

ITEM 1: COVER PAGE

FORM ADV 2A

NEXSTAR CAPITAL PARTNERS LLC

780 Third Avenue, 14th Floor,
New York, New York 10017

January, 2013

This brochure provides information about the qualifications and business practices of Nexstar Capital Partners, LLC (“Nexstar” or the “Adviser”). If you have any questions about this brochure please contact us at (212) 994 -7001 or email Robert Taylor rmt@nexstarcp.com

The information presented in this brochure was prepared by Nexstar, which is solely responsible for the content. Neither the Commission nor any State securities regulator has approved or verified the information contained in this brochure, and the mere fact of registration with the Commission in no way implies that Nexstar has any particular level of skill or training to carry out its business.

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

ITEM 2: STATEMENT OF MATERIAL CHANGES

The last annual update of this Brochure was filed by Nexstar Capital Partners LLC (“Nexstar” or “Nexstar”) with the SEC in January, 2013. There have been no material changes that have been made since the last annual update.

IMPORTANT NOTE ABOUT THIS BROCHURE

This Brochure is not:

- **an offer or agreement to provide advisory services to any person**
- **an offer to sell interests (or a solicitation of an offer to purchase interests) in any Nexstar Fund.**
- **a complete discussion of the features, risks or conflicts associated with any Nexstar or Advisory Service**
- **to be relied on in determining whether to invest or establish an advisory relationship**

As required by the Adviser's Act, Nexstar provides this Brochure to current and prospective Clients and may also, in its discretion, provide this Brochure to current or prospective Investors in a Nexstar Fund, together with other relevant Offering Materials (such as subscription agreements, offering memoranda, operating agreements or advisory contracts), prior to, or in connection with, such persons' establishment or consideration of an investment advisory relationship with Nexstar or an investment in a Nexstar Fund. Additionally, this Brochure is available through the Securities and Exchange Commission's ("SEC's") Investment Adviser Public Disclosure website.

Although this publicly available Brochure describes investment advisory services and products of Nexstar, persons who receive this Brochure (whether or not from Nexstar should be aware that it is designed solely to provide information about Nexstar as necessary to respond to certain disclosure obligations under the Advisers Act. As such, the information in this Brochure may differ from information provided in relevant Offering Materials. More complete information about each Nexstar Fund, as well as NEXSTAR's investment advisory services, is included in relevant Offering Materials, certain of which may be provided to current and eligible prospective Clients or Investors only by Nexstar [or an Administrator or Placement Agent]. To the extent that there is any conflict between discussions herein and similar or related discussions in any Offering Materials, the relevant Offering Materials shall govern and control.

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ITEM 4: ADVISORY BUSINESS

a) Background

Nexstar Capital Partners, LLC (the "Nexstar" or the "Adviser"), a limited liability company organized in Delaware, provides discretionary investment advisory services to high net worth managed account clients and certain private investment funds (the "Funds"). Private Funds (the "Funds") managed by Nexstar qualify for exemption from the definition of an investment company" under the Investment Company Act of 1940, as amended (the "**Investment Company Act**") under Section 3(c) (1) or Section 3(c) (7) of the Investment Company Act, and Nexstar offers interests to Investors pursuant to Regulation D under the Securities Act of 1933, as amended (the "**1933 Act**").

Nexstar has been offering advisory services since 2004. Peter Getsinger is Nexstar's founder and principal owner.

b) Advisory Services

Nexstar's principal investment strategy consists of investing in emerging market corporate credit with a focus on Latin America. The Firm offers investment advisory services to private funds and managed accounts.

c) Tailored Advice and Client-Imposed Restrictions

Each Nexstar Fund has its own investment objectives, strategies and restrictions. Certain Nexstar Funds focus on a narrow investment strategy while others may pursue a broader investment strategy. Nexstar prepares offering materials with respect to each Nexstar Fund that contain more detailed information, including a description of the investment objective and strategy or strategies employed and related restrictions. These serve as a limitation on Nexstar's management. Separate Account Clients can also impose restrictions on Nexstar's management through documents relating the Investment Program for the Client.

