



Calvo Funds, LLC

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This Brochure provides information about the qualifications and business practices of Calvo Funds, LLC. If you have any questions about the contents of this brochure, please contact us at 305.577.0995 or agomez@calvofunds.com 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.

Any reference to or use of the terms “registered investment adviser” or registered,” does not imply that Calvo Funds, LLC. or any person associated with Calvo Funds, LLC. has achieve a certain level of skill or training. Calvo Funds, LLC

Additional information about HB Asset Management, L.C. also is available on the SEC’s website at www.adviserinfo.sec.gov.

March 27, 2013

ITEM 2 – MATERIAL CHANGES

This Item 2 provides clients with a summary of material changes since the last annual update of the Brochure in March 2012. The material updates and changes are as follows:

- Calvo Funds LLC. has had a material change of adding Ms. Adelia Gomez, as our Chief Compliance Officer since the Firm's last brochure update on March 30, 2012.

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ITEM 4 – ADVISORY BUSINESS

Adviser's Advisory Business

Calvo Funds, LLC, a limited liability company in Florida (“Adviser”), acts as the investment adviser to one or more limited partnerships and offshore investment corporations (collectively, the “Funds”) and separately managed accounts (the “Accounts”). Adviser was established in 2005. Adviser is owned by Alpha Capital Investments, LLC and ASC Investments, LLC.

Types of Advisory Services Adviser Offers

As investment adviser, Adviser provides portfolio management and administrative services to the Funds and Accounts (collectively, the “Portfolios”), including investigating, analyzing, structuring and negotiating potential investments, monitoring the performance of investments and advising the Portfolios as to the disposition of investment opportunities.

The Adviser is currently the investment adviser to the following Funds: the Calvo Multi-Currency Bond Fund, L.P., a Delaware limited partnership (“Calvo L.P.”), Calvo Multi-Currency Bond Fund, Ltd. (“Calvo Ltd.”), and Calvo Multi-Currency Bond Master Fund, L.P., a Cayman Islands limited partnership (“Calvo Master Fund”). Calvo L.P. and Calvo Ltd. (together, the “Feeder Funds”) invest solely in the Calvo Master Fund. The Calvo Master Fund invests its assets (the assets of the Feeder Funds) pursuant to each Feeder Fund’s offering documents and subject to the direction of the general partner of each fund. The general partner of Calvo L.P. is Calvo Investment Partners GP, LLC, a Delaware limited liability company. The managers of Calvo Investment Partners GP are Alexander C. Calvo and Raul Henriquez.

Interests in the Funds are not registered securities under the Securities Act of 1933, as amended. In addition, the Funds are not registered as investment companies under the Investment Company Act of 1940. Accordingly, interests in the Funds are offered and sold exclusively to investors satisfying the applicable eligibility and suitability requirements in private transactions.

Adviser provides investment advisory services to Adviser’s clients through the management of investment portfolios in accordance with the objectives and guidelines of the private investment companies as stated in each private placing memorandum or in accordance with the risk profiles of individual clients. The investment objectives, risk tolerance and financial circumstances of the Funds are generally described in their private placement memoranda other clients provide such information to Adviser at or before the time they enter into an advisory agreement with Adviser.

Clients but not investors 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.

Assets under Management

As of February 28, 2013, Adviser had assets under management of \$67,274,271 all of which was managed on a discretionary basis and none of which was advised on a non-discretionary basis.

ITEM 5 – FEES AND COMPENSATION

Adviser's Basic Management Fees

The specific manner in which fees are charged by Adviser is established in a client's written agreement with Adviser. Generally and pursuant to contract, fees for the management of the Funds will be based upon a percentage of the total assets in the account (including margined assets). Currently, Adviser receives a management fee, payable at the Calvo Master Fund level, equal to 1% to 2% percent per annum, of the net asset value of the Feeder Funds. Such management fee is accrued daily and payable in advance as of the first day of each calendar quarter based on the Feeder Funds net asset value on such day. Adviser is also entitled to an incentive fee as detailed in item 6. Further details on applicable fees for each of the Feeder Funds and the various share classes are provided in each fund's private placement memorandum. An investor in a Feeder Fund may redeem or withdraw its investment periodically on prior written notice, subject to possible liquidity gates.

Fund investors may receive more favorable terms that are not afforded to other investors, such as reduced performance fee for employees and related entities of Adviser. Currently, no external investors receive more favorable fee terms than any other investor. Fund details, including the associated advisory fees, other expenses, and investment strategies, are described in each Fund's private placement memorandum.

With respect to the Accounts, the management fees are negotiable but will generally be between 1 to 2% per annum. Adviser's 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, additional or differing levels of servicing or as otherwise agreed with specific clients. Clients that negotiate fees, including a flat fee, may end up paying a higher fee than that set forth in the fee schedules as a result of fluctuations in the client's assets under management and account performance.

Calculation and Deduction of Advisory Fees

With respect to the Funds, Adviser receives a quarterly management fee equal to the applicable percentage (annualized) multiplied by the net asset value of each share class of the Feeder Funds. The management fee is payable in advance as of the first day of each calendar quarter based on the share class' net asset value as of such day.

For clients other than funds, such clients may elect to be billed directly for management fees or to authorize Adviser to debit management fees directly from client accounts. Management fees shall be prorated for each capital contribution and withdrawal made during the applicable

calendar quarter (with the exception of *de minimis* contributions and withdrawals). Accounts initiated or terminated during a calendar quarter will be charged a prorated fee.

Other Fees and Expenses

In addition to investment management 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. Furthermore, with respect to all clients, Adviser's fees are calculated after deduction 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, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. All such charges, fees and commissions are in addition to Adviser's fee, and Adviser's related parties may receive any portion of these commissions, fees, and costs. (See items 10 and 12 for further details on related parties.)

