

Form ADV Part 2A: Firm Brochure

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This Brochure provides information about the qualifications and business practices of Rosemawr Management LLC (the “Adviser”, “we” or “us”). If you have any questions about the contents of this Brochure, please call us at (212) 286-9474 or send an email to: info@rosemawr.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Rosemawr Management LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training.

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

This Brochure does not constitute an offer to sell or the solicitation of an offer to purchase any securities of any entities described herein. Any such offer or solicitation will be made solely to qualified investors by means of a private placement memorandum and related subscription materials.

Item 2 – Material Changes

The following is a brief summary of the changes we made to our Firm Brochure since our last annual amendment on March 31, 2012. In July of 2012, we started a new fund, Rosemawr Capital I LP. This brochure reflects the material terms of Rosemawr Capital I LP. This brochure also reflect the terms of FMRM International Ltd. and FMRM Holdings LP, as well as a general description of certain research and consultancy activities which the Firm engages in from time to time. Since the last amendment, we have also adjusted our allocation policy, as described below in Item 11 under “Allocation of Limited Investment Opportunities.”

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Item 4 – Advisory Business

Rosemawr Management LLC (the “Adviser” or “we”), founded in 2008, is responsible for providing investment advisory services to certain private investment funds and separately managed accounts on a discretionary or non-discretionary basis.

The Adviser primarily advises clients on investments in municipal securities and may also provide advice concerning investment in corporate debt and U.S. government securities. All of the Adviser’s research is conducted internally. While all of the Adviser’s investment strategies focus on the municipal asset class, the specific investments vary based on the client’s objectives, which range widely. Clients may impose restrictions on investing in certain securities or types of securities. Any such restrictions must be provided in writing. Some clients’ objectives include short-term liquidity and capital preservation. Others wish to aggressively pursue capital gains by seeking to take advantage of dislocations or particular relative value opportunities in the municipal market. The Adviser’s investment strategies typically utilize U.S. government securities, and cash or other cash management securities as temporary holdings pending deployment or redeployment of assets into municipal securities.

The Adviser manages five pooled investment vehicles. The Adviser operates Rosemawr International Ltd. (“Rosemawr International”) and Rosemawr Municipal Partners LP (“Rosemawr Partners” and together with Rosemawr International, the “Hedge Funds”) in a “master-feeder” fund structure.

The Adviser also separately operates FMRM International Ltd. (the “FMRM Feeder Fund”) and FMRM Holdings LP (the “FMRM Master Fund” and together with the FMRM Feeder Fund, the “FMRM Funds”) in a “master-feeder” fund structure. The FMRM Funds are not accepting new investors and are generally illiquid.

The Adviser also separately operates Rosemawr Capital I LP (“Rosemawr Capital” and together with the FMRM Funds are the “Private Equity Funds” and collectively with the Hedge Funds, the “Funds” and each a “Fund”). The Funds offer and sell their respective interests and shares in private transactions solely to accredited investors, qualified clients, qualified purchasers or certain employees of the Adviser and its affiliates.

We also separately provide investment research and consulting services to other investment advisers.

The Adviser’s principal owner is Greg Shlionsky.

As of February 28, 2013, the Adviser managed approximately \$ \$361,190,000.00 in assets on a discretionary basis and \$ \$30,810,000.00 in assets on a non-discretionary basis.

Item 5 – Fees and Compensation

The specific manner in which the Adviser charges fees is established in a client's written investment advisory or subscription agreement which the client executes at the outset of the advisory relationship.

Advisory Fees

Separately Managed Accounts

The Adviser will generally bill its fees on a quarterly basis and clients may authorize the Adviser to directly debit fees from their accounts. Clients are generally billed in arrears each calendar quarter based on the value of their account at the end of the quarter. A client will typically be able to terminate an investment advisory agreement at any time upon 30 days' prior written notice. Any fees paid in advance will be pro-rated to the termination date and the excess, if any, refunded to the client. If fees are paid in arrears, the client will be billed for the pro-rata portion of fees to the termination date. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee.

The amount of fees charged for a separately managed account is dependent upon on the size and objective of the specific client account. Typically, if an account exceeds \$5 million and is focused on liquidity or principal preservation, the fee will be 0.50% per year. For strategies that seek aggressive capital gains or particularly high current income (such as those utilizing high-yield municipals), fees will generally be 1.50% per year and may include an incentive allocation of up to 20%. Smaller accounts may incur higher fees. Fees are assessed on the gross value of the account without including any cash in the account (i.e., that advisory fee applies only to securities held in the account and recommended by the Adviser) and without netting any margin borrowing that the client may choose to utilize. Fees are generally not negotiable, however the Adviser may charge a fee amount different than what is stated above at its sole discretion.