While Separate Accounts may be reasonably tailored based on the individual needs of a Client, as agreed to with Nexstar, none of the Nexstar Funds is tailored to meet the individualized investment needs of any particular investor ("Investor"). An investment in a Nexstar Fund does not create a client-adviser relationship between Nexstar and an Investor. Further discussion of the strategies, investments and risks associated with a Nexstar Fund or Separate Account management is included in the relevant materials for each type of Client.

Clients and Investors must consider whether a particular Nexstar Fund or advisory relationship is appropriate to their own circumstances based on all relevant factors including, but not limited to, the Client's or Investor's own investment objectives, liquidity requirements, tax situation and risk tolerance. Prospective Clients and Investors are strongly encouraged to undertake

appropriate due diligence, including but not limited to a review of relevant offering materials for the Funds or the documents relating to the proposed Investment Program for the Separate Account and the additional details about Nexstar's investment strategies, methods of analysis and related risks in Item 8 of this Brochure, before making an investment decision.

d) Wrap Fee Disclosure

Not applicable.

e) Assets Under Management

As of December 31, 2012, Nexstar had approximately \$136,000,000 in regulatory assets under management ("RAUM").

ITEM 5: FEES AND COMPENSATION

a) Private Funds Fees

Nexstar receives a management fee from each Fund and Account based on net assets under management, ranging from 1% to 2% annually (the "Management Fee"). The Management Fee is paid quarterly, in advance, based on the net assets of each Fund as of the last business day of the immediately preceding month adjusted for the current month's subscriptions and redemptions. The Management Fee will be prorated for any period that is less than a full fiscal quarter.

In addition, Nexstar (or its affiliate) receives performance compensation equal to 10%-20% of the Funds' net profits, if any, (the "Performance Fee"). This fee is with or without a hurdle rate, as set out in each individual prospectus of each Fund. The Performance Fee is charged by Nexstar in compliance with Rule 205-3 under the Investment Advisers Act of 1940. Nexstar, in its sole discretion, may waive or reduce the Management Fee and/or the Performance Fee or amend any other restrictions with regard to investors that are employees or affiliates of Nexstar, relatives of such persons, and for certain strategic investors.

b) Managed Accounts

Nexstar offers separate account management to clients with a fee equivalent to the one that Nexstar receives for managing its private funds. This fee may be negotiable depending on the account size, the total investment by that client in all products, the aggregate investment by related accounts, the complexity of any additional guidelines provided by the client and other discretionary factors.

c) Other Expenses

Clients are responsible for and do incur other expenses separate and apart from Nexstar's management and performance based fees. These expenses typically include fees charged by each underlying fund, custody fees, brokerage services and other transaction fees, and/or expenses associated with the investment vehicle in which assets are invested.

d) Other Compensation

Neither Nexstar nor any of its employees or affiliates accepts additional compensation for the sale of securities or other services or other investment services or products.

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

As stated above, Nexstar charges all clients' fees based on a share of capital gains on or capital appreciation of the client's assets under management. The Performance Fee is charged by Nexstar (or its affiliate) in compliance with Rule 205-3 under the Investment Advisers Act of 1940. The Management Fee and Performance Fee are negotiable. Nexstar, in its sole discretion, may waive or reduce the Management Fee and/or the Performance Fee or amend any other restrictions with regard to investors that are employees or affiliates of Nexstar, relatives of such persons, and for certain strategic investors.

Performance-based compensation may create an incentive for Nexstar to make investments that are riskier or more speculative than would be the case in the absence of the performance-based compensation. Nexstar addresses such conflicts by following a thorough, detailed, and consistent investment decision-making process and by regular reviews of investments by the Firm's Investment decision makers and compliance department. In addition, the performance on which performance-based compensation is calculated will include unrealized appreciation and depreciation of investments that may not ultimately be realized.