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

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

The Adviser is entitled to an incentive fee, or performance allocation payable at the end of each calendar quarter or when otherwise payable, generally equal to 20% of any net capital appreciation in a shareholder's shares of the Feeder Funds above the "Hurdle" and "High Water Mark" (as defined below) for such shares; provided that such percentage shall be reduced from 20% to 10% for certain share classes. Further details on applicable incentive fees for each of the Feeder Funds and for each share class is provided in each fund's private placement memorandum. The Adviser will not be paid any incentive fee in respect of a share until the net asset value of such share has exceeded the High Water Mark. The High Water Mark for each share is equal to the net asset value of such share as of the last date on which an incentive fee was paid to the Adviser with respect to such share, as adjusted by the amount of such incentive fee, as well as any subscriptions and redemptions. If no incentive fee has been paid to the Adviser with respect to such share, the High Water Mark will be the amount of the share's subscription price.

The "Hurdle" with respect to each share is a dollar amount equal to the average 30-day U.S. Treasury bill rate during a performance period, pro-rated as appropriate for performance periods of less than a year, and multiplied by the net asset value of such share as of the calculation day.

At the sole discretion of the Adviser, the management fee and the incentive fee may be rebated with respect to certain shareholders. Further, the Adviser may elect prior to each calendar year to defer the receipt of any incentive fee that it might otherwise receive in such year

As described above, Adviser manages funds that include a performance based fee and other client accounts may charge only a management fee. Performance based fee arrangements may create an incentive for Adviser to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Performance fee arrangements may also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. Adviser has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

Furthermore, the investment decisions for the Calvo Master Fund are made independently from those for other accounts managed by the Adviser. The Adviser may have other clients and other accounts with investment objectives similar to those of the Calvo Master Fund. The Adviser may provide sub advisory services to other accounts with similar investment objectives pursuant to its strategic Alliance with Biscayne Americas as discussed in item 10. The Adviser is permitted to make an investment decision on behalf of the Calvo Master Fund that differs from decisions made for, or advice given to, such other accounts and clients even though the investment objectives may be the same or similar, provided that the Adviser acts in good faith and follows a policy of allocating over a period of time investment opportunities to the Calvo Master Fund on a basis intended to be fair and equitable relative to such other accounts and clients, taking into consideration the investment policies and investment restrictions to which such other accounts and clients and the Calvo Master Fund are subject. The Adviser is not obligated to give the Calvo Master Fund treatment more favorable than or preferential to that provided to such other accounts and clients.

ITEM 7 – TYPES OF CLIENTS

Adviser provides portfolio management services to private investment funds as well as individuals, banking or thrift institutions, other entities and other pooled vehicles (e.g., funds of funds.) The minimum dollar value for establishing an Account is generally \$1,000,000. Initial investments of a lesser amount may be accepted, but in no event shall the amount be less than \$100,000.

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

General Investment Strategies and Methods of Analysis

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

The Portfolios managed by Adviser seek high, total returns on a risk-adjusted basis, with low volatility and correlation to the broader markets. The Portfolios' primary investment objective is

to maximize total return via current income and capital appreciation. Under normal market conditions, the Portfolios will invest in a diversified portfolio of fixed income securities, currencies, commodities and derivative instruments. The Portfolios 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.

The Adviser 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. The Adviser performs credit analysis of debt issuers and seeks to maintain a diversified portfolio to limit exposure to any given credit. The Adviser 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 Adviser 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 Adviser. The following is a discussion of material risks for Adviser's significant investment strategies, but it does not purport to be a complete explanation of the risks involved Adviser's investment strategies. Further information regarding the risks associated with each Fund can be found in the PPM.

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 Adviser.

Risks of Investing in Non-Investment Grade and Lower-Rated Securities The Adviser may invest a substantial amount of its assets in higher-yielding, lower-rated debt securities, commonly known as "junk bonds." There is no restriction on the amount of the Portfolio's assets that could be invested in these types of securities. These types of securities may be subject to greater market fluctuations and risk of loss of income and principal than lower yielding, investment grade securities. There may be less of a market for them and therefore they may be harder to sell at an acceptable price. There is a relatively greater possibility that the issuer's earnings may be insufficient to make the payments of interest and principal due on the bonds. The issuer's low creditworthiness may increase the potential for its insolvency.

Further, a decline in the high-yield bond market is likely during an economic downturn. An economic downturn or an increase in interest rates could severely disrupt the market for high-yield securities and adversely affect the value of outstanding securities and the ability of issuers to repay principal and interest. These risks mean that the Adviser may not achieve the expected income from lower-grade securities and that the Portfolio's net assets may be affected by declines in value of these securities. The Adviser is not obligated to dispose of securities when issuers are in default or if the rating of the security is reduced.

Interest Rate Risk Generally, fixed income securities decrease in value as interest rates rise and vice versa. Certain types of fixed income securities, such as inverse floaters, are designed to respond differently to changes in interest rates. Fixed income securities generally are subject to risks related to changes in interest rates and in the financial health or credit rating of the issuers. The value of a fixed income security typically moves in the opposite direction of prevailing interest rates: if rates rise, the value of a fixed income security falls; if rates fall, the value increases. The maturity and duration of a fixed income instrument also affects the extent to which the price of the security will change in response to these and other factors. Longer term securities tend to experience larger changes than shorter term securities because they are more sensitive to changes in interest rates or in the credit ratings of the issuers. The average duration of a fixed income fund measures its exposure to the risk of changing interest rates. A fund with a lower average duration generally will experience less price volatility in responses to changes in interest rates as compared with a fund with a higher duration.