The Funds

Each Fund is offered pursuant to a private offering memorandum which contains important and detailed information concerning, among other things, the fees, terms of withdrawal and redemption for an investment in a Fund. In general, no withdrawal or redemption is permitted other than according to the terms of the governing documents of the particular Fund, subject to the right in some cases of the Adviser, in its sole discretion, to waive the requirements for investors on a case by case basis. Each client or prospective client should carefully review and consider the terms and conditions contained in the private offering memorandum of each Fund.

The Hedge Funds have the following compensation structure:

Current Management Fee	Current Incentive Allocation
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0.375% per quarter (1.50% per year)	20%
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- An allocable portion of the management fee is automatically deducted from each relevant client's account at the beginning of the relevant accounting period on a quarterly basis. Any fees paid in advance will be pro-rated to the termination date and the excess, if any, refunded to the client.
- Investors are generally subject to an incentive fee calculated as described in the relevant private offering memorandum of each Hedge Fund. Incentive fees are charged and automatically deducted from a client's account at the end of each fiscal year and on any interim withdrawal of capital by, or other distribution of funds to, a client. Such amounts are credited to the account of the Adviser or the Adviser's affiliate, Rosemawr Associates LLC.

The FMRM Funds have the following compensation structure:

Current Management Fee	Current Incentive Allocation
1/12 th of 0.5% per month (0.5% per year) of the then-current value of a certain asset of the FMRM Funds, as more fully described in the FMRM Funds' offering memoranda	10%, subject to certain limitations and benchmarks, as more fully described in the FMRM Funds' offering memoranda

Rosemawr Capital has the following compensation structure:

Rosemawr Capital pays a management fee to the Adviser quarterly in advance, equal to 1.50% per annum (which is 0.375% per quarterly payment period) of the aggregate outstanding, drawn capital contributions that have been made by the investors in Rosemawr Capital.

The Adviser's affiliate, Rosemawr Capital Associates I, LLC, also is paid performance-based compensation upon the distribution of any realization of an investment (subject to certain "claw-back" provisions as more fully described in Rosemawr Capital's private offering memorandum). The amount distributed to Rosemawr Capital Associates I, LLC is distributed in accordance with the following formula:

- First, 100% of the distribution of an investment to each limited partner in such investment, until each limited partner has received aggregate distributions (including all previous distributions and the distribution then being made) equal to the amount each limited partner's aggregate capital contributions used to fund the acquisition costs of all investments which have been made by Rosemawr Capital.
- Second, 100% of the distribution of an investment to each limited partner in such investment in an amount equal to its then unpaid "preferred return" (which 8%, as measured from the date each capital contribution made by a limited partner to the

- date of distribution) on the aggregate amount of the bullet point above.
- Third, 20% to the limited partners and 80% to Rosemawr Capital Associates I, LLC, until Rosemawr Capital Associates I, LLC has received distributions equal to 20% of the sum of all previous distributions made, and the distributions then being made, pursuant to the first two bullet points above.
 - Thereafter, 80% to the limited partners and 20% to Rosemawr Capital Associates I, LLC, *pari passu*.

A limited partner is not entitled to a return of (or any “preferred return” on) capital contributions used to fund payment of management fees or other expenses.

Incentive fees charged by a Fund are intended to comply with the requirements of Section 205 of the Investment Advisers Act of 1940 (the “Advisers Act”) and its applicable rules.

In its sole discretion, the Adviser may charge a fee different than the fees described above.

Clients invested in the Funds will also be charged other fees and expenses of the Funds on a pro rata basis in accordance with their respective balances. Expenses borne by the Funds typically include audit, legal and administrative fees, and other fund related expenses. The Adviser is also eligible for reimbursement of certain administrative expenses described in the private offering memorandum of each Fund.

Research and Consulting Services

The amount of fees that the Adviser charge for research and consulting services is negotiable and may include performance fees.

Other Expenses

Subject to certain limitations described in an applicable Fund’s offering memorandum, the Adviser’s fees described above are exclusive of brokerage commissions, transaction fees, and other related costs and expenses that shall be incurred by the client (including the Funds). Clients may incur certain charges imposed by custodians, brokers, third party investment professionals and other third parties such as 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. Such charges, fees and commissions are exclusive of and in addition to the Adviser’s fee.

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

The Adviser does not accept compensation for the sale of securities or other investment products to its clients.

Item 6 – Performance-Based Fees and Side-By-Side Management

In some cases, the Adviser has entered into incentive fee arrangements with clients of certain separately managed accounts and the Funds. As a result, a portion of the Adviser's fees from such accounts and the Funds may be based on a combination of a management fee and an incentive fee. In the case of the Hedge Funds, the incentive fee is based on the annual performance results of the client's account or Rosemawr International or Rosemawr Partners, as the case may be. In measuring clients' assets for the calculation of incentive-based fees in the case of the Hedge Funds, the Adviser shall include realized and unrealized capital gains and losses. In the case of the separately managed accounts and the Private Equity Funds, the incentive fee is based on the performance of the holdings of the separately managed accounts or the Private Equity Funds (as the case may be) as measured at the disposition of such holding, as further described in each separately managed account's account agreement or each Private Equity Fund's private offering memorandum (as the case may be). Additionally, clients that use our research and consulting services may also pay a fee to us based solely on gains realized by such client. See **Item 5 "Fees and Compensation"** for a description of the amount of fees charged by the Adviser.

