

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

**Item 1 - Cover Page**

**Name:** Corsair Capital Management, L.L.C.

**Address:** 350 Madison Avenue, 9<sup>th</sup> Floor  
New York, NY 10017

**Phone Number:** (212) 389-8240

**Fax Number:** (212) 389-8259

The date of this brochure is May 29, 2013.

**This brochure provides information about the qualifications and business practices of Corsair Capital Management, L.L.C. If you have any questions about the contents of this brochure, please contact us at (212) 389-8240. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.**

**Additional information about Corsair Capital Management, L.L.C. also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Any reference to Corsair Capital Management, L.L.C. as a “registered investment adviser” or as being “registered,” does not imply a certain level of skill or training.**

**Item 2 - Material Changes**

There have been no material changes to the Form ADV, Part 2A of Corsair Capital Management, L.L.C. (“CCM”) since the date of CCM’s last Form ADV, Part 2A filing.

**Item 3 - Table of Contents**

Item 1 - Cover Page .....	1
Item 2 - Material Changes .....	2
Item 3 - Table of Contents.....	2
Item 4 - Advisory Business .....	3
Item 5 - Fees and Compensation .....	3
Item 6 - Performance-Based Fees and Side-By-Side Management.....	5
Item 7 - Types of Clients .....	5
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss.....	6
Item 9 - Disciplinary Information.....	9
Item 10 - Other Financial Industry Activities and Affiliations.....	10
Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	10
Item 12 - Brokerage Practices .....	12
Item 13 - Review of Accounts.....	15
Item 14 - Client Referrals and Other Compensation .....	16
Item 15 - Custody .....	16
Item 16 - Investment Discretion .....	16
Item 17 - Voting Client Securities.....	16
Item 18 – Financial Information.....	17
Item 19 – Requirements for State Registered Advisors .....	17

**Item 4 - Advisory Business**

CCM is a Delaware limited liability company that was formed in May 2002. It provides discretionary investment advice to the Funds (as defined herein) as their investment manager. Corsair Capital Advisors, L.L.C. (“CCA”), Corsair Select Advisors, L.L.C. (“CSA”), and Corsair Operations Management, L.L.C. (“COM”), affiliates of CCM, also provide investment advice on a discretionary basis to certain of the Funds in their capacities as general partner, special member or operations manager to such Funds, respectively. CCM, CCA, CSA, and COM are collectively referred to as “Corsair” throughout this brochure.

The principal owners of Corsair are Jay R. Petschek and Steven Major. Mr. Petschek and Mr. Major are also referred to as the “Portfolio Managers” throughout this brochure.

Corsair currently manages Corsair Capital Partners, L.P., Corsair Capital Partners 100, L.P., Corsair Capital Investors, Ltd., Corsair Select, L.P., Corsair Select 100, L.P., Corsair Select Offshore, Ltd. and Corsair Select Master Fund, Ltd. (each, a “Fund” and collectively, the “Funds”), and may in the future manage other pooled investment vehicles or accounts (including separately managed accounts). Corsair Capital Partners, L.P., Corsair Capital Partners 100, L.P. and Corsair Capital Investors, Ltd. may collectively be referred to herein as the “Corsair Capital Partnerships” and Corsair Select, L.P., Corsair Select 100, L.P., Corsair Select Offshore, Ltd. and Corsair Select Master Fund, Ltd. may be collectively referred to herein as the “Corsair Select Partnerships.”

From 1991 to 2002, Mr. Petschek, either directly or separately through an entity he controlled, managed Corsair Capital Partners, L.P. From 1998 to 2004, Mr. Major, either directly or through an entity he controlled, managed a predecessor-in-interest to Corsair Select, L.P. All of the other Funds have been managed by Corsair since inception.

Corsair invests with a long-bias. The Funds’ capital is intended to be invested primarily in publicly-traded equity securities of U.S. and Canadian corporations; however, Corsair retains the flexibility to invest in a variety of situations and use a broad range of specialized investment techniques. Without limiting the foregoing, Corsair may also invest in debt and so-called hybrid securities, such as convertible securities, and in the securities of foreign issuers, including both those traded overseas as well as those traded in the United States and Canada.