Credit Risks The Portfolios' investments are subject to credit risks. Credit risk relates to the ability of the issuer of a debt security to make interest or principal payments on the security as they become due. Generally, higher-yielding, lower-rated bonds (which are the type of bonds in which the Portfolios invest) are subject to greater credit risk than higher-rated bonds. While the Adviser may rely to some extent on credit ratings by nationally recognized rating agencies in evaluating the credit risk of securities selected for the Portfolios, it may also use its own research and analysis. There are many factors that affect an issuer's ability to make timely payments, and there can be no assurance that the credit risks of a particular security will not change over time.

Volatility Risk The value of a Portfolio is based on the market prices of the securities the Portfolios hold. These prices change daily due to economic and other events that affect markets generally, as well as those that affect particular regions, countries, industries, companies or governments. These price movements, sometimes called volatility, may be greater or lesser depending on the types of securities the Portfolios own and the markets in which the securities trade. Fixed income securities, regardless of credit quality, experience price volatility, especially in response to interest rate changes. As a result of price volatility, there is a risk that an investor may lose money by investing in the Portfolios.

Illiquid and Restricted Securities Risk Investments held by the Portfolios may be illiquid because of the absence of an active trading market, making it difficult to value them or dispose of them promptly at an acceptable price. A restricted security is one that has a contractual restriction on its resale or which cannot be sold publicly until it is registered under the Securities Act. To the extent that the Portfolios hold illiquid investments or restricted securities, the Portfolios may be required to sell their more liquid holdings in order to satisfy withdrawals or other liquidity requirements, thereby increasing the percentage of illiquid or restricted securities held by the Portfolios.

Hedging Instruments and Risks The Adviser may purchase and sell certain kinds of futures contracts, put and call options, forward contracts, and options on futures, securities indices and securities, or enter into interest rate swap agreements in the Portfolios. The Adviser may also buy and sell options, futures and forward contracts for a number of purposes. It may do so to try to manage exposure to the possibility that the prices of the Portfolios may decline, or to establish a position in the securities market as a temporary substitute for purchasing individual securities. It may do so to try to manage its exposure to changing interest rates. Some of these strategies, such as selling futures, buying puts and writing covered calls, hedge the Portfolios against price fluctuations.

Other hedging strategies and investment return enhancement, such as buying futures and call options, tend to increase the Portfolios' exposure to the securities market. Forward contracts may be used to try to manage foreign currency risks on the Portfolios' foreign investments. Foreign currency options may be used to try to protect against declines in the dollar value of foreign securities the Portfolios own, or to protect against an increase in the dollar cost of buying foreign securities. Writing covered call options may also provide income to the Portfolios for liquidity purposes or to raise cash to distribute to Shareholders.

The hedging investments used by the Adviser can be volatile investments and may involve special risks. The use of hedging instruments requires special skills and knowledge of investment techniques that are different than what is typically required for managing a portfolio of equities and debt securities. If the Adviser uses a hedging instrument at the wrong time or judges market conditions incorrectly, hedging strategies may reduce returns. The Portfolios could also experience losses if the prices of its futures and options positions were not correlated with its other investments or if it could not close out a position because of an illiquid market for the future or option. The Advisor may not necessarily use hedging strategies to reduce risk.

Options trading involve the payment of premiums and have special tax effects on some Portfolios. There are also special risks in particular hedging strategies. For example, if a covered call written by a Portfolio is exercised on an investment that has increased in value, the Portfolio will be required to sell the investment at the call price and will not be able to realize any profit if the investment has increased in value above the call price. The use of forward contracts may reduce the gain that would otherwise result from a change in the relationship between the U.S. dollar and a foreign currency. Interest rate swaps are subject to credit risks (if the other party fails to meet its obligations) and also to interest rate risks. Portfolios could be obligated to pay more under its swap agreements than it receives under them, as a result of interest rate changes.

Derivative Instruments Risk There are special risks in investing in derivative investments. The company issuing the instrument may fail to pay the amount due on the maturity of the instrument. Also, the underlying investment or security might not perform the way the Adviser expected it to perform because the financial markets, underlying securities, indices or other economic variable may move in a direction not anticipated by the Adviser. Performance of derivative investments may also be

influenced by interest rate and stock market changes in the U.S. and abroad. Accordingly, the Portfolios may realize less principal or income from the investment than expected. Certain derivative investments held by the Portfolios may be illiquid.

The Adviser may invest in a number of different kinds of derivative investments. The Adviser may use some types of derivatives for hedging purposes, and may invest in others because they offer the potential for increased income and principal value. In general, a “derivative investment” is a specially-designed investment whose performance is linked to the performance of another investment or security, such as an option, future, index, currency or commodity.

Foreign Securities The Adviser may purchase debt securities (which may be denominated in U.S. dollars or in non-U.S. currencies) issued or guaranteed by foreign governments. See also Interest rate risk and Social political and political risk.

“When-Issued” and “Delayed Delivery” Transactions The Adviser may purchase securities on a “when-issued” basis and may purchase or sell securities on a “delayed delivery” basis. These terms refer to securities that have been created and for which a market exists, but which are not available for immediate delivery. There may be a risk of loss to the Portfolios if the value of the security declines prior to the settlement date.

The Portfolios may also enter into “forward roll” transactions with banks or other buyers that provide for future delivery of the mortgage-backed securities in which the Portfolios may invest. The Portfolios will cover its purchase obligation by identifying to its custodian bank an amount of liquid securities equal in market value to the purchase payment obligation under the forward roll.

Repurchase Agreements The Adviser may enter into repurchase agreements. In a repurchase transaction, the Adviser buys a security and simultaneously sells it to the vendor for delivery at a future date. There is no limit on the amount of the Adviser’s net assets that may be subject to repurchase agreements of seven days or less.