The incentive fees charged to clients may create a conflict of interest with clients that do not pay an incentive fee because we may have an incentive to favor clients that do pay an incentive fee to the detriment of clients that do not pay an incentive fee. Clients should also be aware that a performance-based fee may be deemed to create a conflict of interest for an adviser, as there could be an incentive for the adviser to make investments that are riskier or more speculative than would be the case in the absence of a performance fee. The Adviser has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent these conflict from influencing the allocation of investment opportunities among clients. The procedures include maintenance of clearly defined investment objectives and policies for the execution and allocation of trades.

Item 7 – Types of Clients

The Adviser provides investment advisory services to high net worth individuals and families, banking or thrift institutions, charitable institutions, private investment funds, and other institutional investors. The minimum account size of a separately managed account is \$25 million and the minimum subscription amount for each Hedge Fund is \$1 million. The FMRM Funds and Rosemawr Capital are currently closed to new investors. The Adviser may waive the minimum account or subscription requirements at its sole discretion.

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

The Adviser's investment process is primarily based on intensive research and focused on

investing in fixed and floating rate municipal securities issued by states, municipalities, agencies of states or municipalities, not-for-profit organizations or similar issuers, the interest on which may or may not be excludable from gross income for U.S. federal income tax purposes, and derivatives, primarily for the purpose of establishing hedge positions and possibly as an independent investment strategy.

Investments in the Funds or separately managed accounts are speculative and involve a substantial degree of risk, including the risk that a client could lose some or all of its investment. An investment in the Funds or a separately managed account should be made only after consulting with independent, qualified sources of investment, legal, tax, accounting and other advice.

The private offering memorandum of each Fund includes a detailed discussion of the risk factors associated with investing in a Fund. Potential Investors in the Funds should carefully review those descriptions of the risk factors. Please see below for a discussion of some of the material risks of investing in the Funds or a separately managed account.

Debt Obligations

Debt obligations are subject to credit and interest rate risks. “Credit risk” refers to the likelihood that an issuer will default in the payment of principal and/or interest on an instrument. Financial strength and solvency of an issuer are the primary factors influencing credit risk. In addition, lack or inadequacy of collateral or credit enhancement for a debt instrument may affect its credit risk. Credit risk may change over the term of an instrument, and debt obligations that are rated by rating agencies are often reviewed and may be subject to downgrade. “Interest rate risk” refers to the risks associated with market changes in interest rates. Interest rate changes may affect the value of a debt instrument indirectly (especially in the case of fixed-rate debt securities) and directly (especially in the case of debt instruments whose rates are adjustable). In general, rising interest rates will negatively impact the price of a fixed-rate debt instrument and falling interest rates will have a positive effect on price. Adjustable-rate instruments also react to interest rate changes in a similar manner, although generally to a lesser degree, depending on the characteristics of the reset terms, including the index chosen, frequency of reset, and reset caps or floors, among other factors. Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules. There is also a risk that the general condition of the debt markets may deteriorate. Prices of debt securities fluctuate and are susceptible to general stock market fluctuations and to changes in market confidence and perceptions of their issuers.

Undervalued Securities

One of the objectives of the Adviser’s investment strategy is to invest in undervalued municipal securities. The identification of investment opportunities in undervalued securities is a difficult task and there is no assurance that such opportunities will be successfully recognized or acquired. While investments in undervalued municipal securities offer the opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can

result in substantial losses. Returns generated from such investments may not adequately compensate for the business and financial risks assumed.

The Adviser may make certain speculative investments in municipal securities which it believes to be undervalued; however, there are no assurances that the securities purchased will in fact be undervalued. In addition, it may be required to hold such securities for a substantial period of time before realizing their anticipated value.

During this period, a portion of a client's capital would be committed to the securities purchased, thus possibly preventing the client from investing in other opportunities. In addition, such purchases may be financed with borrowed funds and thus interest will have to be paid on such funds during the waiting period.

Illiquid Positions

As part of its investment strategy, the Adviser may invest in illiquid, private placement securities, restricted securities, other debt instruments or securities with limited, if any, trading volume. Illiquid securities carry the risk that a buyer may not be found for such securities. In addition, the lack of an established, liquid secondary market for such investments may have an adverse effect on the market value of the investments and on the ability to dispose of them. No assurance can be given that, if the Adviser were to dispose of a particular investment, it could dispose of such investment at the previously prevailing market price. In addition, certain investments may have to be held for a substantial period of time before they can be liquidated to the client's greatest advantage or, in some cases, at all – this is especially the case for investments held by the Private Equity Funds. Potential investors into the Private Equity Funds should be aware of the highly illiquid nature of the underlying investments (much more so than an investment in the Hedge Funds), as is more fully discussed in each Private Equity Fund's private offering memoranda.