Additionally, Nexstar may compensate or provide bonuses to portfolio managers based on the performance of accounts that they manage and Nexstar or its personnel may have other pecuniary interests in Nexstar's Funds or other accounts [e.g., personal investments in a Fund]. However, in the future, not all compensation arrangements will necessarily include a performance component and the rate and nature of the calculation of performance compensation and bonuses may vary.

Like all investment advisers who advise multiple accounts or funds with different fee structures, or different pecuniary interests, Nexstar and its personnel face actual and potential conflicts of interest, including an incentive to favor those accounts in which Nexstar or its personnel have greater pecuniary interests over other accounts [e.g., personal investments in a Fund]. Many of these conflicts are mitigated by Nexstar's relevant policies and procedures such as its Allocation Policy and Code of Ethics. As a general principle, Nexstar requires that potential conflicts of interest be addressed by placing Client interests before personal or proprietary interests. Nexstar also has instituted trading policies to promote fair treatment of Nexstar Funds and Separate Accounts based on considerations unrelated to pecuniary interests to ensure that, wherever possible and over time, opportunities are allocated in a fair and equitable manner.

ITEM 7: TYPES OF CLIENTS

Nexstar provides investment advisory services to certain private investment funds (the “Funds”) organized as limited partnerships, limited liability companies, or other legal entities. The Funds qualify for exemption from the definition of an “investment company” under the Investment Company Act of 1940, as amended (the “Investment Company Act”) under Section 3(c) (1) or Section 3(c) (7) of the Investment Company Act, and Nexstar offers interests to Investors pursuant to Regulation D under the Securities Act of 1933, as amended (the “1933 Act”).

Nexstar also provides investment advice to separately managed accounts for institutions and high-net-worth individuals. Such clients include pension funds, insurance companies, private banks, foundations, endowments, trusts, family offices and other institutions.

The Domestic and International Funds impose a minimum investment amount of \$500,000. The minimum subsequent investment is \$250,000. Minimum investment amounts may be waived in the sole discretion of the General Partner of the Domestic Fund and the Board of Directors of the International Fund. There is no minimum for managed accounts subject to individual negotiation.

Clients should be aware that if a particular Separate Account is too small, it is possible that the Separate Account may be unable to participate in certain investments due to a lack of available investment capital. For further restrictions on investments in the Nexstar, please see the relevant Fund’s offering materials.

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

a) Methods of Analysis Investment Strategies

Nexstar utilizes its significant experience in investing in emerging market corporate credit. Nexstar uses bottom-up, fundamental research based on personal and professional relationships with companies and management teams to identify investment opportunities. Nexstar's portfolio managers maintain relationships in Latin America with senior corporate executives, investment analysts, individuals in policymaking circles, senior partners in law firms, and ex public officials. These relationships were cultivated during extensive professional investment banking experience in the region (capital raising, M&A Activity).

As part of the research process, portfolio managers make frequent visits to the region to explore new investment opportunities, conduct private meetings with corporate management, local investors and legal professionals.

Nexstar utilizes its significant experience in investing in emerging market corporate credit.

Our process is:

- Bottom-up
- Fundamental
- Disciplined
- Based on local knowledge, relationships and experience

Our focus is on companies in emerging economies that have:

- Dramatically improved terms of trade
- Prudent fiscal/economic/social policies which have created an investment climate that favors credit selection over traditional sovereign risk trading
- A rational expectation to exercise creditor rights

Nexstar emphasizes a low volatility approach and pays careful attention to capital preservation and liquidity. We use a strong risk framework based upon diversification, hedging, stop-loss criteria, and limited leverage.

All investments anticipate a risk of loss and there is no guarantee that any particular strategy will be effective or yield particular results or levels of return. As a result, Nexstar's products and services are not intended to represent a complete investment solution and it is expected that Clients and Investors maintain assets other than those advised by or invested through Nexstar. Clients and Investors are responsible for appropriately diversifying their assets to guard against any risk of loss.

b) Investing Risks

Investing in securities in general involves risk of loss that clients should be prepared to bear. Each Fund has risks which are specific to its particular investment strategies. While Nexstar seeks to manage investments so that risks are appropriate to the return potential for the strategy, it is often not possible or desirable to fully mitigate risks. Nexstar does not offer any products or services that guarantee rates of return on investments for any period to any Client or Investor. All Clients and Investors assume the risk that investment returns may be negative or below the rates of return of other investment advisers or products. Clients and Investors should understand that they could lose some or all of their investment and should be prepared to bear the risk of such potential losses.