Repurchase agreements must be fully collateralized. If the vendor fails to pay the resale price on the delivery date, the Portfolio may incur costs in disposing of the collateral and may experience losses if there is any delay in its ability to do so.

Put and Call Options The Adviser may buy and sell certain kinds of put options (puts) and call options (calls) for the Portfolios. The Adviser may buy calls on debt securities, security indices, foreign currencies, Interest Rate Futures, interest rate and currency spreads, or to terminate its obligation on a call the Adviser previously wrote. The Adviser may write (that is, sell) covered call options. When the Calvo Master Fund writes a call, it receives cash (called a premium). The call gives the buyer the ability to buy the investment on which the call was written from the Portfolio at the call price during the period in which the call may be exercised. If the value of the investment does not rise above the call price, it is likely that the call will lapse without being exercised, while the Portfolio keeps the cash premium (and the investment).

The Adviser may purchase put options for clients. Buying a put on an investment gives the Adviser the right to sell the investment at a set price to a seller of a put on that investment. The Calvo Master Fund can buy and sell only puts that relate to debt securities, securities indices, foreign currencies, futures contracts or interest rate and currency spreads.

Futures The Adviser may buy and sell futures contracts. The Investment Adviser typically will use future contracts if they relate to (i) securities indices (referred to as financial futures) and (ii) debt securities (interest rate futures) and does not intend to buy or sell futures contracts relating to physical commodities.

Forward Contracts Forward contracts are foreign currency exchange contracts. They are used to buy or sell foreign currency for future delivery at a fixed price. The Adviser may use them to try to “lock in” the U.S. dollar price of a security denominated in a foreign currency that the Adviser has bought or sold, or to protect against possible losses from changes in the relative values of the U.S. dollar and a foreign currency. The Adviser may also use “cross hedging” where the Adviser hedges against changes in currencies other than the currency in which a security it holds is denominated.

Interest Rate Swaps In an interest rate swap, the Portfolio and another party exchange their right to receive or their obligation to pay interest on a security. For example, they may swap a right to receive floating rate payments for fixed rate payments.

Temporary Defensive Investments When the Adviser believes that changes in the markets or new investments in a Portfolio warrant such action, the Adviser may hold cash or cash-equivalents or invest without limit in certain short- and medium-term fixed income securities for temporary purposes. When investing in this manner, the Adviser may not be able to achieve its investment objective. If the Adviser incorrectly predicts the effects of the economic, financial or political conditions, investing in such a defensive manner may adversely affect a Portfolio’s performance.

Leverage The Adviser’s use of leverage, while creating an opportunity for greater yield, increases exposure to possible loss of capital. The use of leverage by the Adviser will increase the volatility of a Portfolio’s returns and will compound any negative returns. As a consequence of its borrowings, the Portfolio will incur obligations to pay interest and to repay principal that may or may not exceed the income from the investments made with the proceeds of such borrowings. Accordingly, the Portfolio may under some circumstances be required to liquidate assets to service its interest and principal obligations. If loans to the Portfolio are collateralized with assets that decrease in value, the Portfolio may be obligated to pledge additional collateral to a lender in the form of cash or securities to avoid liquidation of the existing collateral. The rights of lenders to the Portfolio to receive payments of interest on and repayments of principal of their loans, and their rights in and to the Portfolio’s assets will be senior to the rights of the Portfolio. Interest payments and fees incurred in connection with borrowings will reduce the net income of the Portfolio and could reduce the net asset value of the Portfolio.

Social, Political and Economic Risks Emerging market countries in which the Adviser will invest client assets may be subject to a substantially greater degree of social, political and economic instability than is the case with developed countries. Social, political and economic instability might impair the financial condition of issuers or significantly disrupt the principal financial markets in which the Adviser invests, which would adversely affect the value of the Portfolios' investments.

The economies of emerging market countries may differ favorably or unfavorably and significantly from the economies of developed countries in certain respects including the rate of growth of gross domestic product or gross national product, rate of inflation, currency depreciation, capital reinvestment, savings rates, fiscal balances, resource self-sufficiency, structural unemployment and balance of payments position. The governments of many of these countries have exercised and continue to exercise substantial influence over many aspects of the private sector and own or control many companies, including some of the largest in their respective countries. Accordingly, government actions in the future could have a significant effect on economic conditions in one of these countries, which could affect private sector companies and on market conditions, prices and yields of securities in the Portfolios. There exists the possibility that nationalization, asset expropriations or confiscatory levels of taxation in the future may adversely affect the Portfolios. In the event of nationalization, expropriation or other confiscation, the Portfolios may not be fairly compensated for its losses and might lose its entire investment in the country involved.

The economies of emerging market countries are heavily dependent upon international trade and accordingly are affected by protective trade barriers and the economic conditions of their trading partners. The enactment by the United States or other principal trading partners of protectionist trade legislation, reduction of foreign investment in the local economies, and general declines in the international securities markets could have a significant adverse effect upon the securities markets of these countries. The economies of emerging market countries are vulnerable to weaknesses in world prices for their commodity exports and natural resources.

Emerging market countries are large debtors to commercial banks, foreign governments, and supra-national organizations. Several such countries have defaulted on this debt and/or negotiated with foreign creditors to restructure such debt or may enter into such negotiations in the future. Obligations arising from past restructuring agreements have affected, and those arising from future restructuring agreements may affect, the economic performance and political and social stability of these countries.