Even in the case of more liquid securities, it may also not always be possible for the Adviser to execute a buy or sell order at the desired price or to liquidate a position, either due to market conditions on exchanges or daily price fluctuation limits (in the case of futures contracts and options thereon). In addition, the Adviser may not be able to execute trades at favorable prices if little trading in the securities it wishes to trade is taking place. It is also possible that an exchange or governmental authority may suspend or restrict trading, order the immediate settlement of a particular futures contract or order that trading in a particular futures contract be conducted for liquidation purposes only.

Concentration of Investments

The Adviser may select investments that are concentrated in a particular sector within the municipal market, or in a limited number or type of securities. As a result, the Funds' investment portfolio could become concentrated and its aggregate return may be volatile and may be affected substantially by the performance of only a few holdings.

Leverage; Margin Calls.

Part of the Funds' investment strategy may involve borrowing Funds in order to make additional investments. Fluctuations in the market value of the Funds' portfolio investments will be magnified to the extent such investments are leveraged and thus may have a more significant effect on the Funds' capital. The risk of loss, as well as the magnitude of possible gains, is therefore increased. In addition, certain of the Funds' investments from time to time may be in securities of entities which are themselves highly leveraged, thus increasing the Funds' exposure to leverage-related risk. The level of interest rates generally, and the rates at which the Funds can borrow in particular, affect the operating results of the Funds.

In general, the use of short-term margin borrowings results in certain additional risks to the Funds. For example, should the securities pledged to brokers to secure the funds' margin accounts decline in value, the Funds could be subject to a "margin call," pursuant to which the Funds must either deposit additional Funds or securities with the broker, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden drop in the value of the Funds' assets, the Funds might not be able to liquidate assets quickly enough to satisfy its margin requirements.

Credit Default Swaps

In particular, the Funds may invest in credit default swaps. A credit default swap is a contract between two parties which transfers the risk of loss if a company fails to pay principal or interest on time or files for bankruptcy. In essence, an owner of corporate debt instruments can purchase a limited form of default protection by entering into a credit default swap with a bank, broker-dealer or financial intermediary. Upon an event of default, the swap is most commonly terminated by the purchaser of credit protection delivering the referenced instrument to the swap counterparty and receiving a payment of par value. Credit default swaps can be used to hedge a portion of the default risk on a single corporate bond or a portfolio of bonds. Credit default swaps also can be used to implement the Adviser's view that a particular credit, or group of credits, will experience credit improvement. In the case of expected credit improvement, the Funds may "sell" credit default protection in which it receives a premium to take on the risk. In such an instance, the obligation of the Funds to make payments upon the occurrence of a credit event creates leveraged exposure to the credit risk of the referenced entity. The Funds also may "purchase" credit default protection even in the case in which it does not own the referenced instrument if, in the judgment of the Adviser, there is a high likelihood of credit deterioration. The Funds also may enter into credit default swap transactions, even if the credit outlook is positive, if it believes that participants in the marketplace have incorrectly valued the components that determine the value of a swap.

Credit default swap contracts are not traded on exchanges as of the date of this Brochure, and the swap markets are not subject to the same type or degree of regulation and supervision as are regulated exchanges. As a result, many of the protections afforded to participants on regulated exchanges are not available in connection with swap transactions and other over-the-counter transactions. For example, the credit default swap and other over-the-counter markets generally are "principals' markets" in which performance with respect to a credit default swap contract is the responsibility only of the counterparty to the contract, and not of any exchange or clearinghouse. As

a result, the Funds are subject to the risk of the inability or refusal of the counterparties with which the Adviser trades to perform with respect to credit default swap contracts. As of the date of this Brochure, the U.S. Congress is contemplating the regulation of certain swap transactions; however, no new laws have been enacted. The form of such regulation could impact the Funds' investment in swap transactions and the market for such swap transactions.

Custodian and Counterparty Risks

Clients will be subject to the risk of the inability of its custodians, brokers and dealers and counterparties to safeguard assets or to perform with respect to transactions, whether due to bankruptcy, insolvency or other causes. There is a risk that any of such institutions could become bankrupt or insolvent. The bankruptcy or insolvency of any such institutions may result in the client losing all or a portion of its assets held with such institutions or the termination of any outstanding transactions. In addition, brokers and dealers, custodians and counterparties may use sub-custodians and disclaim responsibility for any losses that may result therefrom.

In an effort to mitigate such risks, the Adviser will attempt to limit transactions and entrust assets to counterparties and custodians whom it believes are established, well capitalized and creditworthy. However, as the events of 2008 and 2009 have shown, even the capitalization of a long-established institution may deteriorate rapidly when it has substantial risk exposure to one or more asset classes that become distressed, its counterparties and customers lose confidence in its ability to perform its transactions and safeguard assets, or it encounters other severe difficulties. There can be no guarantee that the Adviser could unwind transactions and withdraw assets from a once-creditworthy institution if the institution's capital begins to deteriorate rapidly.

