U.S. accounts that it manages. Pragma and the custodians will, however, be subject to the laws and regulations in their countries of residence.

ITEM 16 – INVESTMENT DISCRETION

Pragma generally receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Pragma observes the investment policies, limitations and restrictions of the clients for which it advises. Investment

guidelines and restrictions must be provided to Pragma in writing and, with respect to the Funds, may be disclosed in the Private Offering Memorandum of each Fund.

ITEM 17 – VOTING CLIENT SECURITIES

Proxy Voting Policies

Pragma will be subject to the laws and regulations regarding proxy voting in its country of residence.

In general, Pragma has adopted policies and procedures designed to ensure that it votes proxies and votes at meetings in the best interests of its clients and in accordance with such policies and procedures. In relation to certain investments made by Pragma on behalf of its clients, Pragma has the authority to vote proxies. Pragma's general policy regarding proxy voting and voting at meeting is to consult with the manager of the Funds or Portfolio Managers, where applicable, and decide each proxy vote on a case-by-case basis. Pragma may also decide, in its sole discretion, to refrain from voting in one or more instances.

Pragma shall take into account the best interests of its clients, as well as any potential conflicts of interest among its clients and Pragma or its affiliates. Pragma is responsible for identifying any potential conflicts of interest that may arise in the proxy voting process. Pragma will refer any conflicts of interest to the designated principals for resolution.

We note that the proxy voting rules under the Advisers Act would generally apply only to Pragma' U.S. Clients (as defined under Item 15) under the regulation lite regime described above under Item 15. However, subject to the record keeping policies described in the paragraph below, the policies and procedures discussed above would generally apply to all Pragma' clients.

Thus, for Pragma' U.S. Clients, Pragma will follow the proxy voting procedures and policies discussed above. In addition, with respect to such U.S. clients, Pragma will retain (i) written proxy voting policies and procedures; (ii) proxy statements provided by the prime broker/custodian regarding client securities; (iii) records of votes cast on behalf of clients; (iv) records of clients requests for proxy voting information; and (v) any specific documents Pragma prepared that were material to making a decision how to vote, or that memorialized the basis for the decision.

Pragma's proxy voting policies and procedures and information on how specific proxies were voted is available to clients and prospective clients upon request.

ITEM 18 – FINANCIAL INFORMATION

Pragma does not require or solicit prepayment of any fees per separate account client or Fund six months or more in advance and thus has not included a balance sheet of its most recent fiscal year. Pragma is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to its clients, nor has Pragma been the subject of a bankruptcy petition at any time during the past ten years.

ITEM 19 – REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Advisers who are registered or are registering with state securities authorities are required in this Item 19 to provide clients with certain information about their business and management teams. Pragma is federally registered and is therefore not required to complete this Item 19.