There are risks inherent in the investment strategies pursued, and the financial instruments and trading methods used, by Nexstar. Key risks of loss which apply to the principal investment strategies employed by Nexstar are listed below. More detailed descriptions and explanations of the key risks of loss are included in relevant Offering Materials. Generally, however, investors in Nexstar's Fund are exposed to the following risks:

Credit risk. A fund purchasing debt securities faces the risk that the creditworthiness of an issuer may decline, causing the value of the debt securities to decline. In addition, an issuer may not be able to make timely payments on the interest and/or principal on the debt security it has issued. Because the issuers of high-yield debt securities or junk bonds may be in uncertain financial health, the prices of their debt securities can be more vulnerable to bad economic news or even the expectation of bad news, than investment-grade debt securities. In some cases, debt securities, particularly high-yield debt securities, may decline in credit quality or go into default. Because the fund may invest in securities not paying current interest or in securities already in default, these risks may be more pronounced.

Market Volatility. The prices of securities in general, including those in which Nexstar invests, may decline unexpectedly in response to negative economic, political, or industry specific developments. If you must sell when stock prices are depressed, your shares may be worth less than what you paid for them.

Interest rate risk. When interest rates rise, prices of debt securities generally decline. The longer the duration of the fund's debt securities, the more sensitive it will be to interest rate changes. (As a general rule, a 1% rise in interest rates means a 1% fall in value for every year of duration.)

Prepayment and extension risk. When interest rates fall, issuers of high interest debt obligations may pay off the debts earlier than expected (prepayment risk), and the fund may have to reinvest the proceeds at lower yields. When interest rates rise, issuers of lower interest debt obligations may pay off the debts later than expected (extension risk), thus keeping the fund's assets tied up in lower interest debt obligations. Prepayments could also create capital gains tax liability in some instances. Any unexpected behavior in interest rates could increase the volatility of the fund's share price and yield and could hurt fund performance.

Foreign investment risk. To the extent the fund invests in companies based outside the US, it faces the risks inherent in foreign investing. Adverse political, economic or social developments could undermine the value of the fund's investments or prevent the fund from realizing their full value. Financial reporting standards for companies based in foreign markets differ from those in the US. Additionally, foreign securities markets generally are smaller and less liquid than US markets. To the extent that the fund invests in non-US dollar denominated foreign securities, changes in currency exchange rates may affect the US dollar value of foreign securities or the income or gain received on these securities. Foreign governments may restrict investment by foreigners, limit withdrawal of trading profit or currency from the country, restrict currency exchange or seize foreign investments. The investments of the fund may also be subject to foreign withholding taxes. Foreign transactions and custody of assets may involve delays in payment, delivery or recovery of money or investments. Foreign investment risks are greater in emerging markets than in developed markets. Emerging market investments are often considered speculative. Emerging market countries, including some Latin American countries, may have economic and political systems that are less developed, and can be expected to be less stable than developed markets. For example, the economies of such countries can be subject to rapid and unpredictable rates of inflation or deflation.

Hedging, Generally. Nexstar may, but is not required to, direct a Fund or Account to hedge some or all of its assets by taking long and short positions in related instruments. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in value or prevent losses if the value of such position declines. Rather, hedges seek to limit the effect of a decline in the value of relevant positions on the portfolio as a whole. Consequently, hedging also limits the amount of gain to an account if the value of the hedged position increases. Nexstar decides in its sole discretion whether to hedge or not and certain risks may exist that cannot be effectively hedged. If Nexstar fails to anticipate a particular risk or accurately perceive the correlation of relevant risks, Nexstar may not hedge, or ineffectively hedge, positions that are subject to that risk or risks, subjecting Funds or Separate Accounts to increased risk of loss.