Valuation of Securities

The Adviser is ultimately responsible for valuing the securities and other investments comprising the assets held in client accounts and the Funds. The Adviser has a written valuation policy, which provides the method for valuing the securities and other investments managed by the Adviser (the "Valuation Policy"), and regularly convenes a Valuation Committee to help ascertain the value of client account assets. The Adviser generally values the Funds' portfolio using U.S. generally accepted accounting principles (U.S. GAAP). Typically the valuations are "marked to market" by reference to the last generally available price quotation. However, where a security is subject to any resale restriction, lack of available price quotations, illiquid market conditions or other factors preventing immediate liquidity of the Funds' entire position, the Adviser ultimately has the sole and absolute discretion to value such security using its best good faith estimate as to fair value. This causes the potential for a conflict of interest due to the fact that a higher fair value assigned to such security will result in greater management fees paid, and possibly in higher incentive fees credited to, the general partner of the Funds or to the Adviser. These risks are mitigated through the Adviser's adherence to the Valuation Policy.

Clients should note that valuations assigned to securities and other investments are not necessarily equivalent to the value that can be realized by the Funds on the sale of those securities

and other investments. In addition, there is a risk that the valuations of a security made pursuant to U.S. GAAP may differ from the price at which the security may actually be sold.

Key Man Risk

All discretionary clients (including each of the Funds) are dependent upon the services of Mr. Shlionsky as the portfolio manager. There can be no assurance that such services will be available for any length of time. Furthermore, the incapacity of Mr. Shlionsky could have a material and adverse effect on the investment performance of a client's account.

The Hedge Funds each have a key man provision that permits investor redemptions in the event that Mr. Shlionsky dies or ceases to be involved in the management of the assets of the Hedge Funds. The Hedge Funds will provide written notice to each investor promptly upon knowledge of such information and will suspend withdrawals for a period of 90 days following notice of such an event so as to facilitate an orderly transition in the management of the Hedge Funds' affairs.

Each investor in the Hedge Funds will then have 30 business days to give written notice to Rosemawr that the client would like to redeem all or a portion of the client's interests. Such redemption will be done without penalty or redemption fee as of the end of the month following the month in which such 90-day period ended.

Likewise, Rosemawr Capital has a key man provision that terminates the investment period of Rosemawr Capital in the event that Mr. Shlionsky dies or ceases to be involved in the management of the assets of Rosemawr Capital, unless otherwise agreed to by 66 and 2/3rds percent of the limited partners in interest. If such percentage is met, any limited partner who did not consent will have the right upon notice to the Adviser to not make any additional capital contribution for any new investment.

Clients invested in separately managed accounts generally may terminate their investment advisory agreements upon 30 days' prior written notice.

Item 9 – Disciplinary Information

The Adviser does not have any material legal or disciplinary events to disclose with respect to itself or its employees.

Item 10 – Other Financial Industry Activities and Affiliations

The Adviser has material business relations with the following affiliated entities (none of which is a registered investment adviser):

- Rosemawr Associates LLC is the General Partner of Rosemawr Municipal Partners Fund

LP. It also holds performance allocation interests of Rosemawr Municipal Partners Fund LP as described in the relevant Fund's offering memorandum. It is under common control as the Adviser.

- FMRM Associates LLC is the General Partner of FMRM Holdings LP. It also holds performance allocation interests of FMRM Holdings LP as described in the relevant Fund's offering memorandum. It is under common control as the Adviser.
- Rosemawr Capital Associates I, LLC is the General Partner of Rosemawr Capital I LP. It also holds the right to receive distributions of Rosemawr Capital I LP, as described in its offering memorandum. It is under common control as the Adviser.

The Adviser does not believe that the relationships with these entities cause a conflict of interest with clients.

Item 11 – Code of Ethics

The Adviser has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct and fiduciary duty to its clients. All supervised persons at the Adviser must acknowledge the terms of the Code of Ethics annually, or as amended.

Persons subject to the Code of Ethics are subject to, among other things, various restrictions relating to the acquisition by them of securities. These restrictions include pre-authorization and disclosure requirements, restrictions on short term trading, and general prohibitions on transactions in securities in certain circumstances, including:

- when in possession of inside information;
- transactions in securities of issuers on the Adviser's restricted list or during specified blackout periods;
- transactions in securities at a time when the employee intends, or knows of another employee's intention, to purchase or sell that security or an equivalent security on behalf the Funds or other advisory client;
- transactions in securities in which Adviser is placing a transaction on behalf of a Fund or other client within a certain number of business days of such order being placed by Adviser for the Funds or other client account; and
- acquisition of securities in initial public offerings.

There are also restrictions on the acquisition by persons subject to the Adviser's Code of Ethics in private placements, which acquisitions require the prior approval of Adviser's chief compliance officer and the satisfaction of certain conditions.

The Code of Ethics also addresses the fiduciary duties expected of the persons subject to the Code, including confidentiality obligations, gift and corporate opportunity policies, and restrictions on outside business activities.