As of December 31, 2012, Corsair managed approximately \$1,004,939,369 of regulatory assets under management and approximately \$866,000,000 of net assets under management, all on a discretionary basis. Corsair does not manage any assets on a non-discretionary basis.

**Item 5 - Fees and Compensation**

Corsair’s fees and compensation, and, as a general matter, the types of expenses incurred by each of Corsair’s clients, are described in the advisory contracts it enters into with its clients. The below is intended as a summary, and prospective investors should refer to the offering documents for the Fund or Funds in which they are considering investing for a more complete description.

The General Partner of Corsair Capital Partners 100, L.P. generally charges performance compensation equal to 20% of the increase in net asset value of investments in the applicable Fund, subject to a high water mark. CCM generally charges Corsair Capital Partners 100, L.P. a management fee, paid quarterly in advance, at rates ranging from 1.0% to 1.5% per annum of the net asset value of investments in the Fund.

The Operations Manager of Corsair Capital Investors, Ltd. generally charges Corsair Capital Investors, Ltd. performance compensation of 20% of the increase in net asset value of investments in this Fund, subject to a high water mark. CCM generally charges Corsair Capital Investors, Ltd. a management fee, paid quarterly in advance, at a rate of 1% or 1.5% per annum of the net asset value of the investments in the Fund.

The General Partner of Corsair Select 100, L.P. generally charges performance compensation of 20% of the increase in net asset value of investments in the applicable Fund, subject to a high water mark. CCM generally charges a management fee at the rate of 1.5% or 2.0% per annum of the net asset value of investments in Corsair Select 100, L.P., payable quarterly in advance.

Corsair's compensation schedules for Corsair Capital Partners, L.P., Corsair Select, L.P. and Corsair Select Offshore, Ltd. are contained in their respective Confidential Offering Memoranda ("PPMs").

Corsair's compensation and fees are generally non-negotiable but do vary amongst the Funds and other Corsair clients and within each Fund. Corsair retains the right to waive or reduce fees, or charge different fees, with respect to its investors. Employees and their immediate family members are generally not charged performance compensation nor management fees.

Corsair generally deducts its management fees from its client accounts quarterly in advance, unless otherwise provided in a client's advisory contract. Fees for the Funds will be pro-rated or refunded for any period for which the applicable Fund no longer exists.

Generally, Corsair receives performance-based fees or allocations from its client accounts on an annual basis in arrears and upon redemptions by investors in such client accounts.

Corsair's clients will generally be obligated to pay certain fees and expenses of or pertaining to the applicable client. Without limiting the foregoing, generally, the Funds shall pay, or reimburse Corsair for, certain fees and expenses of the applicable Fund, which may include, in some or all instances, offering costs, fees and costs relating to the trading of securities, interest and commitment fees on loans and debit balances, brokerage commissions (*see Item 12, "Brokerage Practices"*), costs of borrowing securities to be sold short, legal, accounting, auditing and tax preparation fees and expenses, costs of any outside appraisers and other experts or consultants engaged by Corsair in connection with specific transactions, withholding and transfer taxes, government charges, bank charges, insurance costs, costs of preparing and mailing reports to investors, and other similar fees and expenses.

The Funds may also pay or reimburse Corsair for research fees and expenses (including online news and quotation services) appropriately allocable, in Corsair's discretion, to the applicable Fund's operations. The Corsair Select Partnerships may also pay or reimburse

Corsair for overhead expenses (e.g., rent, furniture, compensation of personnel and general overhead). Corsair currently waives reimbursement for such overhead expenses, but may decide not to continue to do so in the future.

Corsair may also allocate a portion of certain clients' capital to money market funds, exchange-traded funds or similar products that bear certain fees and expenses including those payable to their investment managers and service providers. To the extent that Corsair so allocates capital, in addition to the fees and expenses described above, the clients will indirectly bear such fees and expenses, as these funds and/or other products in turn pay similar fees to their investment managers and other service providers.

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

Corsair generally receives annual performance-based fees or allocations from its clients, which are based on a percentage of the capital appreciation of client assets, subject to a high water mark.

As the management fees and performance-based fees/allocations for each client are based directly on the net asset value of such client, Corsair has a conflict of interest in valuing client assets. Corsair will follow its documented valuation policies in order to mitigate this risk.