ITEM 9: DISCIPLINARY INFORMATION

Nexstar and its supervised persons have not been involved in any legal or disciplinary events that are material to a client's or potential client's evaluation of our advisory business or the integrity of Nexstar's management.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

a) Registered Broker-Dealer or Registered Representative

Not Applicable

b) FCM, CPO, CTA or Associated Person

Not applicable.

c) Material Business Relationships with Certain Related Persons

Nexstar or an affiliate act as general partners or in similar capacity for certain private funds for which Nexstar or one of its affiliated entities act as investment adviser.

d) Recommendation and Selection of Other Investment Advisers

Not applicable.

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

a) Code of Ethics

Nexstar recognizes and believes that (i) high ethical standards are essential for its success and to maintain the confidence of its clients; (ii) its long-term business interests are best served by adherence to the principle that the interests of clients come first; and (iii) it has a fiduciary duty to its clients to act solely for their benefit. Nexstar has adopted a Code of Ethics imposing on each related person a duty to place the interests of the Funds first, to report to Nexstar any actual or potential conflict of interest. All personnel of Nexstar must put the interests of Nexstar's clients before their own personal interests and must act honestly and fairly in all respects in dealings with clients. All personnel of Nexstar must also comply with all federal securities laws.

Clients or prospective clients may obtain a copy of the Code of Ethics upon request by contacting using the contact information appearing on the cover page of this Brochure.

b) Participation or Interests in Client Transactions

Nexstar, its officers, members and employees may invest in any fund for which Nexstar serves as an investment manager or adviser. Besides owning interests in the same funds, however, no person related with Nexstar is permitted to buy from, sell to, borrow from or lend to the any fund.

c) Investment in Securities Recommended to Clients

Nexstar's Supervised Persons are specifically prohibited from using their knowledge about pending transactions or investments currently being considered for personal profit, including by purchasing or selling such securities directly or indirectly. This list will contain all securities the Firm or an affiliate of Nexstar is analyzing or considering for Client transactions. Further, as noted above, all Access Persons (as defined in the Code, and which includes Supervised Persons meeting certain further criteria) must submit quarterly transactions reports detailing personal securities transactions. Such reports will be reviewed by the CCO or the CCO's designee to ensure compliance with the Code.

d) Investment in Securities at or about the Same Time Recommended to Clients

See Part 11 C. above.

e) Personal Trading

Nexstar has adopted a Code of Ethics imposing on each related person a duty to place the interests of the Funds first, to report to Nexstar any actual or potential conflict of interest. The Code of Ethics requires each officer and employee of Nexstar with access to the investments or portfolio information of the Funds (each an “Access Person”) to report quarterly theirs and their immediate family member's securities holdings and transactions to Nexstar's Chief Compliance Officer. In addition, each Access Person must pre-clear any personal trades with the Chief Compliance Officer. The Code of Ethics also imposes restrictions and safeguards on the use of material nonpublic information. A copy of Nexstar's Code of Ethics may be obtained by writing to Nexstar or calling (212) 994-7001.

ITEM 12: BROKERAGE PRACTICES

a) Selecting or Recommending Broker-Dealers

Nexstar has no obligation to deal with any particular broker-dealer in the execution of transactions in portfolio securities. In selecting broker-dealers with whom to place orders for purchases and sales of securities on behalf of our clients, Nexstar's primary objective is to obtain best price and execution – that is, prompt, errorless, execution of orders at the most favorable prices reasonably obtainable. In doing so, Nexstar considers a number of factors, including, without limitation:

- the overall direct net economic result to the client (including commissions, which may not be the lowest available but which ordinarily will not be higher than the generally prevailing competitive range),
- the financial strength of the broker-dealer,
- the reputation and stability of the broker,
- the efficiency with which transactions are generally executed,
- the ability to effect the particular transaction,
- the availability of the broker-dealer to stand ready to execute difficult transactions in the future, and
- other matters involved in the receipt of brokerage and research services.