Personal Trading

The Adviser anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which the Adviser has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which the Adviser, its employees, its affiliates and/or clients, directly or indirectly, may have a position of interest. The Adviser's employees and persons associated with the Adviser are required to follow the Adviser's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of the Adviser and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for the Adviser's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of the Adviser will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code of Ethics certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of the Adviser's clients. In addition, the Code of Ethics requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between the Adviser and its clients.

Clients and prospective clients may obtain a copy of the Code of Ethics by addressing a request to the Adviser's Chief Compliance Officer, 156 W. 56th Street, Suite 2005, New York, NY 10019.

Allocation of Limited Investment Opportunities

The Adviser has adopted written allocation procedures regarding the allocation of trades when there is a limited supply of a security to allocate among client accounts. Under these procedures, client accounts managed on a discretionary basis generally will receive the Adviser's investment recommendations before non-discretionary and research and consulting clients and Adviser will not recommend such securities to non-discretionary and research and consulting clients until Adviser has completed taking a position in such securities for discretionary clients. Therefore, client accounts managed on a non-discretionary basis or clients receiving research and consulting services may never or rarely receive investment recommendations from the Adviser, and, when they do receive such buy recommendations, such buy recommendations may not be at prices as favorable as the prices Adviser obtained for its discretionary clients. Similarly, non-discretionary and research and consulting clients may only be advised to sell specific securities that are also held by discretionary clients after Adviser has completed selling the securities for discretionary clients. In such circumstances, the sell recommendations made by Adviser to non-

discretionary and research and consulting clients may not be made at prices that are as favorable as the prices Adviser obtains for its discretionary clients.

The goal of Adviser's allocation procedures is to facilitate that over time discretionary client accounts are treated equitably even though specific allocations may have the effect of benefitting one discretionary account against another when viewed in isolation. In addition, when Rosemawr makes investment recommendations to non-discretionary and research and consulting client accounts, the goal of Rosemawr's allocation procedures is to facilitate that over time non-discretionary and research and consulting client accounts are treated equitably amongst each other even though specific allocations may have the effect of benefitting one non-discretionary or one research and consulting client account against another when viewed in isolation. For purposes of allocation, all separately managed accounts beneficially owned by officers, directors and employees of the Adviser are treated as non-discretionary accounts.

The allocation may vary depending upon whether the account is a discretionary or a non-discretionary or research and consulting account, and the different objectives, methodologies, risk tolerance levels, investment strategies and restrictions applicable to each account, as well as the cash available for investment in each account.

Once discretionary accounts are determined to be eligible to participate based on the above criteria, such eligible discretionary accounts generally participate pro rata in the purchases or sales in accordance with their available cash and buying power. Sometimes, however, specific accounts in an investment strategy will not be allocated the security or a lower or higher amount of the security than the other eligible accounts because of a variety of factors in the Rosemawr's discretion. Examples where the Rosemawr may deviate from a strict pro rata allocation formula may include: (a) if a pro rata allocation results in a *de minimis* allocation to certain accounts, or an amount less than the minimum denomination available for a particular security; (b) if the allocation would result in unbalancing the diversification of the portfolio (based on factors including, but not limited to, risk, industry, geography, issuer, and credit quality); or (c) other factors in the Rosemawr's professional judgment.

For non-discretionary and research and consulting accounts, in addition to the factors listed above, Rosemawr may consider the following additional factors: (a) if an account's participation would result in a *de minimis* participation, or an amount less than the minimum denomination available for a particular security; (b) if the participation would result in unbalancing the diversification of the portfolio (based on factors including, but not limited to, risk, industry, geography, issuer, and credit quality); (c) responsiveness of client; (d) ability of client to analyze particular transaction; (e) inability to allocate the trade in a denomination appropriate for the non-discretionary account and/or research and consulting client; (f) Rosemawr's understanding of the client's interest in a particular trade or strategy; or (g) other factors in the Rosemawr's professional judgment. If after considering the foregoing factors, Rosemawr determines that more than one non-discretionary and/or research and consulting client is eligible to participate in a particular opportunity, Rosemawr will obtain from each of the participating non-discretionary and research

and consulting clients consent to the allocation determined by Rosemawr before making such an allocation. Allocations will be made by the end of the day on which the trade took place, absent extraordinary circumstances and will be properly documented.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with the Adviser's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. The Adviser will retain records of the trade order (specifying each participating account) and its allocation.

It is the Adviser's policy that the firm will not affect any principal transactions for client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated fund and another client account. An agency cross transaction occurs when an investment adviser or its related persons acting as either a registered broker-dealer or through an affiliated broker-dealer executes for a fee a transaction between an advisory client and a client of the broker-dealer. The Adviser does not engage in agency cross transactions.