The terms of the performance-based fees and allocations may differ in the future among funds or accounts Corsair manages. This may result in a conflict of interest when Corsair allocates opportunities among such clients because there will be an incentive to favor allocations to clients that have higher performance-based fees and allocations. To avoid such a conflict of interest Corsair generally follows documented procedures in allocating opportunities among its clients which do not take into account the performance-based fees and allocations to which such clients are subject. (*See Item 11.*)

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

Investors in the Funds are generally high net worth individuals and institutional investors that qualify as "accredited investors" (as defined in Rule 501 under the Securities Act of 1933, as amended (the "Securities Act")). New investors in Corsair Capital Partners, L.P. and Corsair Select, L.P. as well as investors who are United States persons in Corsair Select Offshore, Ltd. will generally need to be "qualified purchasers" as defined in section 2(a)(51)(A) of the Investment Company Act of 1940, as amended. New investors in Corsair Capital Partners 100, L.P. and Corsair Select 100, L.P. will generally need to be "qualified clients" as defined in Section 205-3 of the Investment Advisers Act of 1940, as amended (the "Advisers Act"). The minimum investment in the Funds is generally \$500,000, provided that Corsair may accept lesser investments in its discretion. Owners of any separately managed accounts managed by Corsair are generally expected to be high net worth individuals or institutional investors.

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

The Funds' investment objective is to achieve above-average or superior capital appreciation, relative to the risks assumed. The Funds emphasize total return (i.e., capital appreciation as well as dividend and interest income, if any), not current income. It is currently expected that each of Corsair's clients will have a similar or substantially similar objective, unless otherwise provided in their advisory contracts.

Corsair seeks to capitalize on the Portfolio Managers' experience in discovering and assessing the value of investment opportunities which may not be readily apparent to money managers or traders who direct investment programs of entities similar to the Funds or other Corsair clients. Generally, at least with respect to the Funds, such investments will be publicly traded equity securities of U.S. and Canadian corporations. Corsair believes that it has developed an expertise in investing in companies undergoing financial restructuring, including spin-offs, post-reorganization companies, and other catalyst-driven opportunities.

Corsair may be subject to certain investment strategies, guidelines and/or restrictions with respect to Corsair clients other than the Funds, which may differ from the summaries set forth in this Item 8. Such clients are advised to refer to their advisory contracts with Corsair for details concerning their particular investment.

Strategy

*Research.* Corsair principally uses fundamental research to identify and assess potential portfolio investments. Such research is predominantly conducted by Corsair, but Corsair also has access to such research from a variety of other sources. This research typically includes analysis of financial statements and other data, meeting company personnel, visiting company facilities, reviewing customers and competitors and analyzing comparable companies or securities. The purpose of this research is to develop investment insights that Corsair believes may provide a basis for investment profitability.

While Corsair intends to conduct at least basic research regarding a broad range of companies, it will focus special attention on (i) companies undergoing substantial operating or financial change, which frequently include companies involved in spin-offs or corporate reorganizations and/or restructurings; and (ii) companies operating in industries or other environments undergoing substantial change. These circumstances sometimes result in Corsair focusing on companies with little or no research coverage or a perceived lack of adequate research coverage by securities firms generally.

*Concentration.* Corsair believes that good investment ideas, and the time required to exploit them successfully, are both limited. Therefore, to the extent circumstances permit, Corsair intends to use a selective approach to evaluating potential investments.

With respect to Corsair Capital Partners, L.P., Corsair Capital Partners 100, L.P., and Corsair Capital Investors, Ltd., the Funds' portfolios tend to be invested during most periods in core positions in approximately 20-30 companies while maintaining relatively

smaller positions or near term trading opportunities in up to another approximately 50-100 companies. However, no investment (at the time of purchase) is expected to have a value of more than 5% of any such Fund's total equity.

The portfolios of Corsair Select, L.P., Corsair Select 100, L.P. and Corsair Select Master Fund, Ltd. (and indirect portfolio of Corsair Select Offshore, Ltd.) tend to be concentrated in the core positions of the Corsair Capital Partnerships. The portfolios may not be diversified as to industries.

Substantial positions may be taken by the Funds in the securities of a single issuer.