Nexstar will also consider the quality of Brokers with which it seeks to execute client orders, the adequacy of lines of communication, timeliness of reports of order execution, the capacity to accommodate unusual trading volume and the preservation of client anonymity, among other factors.

b) Soft-Dollars Arrangement

As a matter of policy, Nexstar does not pay a commission in order to receive research or other services and, except in unusual circumstances, the commission negotiated would not exceed Nexstar's normal rate. Research or other services which may be received as a result of transactions executed in client accounts are used to benefit all of Nexstar's investment advisory clients.

Nexstar may purchase from a broker or allow a broker to pay for the following (each a "soft dollar" relationship):

- research services, including third-party research fees;
- economic and market information;
- portfolio strategy advice;
- industry and company comments;
- technical data;
- research conferences;
- general reports;
- consultations; and
- on-line pricing.

Nexstar may receive soft dollar credits based on principal, as well as agency, securities transactions with brokerage firms or direct a brokerage firm that executes transactions to share some of its commissions with a brokerage firm that provides soft dollar benefits to Nexstar.

Nexstar may pay to a broker commissions and mark-ups that exceed those that another broker might charge for effecting the same transaction because of the value of the brokerage, research, other services and soft dollar relationships that such broker provides. Nexstar determines in good faith that such compensation is reasonable in relation to the value of such brokerage, research, other services and soft dollar relationships, in terms of either the specific transaction or Nexstar's overall fiduciary duty to its clients. A Fund may, however, pay higher commissions and mark-ups than are otherwise available or may pay more commissions or mark-ups based on account trading activity. The research and other benefits resulting from Nexstar's brokerage relationships benefit Nexstar's operations as a whole and all Funds that it manages, including those that do not generate the soft dollars that pay for such research and other benefits. Nexstar does not allocate soft dollar benefits to the Funds proportionately to the soft dollar credits that the Funds generate.

Nexstar's relationships with brokers that provide soft dollar services influence Nexstar's judgment and create conflicts of interest in allocating brokerage business between firms that provide soft dollar services and firms that do not. Nexstar has an incentive to select or recommend a broker based on Nexstar's interest in receiving soft dollar services rather than the Funds' interest in receiving the most favorable execution. These conflicts of interest are particularly influential to the extent that Nexstar uses soft dollars to pay expenses it would otherwise be required to pay itself.

Nexstar has addressed these conflicts of interest by annually evaluating the trade execution services that Nexstar receives from the brokers that it uses to execute trades for the Funds. Such evaluation includes comparing those services to the services available from other brokers. Nexstar considers, among other things, the quality of execution services, the value of continuing with various soft dollar services and adding or removing brokers and the appropriate level of commission rates.

Nexstar may aggregate securities sale and purchase orders for a Fund with similar orders being made contemporaneously for other Funds that Nexstar manages or with accounts of its affiliates. In such event, Nexstar may charge or credit a Fund, as the case may be, the average transaction

price of all securities purchased or sold in such transactions. As a result, however, the price may be less favorable to the Fund than it would be if Nexstar were not executing similar transactions concurrently for other Funds.

Nexstar has the right, at its discretion, to change the brokerage arrangements described above without further notice to investors.

c) Brokerage for Client Referrals

Nexstar does not consider, in selecting or recommending a broker dealer, whether Nexstar or a related person receives client referrals from that broker-dealer.

d) Directed Brokerage

Nexstar does not accept clients who require us to execute transactions through a specified broker-dealer. Clients may recommend that we use their preferred broker-dealer(s). Nexstar will use such broker-dealer(s) subject to our determination that said broker-dealer provides best execution of client transactions.

e) Aggregation (Bunching) of Trades

Securities transactions in investment advisory accounts are normally implemented on a consistent basis across accounts. In order to accomplish this, orders are aggregated (bunched) and allocated equitably and to the nearest round lot. In addition to considerations of equity, bunching avoids placing competing orders, improves order management, and may, because of larger order size, permit some degree of price improvement relative to a series of individually placed orders.