From time to time, Adviser may determine that it is in the best interest of its clients to cross trade securities between client accounts. Adviser executes cross transactions by asking custodians that custody Adviser's clients' assets to transfer on their internal ledgers securities from one managed account to another for no transaction fee. Adviser will not engage in a cross transaction until it determines that the particular trade is in the best interests of the client accounts involved in the trade. As a general matter, when Adviser executes cross transactions between client accounts, it will price the securities involved in the transactions according to its valuation guidelines. A description of Adviser's valuation policies is found above in **Item 8 "Methods of Analysis, Investment Strategies and Risk of Loss"** above. Further information of the Adviser's valuation policies may be obtained by contacting the adviser.

Item 12 – Brokerage Practices

In the case of discretionary accounts, the client will have granted the Adviser the authority to buy and sell securities in its judgment. The limitations, if any, on this authority are detailed at the time the authority is granted. In the case of non-discretionary accounts, the ultimate decision to purchase or sell securities (and the amount of such purchase/sale) is entirely the client's.

Both for purchases and sales of securities, the Adviser will attempt to maintain trading relationships with dealers that the Adviser believes will provide the best availability of securities and the best execution over time. In general, the Adviser will apply the same criteria with respect to

all clients in assessing quality and cost of trade execution and will not, unless directed by a client, make intentional distinctions in the way trades are executed among different clients' accounts.

With respect to the Adviser's selection of broker/dealers to execute client transactions, it is important to note that the municipal and government securities markets operate exclusively on an over-the-counter basis and the corporate bond market operates largely on an over-the-counter basis, and different dealers will generally have different inventories of bonds. Since the Adviser's investment approach utilizes in-depth research on specific municipal and corporate bonds, two distinct bonds will rarely be perceived as "fungible". Therefore, the Adviser will, by necessity, make municipal and corporate bond purchases from dealers who have the desired bonds available for purchase or, in the case of sales, who make a market in the bond in question (although large government securities dealers may have a substantial inventory of U.S. government securities). In circumstances in which purchases or sales can be affected with more than one dealer, the selection will be driven almost exclusively by the best price. Another (though generally less important) factor will be the dealer's history in promptly and accurately processing transactions.

The Adviser will commonly sell securities through a competitive bidding process. However, it may choose not to do so when it believes that such a process will not result in the best price — for instance, in the case of an esoteric security, where a better price would likely be obtained by one dealer working to identify the ultimate purchaser; or if illiquid market conditions make a competitive bid process unlikely to result in acceptable bids.

The preceding description applies to clients who will maintain accounts custodied at Schwab, thereby enabling the Adviser to execute transactions for such clients through the Adviser's regular trading channels, or at other custodians that can provide comparable flexibility. If a client uses a different custodian and that custodian places limitations on dealers with whom it can transact, the Adviser will use its best efforts to obtain best execution, but such efforts will be necessarily limited by the custodian's requirements.

The Adviser does not have any soft dollar arrangements. Furthermore, the Adviser does not direct trades in recognition of research provided by a dealer. Occasionally, an investor who purchases bonds from a new-issue underwriting syndicate may be asked to designate one or more members of the syndicate to be allocated compensation from the total pool of compensation paid to the syndicate by the issuer. As long as this practice (referred to as "designation") has no economic effect on the client's order, the Adviser may designate the dealer in its discretion, based on the dealer's past level of service or the Adviser's desire to receive service from that dealer on behalf of its clients in the future. The Adviser will not pay a higher dealer "spread" or otherwise utilize client funds to compensate dealers for the provision of research or trading advice, and (to the extent, if at all, that the Adviser engages in brokerage transactions on behalf of clients) the Adviser will not pay higher brokerage commissions in executing client transactions in order to obtain research services or trading advice from securities brokers.

Where permitted by applicable law, the Adviser may combine orders for different accounts for execution together as a batch or block trade. If the execution occurs at multiple prices, often the

average price will be allocated to each account that participated in the order. This is done to obtain favorable execution, including access to lower commissions and better pricing on the orders. Accounts that do not participate in the batch or block trade that are separately executed generally will not receive the same price or be charged the same brokerage commissions as those combined in the large batch or block trade, and their execution price and brokerage fees often may not be as favorable as those obtained in the large block or batch trade.

It is the policy of the Adviser that the utmost care be taken in making and implementing investment decisions on behalf of client accounts. To the extent that any trade errors occur, they are to be corrected as soon as practicable and in such a manner that the client incurs no loss due to the trading error.

Item 13 – Review of Accounts

Each discretionary client account shall be reviewed at least semi-annually by the Portfolio Management Committee, which consists of Mr. Shlionsky and Ms. Morrone, to monitor that the client's portfolio is in compliance with its investment guidelines. The review date shall be as of a day during each such semi-annual period randomly selected by the Portfolio Management Committee. The Portfolio Management Committee will document evidence of the review of each discretionary client account in a semi-annual review, which will include any recommended changes to the account if the account is found to be out of compliance with the applicable investment guidelines.