Consistent with the foregoing strategy, and to varying degrees, the Funds' portfolios may include various positions, such as (i) long positions that Corsair believes to be undervalued; (ii) short positions that Corsair believes to be overvalued; (iii) so-called "special situations," such as spin-offs and "stub" stocks; and (iv) "event-related" positions. Corsair may employ investment techniques involving derivative securities, such as options and convertible securities, which may present more favorable risk/reward relationships. Corsair may also use hedging devices. The Funds may utilize leverage through margin borrowings when Corsair believes it appropriate. However, Corsair reserves the right to deviate from any and all elements of the foregoing strategies, and the use of any of such techniques, to the extent it deems appropriate.

#### Investments

The Funds' capital is intended to be invested primarily in publicly-traded equity securities of U.S. and Canadian corporations. Nevertheless, in the interest of both preserving capital and taking advantage of profit opportunities, Corsair retains the flexibility to invest in a variety of situations and use a broad range of specialized investment techniques.

The Funds may invest not only in equity securities, but also in debt and so-called hybrid securities, such as convertible securities. The Funds may invest in the securities of foreign issuers, including both those traded overseas as well as those traded in the United States. Trading in securities of foreign issuers often involves additional risks (such as those associated with unfavorable changes in exchange rates) but also, in Corsair's view, may offer selective opportunities for unusual gains.

It is anticipated that the Funds may invest in securities that are not widely traded. It is not expected, however, with respect to Corsair Capital Partners, L.P., Corsair Capital Partners 100, L.P., and Corsair Capital Investors, Ltd., that more than 5% of the Fund's total equity (measured at the time of purchase) will be comprised of private securities or other business interests which have not been registered under the Securities Act or the Securities Exchange Act of 1934, as amended (the "Exchange Act").

Each Fund's position in certain securities may be substantial in relation to the public market ("float") (if any) for such securities.

#### Arbitrage

The Funds may engage in several forms of arbitrage, such as balance sheet arbitrage or pair-trading. Balance sheet arbitrage consists of the purchase of securities of an issuer

coupled with the short sale of other securities of the same issuer to take advantage of attractive price disparities given that issuer's current financial situation. Pair-trading consists of buying one security and simultaneously selling short another security within the same industry group. Corsair may also engage in risk arbitrage on a selective basis.

#### Short Selling

Corsair may engage in short selling when it deems it appropriate. This includes situations where Corsair believes, primarily on the basis of fundamental research and analysis, that the security in question is overvalued, as well as transaction-related investments where short selling may be used to "lock-in" profits.

Selling securities short involves selling securities which the Funds do not own. In order to make delivery to their purchasers, the Funds must borrow securities from a third party lender. The Funds subsequently return the borrowed securities to the lender by delivering to the lender the securities they receive in the transaction or by purchasing securities in the open market. The Funds must generally pledge cash with the lender equal to the market price of the borrowed securities. This deposit may be increased or decreased in accordance with changes in the market price of the borrowed securities. During the period in which the securities are borrowed, the lender typically retains its right to receive interest and dividends accruing to the securities. In addition, a fee may be payable by the lender or the applicable Fund to the other party depending and based upon prevailing interest rates, the availability of the particular security for borrowing and other market factors.

#### Options Transactions

The Funds may engage in various types of options transactions, including hedging by investing in options on securities, although this strategy is currently employed only from time to time. Hedging in options may reduce the risks of both short selling and taking long positions in certain transactions. The Funds may also establish options positions when Corsair believes that options or other derivative securities present more favorable risk/reward relationships than owning the underlying security. The Funds may also utilize certain options, such as various types of index or "market basket" options, in an effort to hedge against certain market-related risks, as Corsair deems appropriate.

#### Leverage

The Funds may utilize, where appropriate, leverage with respect to their investment activities. Generally, leverage may be obtained through the use of borrowed funds, primarily margin borrowings from brokers through which the Funds will effect transactions, to increase the amount of invested capital in its long or short securities positions. The use of leverage increases both the proportionate amount of potential gain, as well as potential loss, relative to the Funds' equity capital.