Certain investments may be appropriate for the Funds and other clients of Nexstar. Investment decisions for the Funds are made with a view to achieving their respective investment objectives and after consideration of such factors as their current holdings, availability of cash for investment, and the size of their positions generally. Occasionally, a particular investment may be bought or sold for only one Fund or in different amounts and at different times for more than one but less than all Funds. Likewise, a particular investment may be bought for one of the Funds when the other Fund is selling the security. In addition, purchases or sales of the same investment may be made for the Funds, on the same date. In such event, such transactions will be allocated among the Funds in a manner believed by Nexstar to be equitable to each. Purchase and sale orders for the Funds may be combined in the interest of obtaining the most favorable net results for the Funds. In effecting transactions, it may not always be possible, or consistent with the investment objectives of the Funds to take or liquidate the same investment positions at the same time or at the same prices. In some cases, a Fund may not be able to effect its transactions until other transactions have been completed.

The Funds may re-balance at the beginning of a month if there were inflows and outflows of money which may cause trades to be allocated differently than the normal ratio. For tax driven considerations the Domestic Fund may allocate trades differently than the normal ratios. In some instances the portfolio managers may trade only for one Fund and not for the other.

ITEM 13: REVIEW OF CLIENT ACCOUNTS

a) *Periodic Account Reviews*

Nexstar performs a daily portfolio trading review to insure that the trading is within the parameters of client objectives. The CCO performs portfolio reviews and custody reconciliations on a monthly basis. Nexstar's PMs and Traders review all trade confirmations within 24 hours of execution and the CCO reconciles custodial account statements of all client accounts with Nexstar's portfolio management system on at least a monthly basis. The CCO, PMs and Traders also review account balances and the performance on a daily basis.

b) *Client Reports*

Each limited partner and shareholder receives unaudited reports of the performance of the Fund monthly and audited year-end financial statements annually (prepared in accordance with generally accepted accounting principles in the United States). In addition, detailed portfolio reviews will be available periodically.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

Nexstar may compensate third parties for client referrals (each a “Solicitor”). Before making payments for any referral, Nexstar requires each “solicitor” to enter into a written referral agreement. Nexstar may pay the solicitor a portion of its own fee received from clients introduced by that third-party marketer or salesperson for the length of the term of the client’s account with Nexstar. Typically, this fee is representative of a percentage of assets under management and as a percentage of any other fees earned by Nexstar, calculated by an agreed-upon formula. Nexstar may also pay certain expenses incurred by the solicitor for services performed on behalf of Nexstar.

The solicitor is required to present to any prospective client (other than potential hedge fund or private investment fund investors) a document including: the name of the solicitor; the name of the investment advisor he represents (e.g. Nexstar); the nature of the relationship, including disclosure of any affiliation between the solicitor and Nexstar; a statement that the solicitor will be compensated by Nexstar, including the terms of that compensation arrangement; and the amount, if any, of the cost of obtaining the account that the client will be charged in addition to the Nexstar advisory fee, including the differential, if any, among clients with respect to the amount of advisory fees if such differential is attributable to the existence of any arrangement pursuant to which Nexstar has agreed to compensate the solicitor.

Nexstar has written solicitation arrangements with Alvine Capital and ARM Capital Limited (the “Solicitors”). Pursuant to each arrangement, Nexstar pays a referral fee to the Solicitors when they successfully introduce a client or fund investor. Nexstar may enter into similar solicitation arrangements in the future with other third parties. All arrangements will comply with the conditions and requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940.

ITEM 15: CUSTODY OF CLIENTS CASH & SECURITIES

Nexstar does not retain custody of client assets. Clients and fund investors receive account statements directly from a qualified custodian and are encouraged to review those accounts statements received from the custodian. Clients should review these statements carefully and should immediately contact Nexstar if account statements are not received from the custodian on at least a quarterly basis. To the extent Nexstar, pursuant to the relevant advisory contract or otherwise, separately provides reports or account statements, Clients should compare Nexstar's statements carefully to the account statements received from the custodian. If there are any discrepancies between the account statements, please contact Nexstar immediately.