For non-discretionary accounts, the client itself makes the ultimate portfolio allocation and purchase/sale decisions, arranging execution and utilizing a pre-existing custodian. In such cases, the Adviser relies on the client to communicate executed transactions to the Adviser, so that the Adviser is able to monitor the securities the client owns and calculate advisory fees. For such accounts, the Adviser will monitor developments pertaining to individual securities that the client owns; however, it may not be able to offer advice on portfolio allocation or suggest rebalancing unless it has full and timely access to the client's portfolio.

Separately managed account clients who maintain a custodial relationship with Schwab receive monthly reports directly from Schwab. For clients who do not custody through Schwab, the Adviser will provide quarterly reports listing all transactions during the preceding quarter and holdings at quarter-end. In addition, custodians (including Schwab) frequently will provide Internet, password protected access to clients so that they may access their account information at any time.

Clients who have invested in the Hedge Funds receive a monthly report directly from SS&C GlobeOp, the administrator of the Funds. The Adviser distributes monthly cash flow statements to investors in the FMRM Funds and quarterly written updates of the activity in Rosemawr Capital to investors in Rosemawr Capital. Clients in all of the Funds also receive annual financial statements audited by the auditors to each of the Funds and, if applicable, the information necessary for the

client to complete its annual federal income tax return.

Item 14 – Client Referrals and Other Compensation

The Adviser has a marketing arrangement with a third-party solicitor, under which the Adviser pays placement fees as compensation to the third-party solicitors for referring clients to the Adviser. The fees generally are 20% of the management and performance fees earned by Adviser from the account of the client referred by the third-party solicitor. Clients will not be charged additional fees or sales charges as a result of the Adviser's payment of any such referral fees to third parties. The third-party solicitor also shares in a small portion of the profits of the Adviser. For additional information on the arrangement with the third-party solicitor you may contact the Adviser.

If the Adviser pays a cash fee to anyone for soliciting separate account clients on its behalf, the Adviser will comply with the requirements of the SEC's cash solicitation rule. This rule requires a written agreement between the investment adviser and the person soliciting clients on its behalf. The rule also requires that an unaffiliated solicitor provide a disclosure document to the potential client at the time that the solicitation is made. As required by the rule, the Adviser will not engage another person to solicit clients on its behalf if that person has been subject to securities regulatory or criminal action within the preceding ten years.

Item 15 – Custody

Separately Managed Accounts

The Adviser may be deemed to have constructive custody of client assets under Rule 206(4)-2 of the Advisers Act as clients have authorized the Adviser to directly debit fees from their accounts. The Adviser does not have actual custody of funds or securities held by clients in separately managed accounts. Clients who have entered into a custodial arrangement with Schwab will receive monthly account statements directly from Schwab. For clients who do not custody with Schwab, the Adviser will provide quarterly reports listing all transactions during the preceding quarter and holdings at quarter-end with respect to securities Adviser for which Adviser provided investment advice. Such reports are in addition to the accounts statements such clients receive from their qualified custodian. We urge our clients to carefully review the monthly account statements provided by Schwab or their custodian regularly to ensure accuracy and compare such official custodial records to the account reports that the Adviser provides to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

The Funds

The Adviser may be deemed to have constructive custody of client assets invested in the Funds under Rule 206(4)-2 of the Advisers Act as a result of fee payments or the service of its affiliates as general partners to the Funds. Actual custody of clients assets invested in the Funds, however, is at a broker-dealer, bank or trust company, not at the Adviser. Accordingly, to meet the requirements of the custody rule, the Funds are subject to an annual audit in accordance with generally accepted accounting principles conducted by an independent public accountant registered with the Public Company Accounting Oversight Board and the audited financial statements are distributed to investors in the Funds within 120 days of the end of the Funds' fiscal year.

Item 16 – Investment Discretion

The Adviser provides its investment advisory services on both a discretionary and non-discretionary basis. For those client accounts for which the Adviser accepts discretionary authority to manage, the authority is established through the investment management or subscription agreements completed and executed by each client of the Adviser at the outset of the advisory relationship. When selecting securities and determining amounts, the Adviser observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to the Adviser in writing.

Item 17 – Voting Client Securities

The Adviser does not currently invest in securities for its clients over which it would need to vote proxies on behalf of its clients. If in the future, the Adviser intends to invest in securities that would give it authority to vote client securities, it will adopt voting policies and procedures in accordance with the Advisers Act and disclose such policies and procedures to all clients.

As a policy, the Adviser will not elect on behalf of a client to become a member of a class to participate in a class action suit. When the Adviser receives class action notices or materials in the mail, the Adviser will pass such notice or materials on to the client or its representative.

Item 18 – Financial Information

This section is not applicable to the Adviser as the Adviser does not charge or solicit pre-payment of \$1200 in fees per client six or more months in advance.

Furthermore, the Adviser does not believe that there are any financial conditions reasonably likely to impair its ability to meet its contractual commitments to its clients.

Item 19 – Requirements for State-Registered Advisers

This Item 19 is not applicable to the Adviser.