Material Risks for Particular Types of Securities

Adviser primarily invests in fixed income instruments. The material risks involved with these securities 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. Adviser has no information applicable to this Item.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Broker-Dealer Registration

The following individuals representing Adviser's management persons are also registered representatives of Adviser's affiliated broker-dealers, Global Investor Services, LC ("GIS") and Puma Capital, LLC ("Puma");

- Raul Henriquez, Executive Chairman and Managing Member of Puma;
- Victor Henriquez, Managing Member of GIS and the Chairman of Puma;

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

None of Adviser's associated persons or its management persons is 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") or an associated person of the foregoing entities. Adviser has made exemption filings with the CFTC pursuant to CFTC Rules 4.13(a)(4) and 4.14(a)(8)(iii).

Other Material Relationships

The Adviser may direct execution of client securities through GIS, an affiliated broker-dealer. Under certain circumstances, GIS' commission rates are negotiable although the affiliations between the Adviser and GIS may limit the ability of these rates to be negotiated on an arms' length basis. Clients may be able to obtain less expensive execution of securities transactions if a broker-dealer other than GIS is used but Adviser considers other factors in addition to price in selecting broker-dealers (see Item 12). Transactions directed by the Adviser to GIS are generally executed on an agency basis but may be executed on a riskless principal basis following notice to, and consent from, the clients.

The Adviser has entered into a Strategic Alliance Agreement with BiscayneAmericas Advisors, LLC ("Biscayne Americas"), and an SEC registered investment adviser. The strategic alliance functions as a coordinated marketing, distribution and investment program, although it will not constitute a formal partnership or other enterprise separate from its participants. The Adviser and BiscayneAmericas entered into a subadvisory Agreement whereby the Adviser provides subadvisory services to BiscayneAmericas, and Adviser's Chief Investment Officer, Mr. Alex Calvo, is also the Chief Investment Officer and portfolio strategist for BiscayneAmericas. The Adviser and BiscayneAmericas, along with their affiliates, will create a separately managed account program that will focus primarily on investment strategies similar to those being followed by the Calvo Multi-Currency Bond Fund.

The Chief Investment Officer is responsible for establishing broad strategies for clients of Adviser and clients of BiscayneAmericas, including the Funds and managed accounts, as well as implementing such strategies. His roles will be identical for both advisers and he will allocate his time proportionately across all clients of both advisers in a fair and equitable manner. The

Chief Investment Officer will oversee the implementation centrally of the investments for all of Adviser's clients and BiscayneAmericas' clients.

The Chief Investment Officer is required to consult with Adviser's Chief Compliance Officer periodically to review the accounts and to ensure that accounts are being managed in accordance with applicable law and regulation and Adviser's internal policies and procedures. Adviser has procedures designed and implemented whereby Adviser's Chief Compliance Officer will coordinate with the Chief Compliance Officer of BiscayneAmericas with respect to procedures for handling potential conflicts of interest.

Other Financial Industry Activities or Affiliations

Adviser generally does not recommend or select other investment advisers for its clients.

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

Code of Ethics and Personal Trading Policies

Adviser has adopted the Code of Ethics pursuant to Rule 204A-1 of the Advisers Act. Adviser expects all employees to act with honesty, integrity and professionalism and to adhere to federal securities laws.

All officers, directors, partners and employees of the Adviser and any other person who provides advice on behalf of Adviser and is subject to Adviser's control and supervision (collectively referred to as "Supervised Persons") are required to adhere to the Code.

Prevention of Insider Trading

Adviser has adopted policies designed to prevent insider trading that is more fully described in the Code. Adviser's policy on insider trading applies to securities trading and information handling by all Supervised Persons of Adviser (including spouses, minor children and adult members of their households and any other relative of a Supervised Person on whose behalf Supervised Person is acting) for their own account or the account of any client of Adviser.

Adviser takes its obligation to detect and prevent insider trading with the utmost seriousness. Adviser may impose penalties for breaches of the policies and procedures contained in this manual, even in the absence of any indication of insider trading. Depending on the nature of the breach, penalties may include a letter of censure, profit "give ups," fines, referrals to regulatory and self-regulatory bodies and dismissal.

Personal Securities Transactions

Periodic Reports

As more fully described in the Code, “access persons” are required to submit reports detailing their personal securities holdings to the Chief Compliance Officer on an initial basis, a quarterly basis, and an annual basis.

As an alternative to submitting quarterly transaction reports, Adviser requires persons who are “access persons” to submit brokerage statements or trade confirmations as long as such documents contain the information required under Rule 204A-1(b)(2)(i)(A)-(E) under the Advisers Act.

Initial Public Offerings and Limited Public Offerings

Access Persons must obtain prior written approval from the Chief Compliance Officer before investing in initial public offerings (“IPOs”) or limited offerings (i.e., private placements). In the event the Chief Compliance Officer wishes to purchase IPOs or the securities of a private placement for his/her own employee account, the Chief Compliance Officer must obtain prior written approval from Adviser’s CEO.

Review of Personal Securities Reports

The Chief Compliance Officer (or its designee) is responsible for reviewing the Access Person’s Quarterly Transaction Reports as well as the Initial Holdings Report and the Annual Holdings Report as part of Adviser’s duty to maintain and enforce its Code.

In instances when the Chief Compliance Officer has engaged in personal securities transaction, the Chief Executive Officer shall review the Chief Compliance Officer’s brokerage statements and trade confirmations.

Outside Business Activities and Private Investments of Employees

Unless otherwise consented to by the Chief Compliance Officer, all employees are required to devote their full time and efforts Adviser’s business. As such, no person may make use of either his or her position as an employee or information acquired during employment, or make personal investments in a manner that may create a conflict, or the appearance of a conflict, between the employee’s personal interests and Adviser’s interests. Accordingly, every employee is required to complete a disclosure form and have the form approved by Adviser’s Chief Compliance Officer prior to serving in any of the capacities or making any of the investments more fully described in the Code.