In addition Nexstar's funds are (1) audited at least annually and (2) distributes their audited financial statements prepared in accordance with generally accepted accounting principles to all investors. Nexstar provides (or causes to be provided) to each Investor in the Fund a copy of the Fund's audited financial statements within 120 days following the relevant Fund's fiscal year end. Investors who do not receive audited financial statements timely should contact Nexstar immediately.

ITEM 16: INVESTMENT DISCRETION

Nexstar generally manages client assets in a discretionary basis with the authority to determine for each client what investments are made, as well as when and how they are made. For certain clients, their assets may be invested in one or more model portfolios, but clients may impose reasonable restrictions, limitations or other requirements with respect to their individual accounts.

ITEM 17: VOTING CLIENT SECURITIES

a) Proxy Voting Authority

Nexstar typically has authority to vote Client securities with respect to those accounts where Nexstar has investment discretion and lacks authority to vote Client securities when it lacks investment discretion. When Nexstar has voting authority, it will vote in accordance with its written proxy voting policies and procedures, which are summarized below and available to clients and Investors on request. Nexstar will also provide, to a Client or Investor, information about how that client's securities or securities held by the relevant Nexstar Fund, as applicable, were voted.

Nexstar has adopted Proxy Voting Policies and Procedures pursuant to Rule 206(4)-6 of Advisers Act. The following is a summary of its Policies and Procedures:

- Nexstar is responsible for the voting of all proxies related to securities that it manages on behalf of its Funds.
- Nexstar believes proxy voting is included within its investment discretion and as such it will act prudently and in the Fund's best interest when voting proxies.
- All conflicts of interest are resolved in the best interests of the clients (i.e., the Funds).

Conflicts can arise when Nexstar or any of its employees has any financial, business or personal relationship with the issuer of a proxy proposal for a security held in a Fund. With respect to potential conflicts of interest, proxies will be voted in accordance with Nexstar's predetermined guidelines in all instances where the Adviser's guidelines state a vote "for" or "against" the particular proposal.

Nexstar's policies describe a number of significant proxy proposals and how it will vote on these proposals. Nexstar generally supports the ability of the management of a company soliciting proxies to run its business in a responsible and cost-effective manner while staying focused on maximizing shareholder value. Accordingly, Nexstar generally votes proxies in accordance with management's recommendations. Nevertheless, Nexstar reserves the right to make voting decisions on a case-by-case basis and may, from time to time, vote proxies against management's recommendations.

Nexstar also has the flexibility to abstain from a particular Proxy vote when it is determined to be in the best interest of investors. It is expected that, when Nexstar has been granted discretionary voting authority, it will exercise that authority consistently in accordance with the proxy voting policies described above. As a result, Nexstar will not accept requests from Clients or Investors to direct voting as to a particular solicitation.

Investors may obtain a copy of Nexstar's Policies and Procedures upon request to Nexstar or by telephone at (212) 994 – 7001. Nexstar maintains copies of all proxies and a record of how they were voted so that it may respond to any questions investors may have regarding them.

b) Client Proxy Voting Authority

Clients who do not grant Nexstar discretion to vote proxies on their behalf are responsible for voting their own proxies and, if they desire to do so, must arrange to receive proxy materials from the relevant custodians or transfer agents. Nexstar does not provide any proxy related information, or advice as to how to vote proxies, to such clients.

ITEM 18: FINANCIAL INFORMATION

No financial events have occurred to Nexstar that would negatively affect the financial viability of Nexstar. There is no financial condition of Nexstar that is reasonably likely to impair Nexstar's ability to meet contractual commitments to clients.

a) Financial Disclosures

Not Applicable.

b) Material Financial Impairment

Not Applicable.

c) Bankruptcy Petitions

Not Applicable.