Reporting Violations

All Supervised Persons (any officer, director, partner and employee of Adviser) are required to report actual or known violations or suspected violations of Adviser's Code promptly to the Chief Compliance Officer or his designee.

Any report of a violation or suspected violation of the Code will be treated as confidential to the extent permitted by law.

As part of Adviser's obligations to conduct an annual review of all of its policies and procedures pursuant to Rule 206(4)-7 of the Advisers Act, the Chief Compliance Officer shall review on an annual basis the adequacy of the Code and the effectiveness of its implementation.

Recordkeeping

Adviser maintains the following, among others:

- Copies of the Code;
- Records of violations of the Code and actions taken as a result of the violations;
- Copies of Adviser's supervised persons' written acknowledgement of receipt of the Code.
- Records of Access Persons' personal trading — Initial Holdings Reports, Annual Holdings Reports, and Quarterly Transaction Reports, including any information provided under Rule 204A-1(b)(3)(iii) in lieu of such reports, i.e., brokerage confirmations and transaction reports;
- A record of the names of Adviser's "Access Persons";
- Records of decisions, and the reasons supporting the decision to approve an Access Person's acquisition of securities in initial public offerings or limited offerings; and
- Records of decisions, and the reasons supporting the decision to approve the Chief Compliance Officer's acquisition of securities in initial public offerings or limited offerings.

Acknowledgement of the Code

Each employee will execute a written statement certifying that the employee has (i) received a copy of Adviser's Code; (ii) read and understands the importance of strict adherence to such policies and procedures; and (iii) agreed to comply with the Code.

Training and Education

All Supervised Persons, i.e., all employees, are to receive training on complying with the Code on an annual basis as part of Adviser's annual employee compliance review meeting to ensure that all employees fully understand their duties and obligations and how to comply with the Policy's procedures.

Copies of Adviser's Code

A copy of Adviser's Code of Ethics is available upon request. For a copy, please contact Adviser at 305.577.0995.

Participation or Interest in Client Transactions and Associated Conflicts of Interest

When GIS is acting as a broker with respect to a transaction executed for a client of Adviser, it will generally act on a riskless principal basis rather than on an agency basis. A riskless principal transaction refers to a transaction where GIS, after receiving an order to buy (or sell) a security for a client, purchases (or sells) the security for its own account to offset a contemporaneous sale to (or purchase from) the client. GIS will not engage in riskless principal transactions with Adviser's clients without first disclosing to the client, in writing, before the settlement of the transaction, the capacity in which GIS is acting and obtaining the client's consent to the transaction before its settlement. (See Item 12 for more information on Broker-Dealer Selection and GIS.)

Persons related to Adviser including officers, directors and employees buy, sell, and have a financial interest in securities recommended to clients. Such persons buy, sell, or have a financial interest in such securities by investing directly in the Funds, or otherwise through independent transactions in personal accounts subject to Adviser's Code of Ethics ("Code") and employee trading supervision described below. Potential conflicts of interest in connection with such transactions are generally disclosed to clients herein and otherwise.

The potential conflicts of interest involved in any such transactions are generally governed by Adviser's Code. Pursuant to the stipulations of the Code, Adviser or a related person may buy or sell for itself securities that it also recommends to clients. The potential conflicts of interest involved in such transactions are governed by the Code, which establishes sanctions if its requirements are violated and requires that Adviser and employees place the interests of Adviser's clients above their own.

Investments in Securities by Adviser and its Personnel

Adviser's personnel or a related person of Adviser may invest in the same or similar securities and investments as those recommended to or entered into on behalf of Adviser's clients. The results of the investment activities of Adviser's personnel or related persons for their accounts may differ from the results achieved by or for client accounts managed by Adviser. The conflicts raised by these circumstances are discussed below.

Adviser may recommend or effect the purchase or sale of securities in which it's related persons or an affiliate, directly or indirectly, has a position or interest, or of which related or affiliated person buys or sells for itself. Such transactions may also include trading in securities in a manner inconsistent with the advice given to Adviser's clients.

Activities and transactions for client accounts may be impaired or effected at prices or terms that may be less favorable than would otherwise have been the case had Adviser or related persons

not pursued a particular course of action with respect to the issuer of the securities. In addition, in certain instances Adviser's personnel may obtain information about the issuer that could limit the ability of such personnel to buy or sell securities of the issuer on behalf of client accounts.

Transactions undertaken by Adviser's clients may also adversely impact one or more client accounts. Other clients of the Adviser may have, as a result of receiving client reports or otherwise, access to information regarding Adviser's transactions or views that may affect their transactions outside of accounts controlled by Adviser, and such transactions may negatively impact other clients' accounts. A client's account may also be adversely affected by cash flows and market movements arising from purchase and sale transactions by, as well as increases of capital in and withdrawals of capital from, other clients' accounts. These effects can be more pronounced in less liquid markets.

The results of the investment activities of a client's account may differ significantly from the results achieved by Advisers related persons and from the results achieved by Adviser for other client accounts.

As more fully described above, Adviser has adopted a Code of Ethics. Such Code of Ethics together with Advisers policies and procedures restrict the ability of certain officers and employees of Adviser from engaging in securities transactions in any securities that its clients have purchased, sold or considered for purchase or sale, for an appropriate "black out" period. Other restrictions and reporting requirements are included in Advisers procedures and Code of Ethics minimizes or eliminates conflicts of interest.

Client accounts managed by Adviser may trade in the same or similar securities at or about the same time as accounts managed or advised by affiliates of the Adviser. Investments by Adviser's affiliates and their clients may have the effect of diluting or otherwise disadvantaging the values, prices or investment strategies of a client's account, particularly in small capitalization, emerging market or less liquid strategies. This may occur when portfolio decisions regarding a client's account are based on research or other information that is also used to support portfolio decisions for Adviser's affiliates. If a portfolio decision or strategy for Adviser's affiliates' accounts or the accounts of clients of affiliates is implemented ahead of, or contemporaneously with, similar portfolio decisions or strategies for Adviser's client's account, market impact, liquidity constraints, or other factors could result in the account receiving less favorable trading results and the costs of implementing such portfolio decisions or strategies could be increased.

Errors

Errors may occur from time to time in transactions for client accounts. The Adviser will generally correct any such errors that are the fault of the Adviser or an affiliate at no cost to the client, other than costs that the Adviser deems immaterial. In correcting any errors that are the fault of the Adviser or an affiliate, the Adviser or an affiliate may repurchase the securities from the client. To the extent that the subsequent sale of such securities generates a profit to the Adviser or an affiliate, the Adviser or the affiliate may retain such profits, and may, but is not required to, use such profits to offset errors in the future or pay other client-related expenses. The

Adviser will not be responsible for any errors that occur that are not the fault of the Adviser or any affiliate.

Privacy Policy

Adviser considers your privacy our utmost concern. Adviser does not share any information of clients (including underlying investors in the Funds) with nonaffiliated third parties, except such information may be disclosed as necessary to process a transaction an investor has requested, to the extent the investor specifically authorized the disclosure, to service providers or joint marketers who agree to limit their use of such information, and to the extent required or specifically permitted by law or reasonably necessary to prevent fraud, unauthorized transactions or liability.

When Adviser or the Funds disclose non-public personal information of clients to a non-affiliated third party that provides services to Adviser or the Funds or engages in joint marketing, Adviser shall:

- notify investors of the possibility of such disclosure; and
- enter into a contractual agreement with the third party that prohibits the third party from disclosing or using the investors' information other than to carry out the purposes for which the information was disclosed to the third party.

In particular, Adviser and the Funds may enter, in compliance with the above conditions, into an agreement with a non-affiliated third party to store the records of Adviser clients and investors in the Funds, including electronic and e-mail records.

For more information about Adviser's privacy policies or to request a brochure describing Adviser's privacy policies contact Adviser at 305.577.0995.

ITEM 12 – BROKERAGE PRACTICES

Broker-Dealer Selection

Adviser is responsible for decisions to buy and sell securities for Portfolio accounts, the selection of brokers and dealers to effect the transactions, and the negotiation of brokerage commissions, if any. As described in Item 9 above, the particular securities and the amounts of such securities, to be purchased and sold are determined by Adviser consistent with the clients' investment objective, policies and restrictions. Portfolio transactions will be allocated to brokers on the basis of best execution and in consideration of brokerage and the provision of, or payment for, research services. In selecting brokers, the Adviser will consider commission rates, special execution and block positioning capabilities, clearance, settlement and custodial services, financial stability and reputation and the provision of, or payment for, research. Research includes information as to creditworthiness of issuers, market trends, current and historical financial data concerning particular companies and industries, special situations, economic forecasts and general market information, technical and statistical studies, and computer

hardware utilized solely by portfolio management personnel of the Adviser in connection with the management of client accounts. Broker-dealers having special capabilities or providing research services may be paid commissions in excess of those that other broker-dealers without such capabilities or not providing such services might charge. Research and brokerage services furnished by such broker-dealers may be used in servicing all of the Adviser's accounts, and such services need not be used by the Adviser exclusively for the benefit of the specific account(s) for which the Adviser used such broker-dealer to effect transactions. Brokerage firms will not charge the Adviser a separate fee for research services. While the continued provision of such services to the Adviser is not conditioned on the Adviser directing any particular level of transactions to these brokerage firms, such services are provided in consideration of the Adviser's use of such brokerage firms to execute transactions for clients' accounts.

In over-the-counter transactions, primary market-makers are generally employed except where better execution is believed to be obtainable elsewhere. From time to time, the Adviser may purchase or sell securities for clients' over-the-counter trades on an agency basis rather than on a principal basis. In these situations, the broker used by the Adviser may acquire or dispose of a security through a market-maker. The transaction may thus be subject to both a commission and a mark-up or mark-down. The Adviser believes that the use of a broker in such instances is consistent with its duty of obtaining best execution for its clients. The use of a broker can provide anonymity in connection with a transaction. In addition, a broker may, in certain cases, have greater expertise or greater capability in connection with both accessing the market and executing a transaction.

Consistent with the foregoing and subject to applicable law and its duty to obtain best execution, Adviser may direct execution of client securities transactions through GIS, which clears and custodies with Pershing, LLC and JP Morgan Clearing Corp. Under certain circumstances, GIS's rates are negotiable although the affiliations among the Adviser and GIS may limit the ability of these rates to be negotiated on an arms' length basis. Clients may be able to obtain better executions of securities transactions if a broker-dealer other than GIS is used to execute the client transactions. Transactions directed by the Adviser to GIS are generally executed on an agency basis but may be executed on a riskless principal basis following notice to, and consent from, the clients.

Research and Other Soft Dollar Benefits

Consistent with obtaining best execution, brokerage commissions on client portfolio transactions may be directed to brokers in recognition of research services furnished by them, as well as for services rendered in the execution of orders by such brokers. As a general matter, such research services are used to service all of Adviser's clients. However, each and every research service may not be used to service each and every client managed by Adviser, and brokerage commissions paid by one account may apply towards payment for research services that may not be used in the service of that account.

Adviser may, in its discretion, because the client to pay such brokers a commission for effecting portfolio transactions in excess of the amount of commission another broker adequately qualified to effect such transactions would have charged for effecting such transactions. This may be done

where Adviser 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, Adviser would not be required to place or attempt to place a specific dollar value on the brokerage or research services provided by such broker.

When Adviser uses its client's brokerage commissions (or markups or markdowns) to obtain research or other products or services, Adviser receives a benefit because it does not have to produce or pay for such research, products or services. Adviser may have an incentive to select or recommend a broker-dealer based in its interest in receiving the research or other products or services, rather than on its clients' interest in receiving the most favorable execution.

Adviser also receives research from Biscayne Americas as part a strategic alliance Adviser has entered into with Biscayne Americas. See Items 10 and 14 for more information on the alliance.

Brokerage for Client Referrals

Adviser does not direct brokerage to particular brokers in consideration for client referrals.

Directed Brokerage

Adviser 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. See above in this Item 12 under "Broker-Dealer Section" regarding Adviser's execution through its affiliated broker-dealer.

Some clients, however, may limit Adviser's discretionary authority in terms of the selection of broker-dealers or other terms of brokerage arrangements and may direct Adviser to place transactions for their accounts with a particular broker-dealer, to, among other things, defray consulting fees or other fees. Where a client directs the use of a particular broker-dealer, Adviser may be unable to achieve most favorable execution of client transactions and the client may pay more in execution fees than if Adviser was permitted to choose the executing broker. In such cases, Adviser may not have as much discretion in determining the terms of how an order will be handled with such broker-dealer and may not be able to freely negotiate commission rates. In addition, Adviser may not be able to aggregate the client's orders with other client orders to reduce transaction costs. As a result, designating use of a particular broker-dealer may cause a client to pay higher commissions or receive less favorable net prices than would be the case if Adviser were authorized to choose the broker-dealer through which to execute the transaction for the client's account. Lastly, in an effort to achieve orderly execution of transactions, execution of orders for clients that have designated particular brokers may, in certain circumstances, be delayed until after Adviser completes the execution of non-designated orders.

Aggregation of Trades

Adviser has the fiduciary duty to execute orders for its clients fairly and equitably. Adviser 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 participating accounts that may be bunched in an order may include both client accounts as well as Adviser’s own accounts. The procedures followed by Adviser may differ depending on the particular strategy or type of investment. Adviser is not required to bunch or aggregate orders if: (1) portfolio management decisions for different accounts are made separately; or (2) Adviser determines that bunching or aggregating is not practicable. Adviser 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 the Adviser’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

Portfolios will be reviewed by a member of the Adviser on a periodic basis, no less than monthly. An officer or designated employee of the Adviser will also review daily the transactions entered into for investment advisory clients (including the Funds) and determine that correct entries have been made for all client records.

Factors Triggering a Review

There are no specific triggering factors leading to a review.

Client Reports

Clients of the Adviser with discretionary accounts receive monthly reporting of their accounts. Limited partners of the U.S. Feeder Fund and shareholders of the Offshore Feeder Fund receive audited annual financial statements of the particular fund and they typically receive additional performance information on a monthly basis.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Other Compensation

As part of the Strategic Alliance with Biscayne Americas, Adviser receives research, operational and back-office support, marketing and other investment support functions from Biscayne Americas. Please refer to Item 10, “Other Material Relationships” for additional information on the strategic alliance.

Compensation for Client Referrals

The Adviser has entered into agreements whereby a party unaffiliated with the Adviser is entitled to compensation in the event that such party solicits prospective clients who become Adviser’s clients. Such solicitor entered into written agreements with Adviser pursuant to which the solicitor will provide each prospective client with a copy of Adviser’s Form ADV Part 2 and a disclosure document setting forth the terms of the solicitation agreement, including the nature of the relationship between the solicitor and Adviser and any fees to be paid to the solicitor. Where applicable, cash payments for client solicitations will be structured to comply fully with the requirements of Rule 206(4)-3 under the Advisers Act.

ITEM 15 – CUSTODY

Clients with individual accounts receive monthly or quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains the client’s investment assets.

Limited Partners of the U.S. Feeder Fund and shareholders of the Offshore Feeder Fund receive audited annual financial statements of the particular Fund and they typically receive additional performance information on a monthly basis.

ITEM 16 – INVESTMENT DISCRETION

Adviser 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, as well as to select brokers and other services providers. 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, Adviser observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to Adviser in writing.

ITEM 17 – VOTING CLIENT SECURITIES

Proxy Voting Policies

The Portfolios generally do not invest in securities that would require Adviser to vote investment proxies on behalf of the Funds, the Accounts or their investors. To the extent Adviser does vote investment proxies, Adviser has adopted proxy voting policies and procedures (the “Policies”). The Policies generally require the Adviser to vote proxy proposals, amendments, consents or resolutions relating to client securities, including interests in the Funds, if any (collectively, “proxies”) in a manner that serves the best interests of client accounts, as determined by the Adviser in its discretion, taking into account the following factors: (i) the impact on the value of the securities; (ii) the costs and benefits associated with the proposal; (iii) the effect on liquidity; and (iv) the customary industry and business practices. The Policies also address how the Adviser will vote proxies with regard to specific matters, such as voting rights, mergers or acquisitions, the election of Board members and other issues and how to address material conflicts of interests. Clients may request a copy of the Policies and the proxy voting record relating to the Portfolios by contacting Adviser.

ITEM 18 – FINANCIAL INFORMATION

Registered investment advisers are required in this Item 18 to provide you with certain financial information or disclosures about Adviser’s financial condition. Adviser does not require prepayment of any fees, has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

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 you with certain information about their business and management teams. Adviser is neither registered nor registering with any state securities authorities.