Corsair does not anticipate the use of leverage to be a regular part of the investment program for Corsair Capital Partners, L.P., Corsair Capital Partners 100, L.P., and Corsair Capital Investors, Ltd. No Fund will borrow amounts in excess of the value of its securities portfolio.



Cash Equivalent Investments

It is Corsair's intention to concentrate its research efforts on a limited number of core investment opportunities which Corsair, through its own investment analysis, regards as particularly attractive. It is not a goal of Corsair for the Funds to be fully invested in equities. In addition, a portion of the assets of Corsair Capital Partnerships and of Corsair Select Partnerships will generally be invested in cash equivalents, although Corsair anticipates that such percentage of assets will often be less for the Corsair Select Partnerships than for the Corsair Capital Partnerships.

Relationship with Portfolio Companies

The Funds will not ordinarily acquire investment positions with the intention of seeking control or substantially influencing the control of a particular issuer. However, there may be situations which, in Corsair's judgment, require active efforts to seek changes in particular management policies or strategies, or to change management itself. In such situations, Corsair may, either alone or with other investors, make its views known to management and may seek to influence, in a manner consistent with the Funds' investment objectives and resources, the management or policies of a particular issuer.

Flexibility

The development of a trading strategy is a continuous process and Corsair's trading strategy and methods may therefore be modified from time to time. As a result, the trading methods employed by the Funds may also change from time to time in the future.

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

*Certain Risks Associated with Methods of Analysis and Investment Strategies*

An investment in each Fund or other account managed by Corsair is speculative and involves a high degree of risk. There can be no assurance that the investment objectives of any Corsair client will be achieved or that an investment with Corsair will generate positive returns for any client. The Funds have substantial limitations on investors' ability to redeem or transfer their interests in the Funds, and no secondary market for the Funds' interests exists or is expected to develop. Each Fund's investment techniques involve significant risks which are described in detail in its PPM. Prospective investors and other clients are strongly urged to review the applicable PPM or other governing documents carefully and consult with their own financial, legal and tax advisors before investing in a Fund or appointing Corsair to manage a client account.

**Item 9 - Disciplinary Information**

There have been no legal or disciplinary events that are material to a client's or prospective client's evaluation of Corsair's advisory business or the integrity of Corsair's management.

**Item 10 - Other Financial Industry Activities and Affiliations***Management of Multiple Funds and/or Accounts*

The management of the Funds and other Corsair clients, including separately managed accounts, may result in conflicts of interests when Corsair and its related persons allocate their time and investment opportunities among such clients. In addition, the compensation earned by Corsair and its related persons from each Fund or other Corsair client may differ from one another and from other Funds or clients. Corsair and its related persons will generally follow documented procedures in allocating trades among such clients. (See *Item 11*.)

Subject to applicable law, Corsair may effect transactions (generally for rebalancing purposes) in which one Fund or other Corsair client will purchase securities from or sell securities to another Fund (including a Fund in which Corsair or its principals may have a significant interest) or other Corsair client. This may result in a conflict of interest because a potential transaction may result in benefits to one transacting party that may be greater than the benefits to the other transacting party. In order to mitigate such conflicts, Corsair effects such transactions only when it believes that such transactions are in the interests of each participating party. Such transactions shall be effected for cash consideration, generally at the closing price of the particular security, and no brokerage commission or transfer fee shall be paid to Corsair or its related persons in connection with any such transaction. (See *Item 11*.)

The Portfolio Managers (and/or other related persons) may have a greater portion of their personal assets invested in certain Corsair clients than in the others. As a result, Corsair may have a conflict of interest in allocating investment opportunities among its clients. Corsair will generally follow documented procedures in allocating trades among its clients. (See *Item 11*.)

To the extent that any expenses are incurred by Corsair on behalf of more than one of its clients, Corsair will allocate such expenses as it deems appropriate and consistent with the applicable governing agreements for the Funds or advisory contracts for its other clients.

*Services by Certain Related Persons*

CCA serves as the general partner of Corsair Capital Partners, L.P. and Corsair Capital Partners 100, L.P. CSA serves as the general partner of Corsair Select, L.P. and Corsair Select 100, L.P. and as the special member of Corsair Select Master Fund, Ltd. COM serves as the operations manager for Corsair Capital Investors, Ltd. There are no material conflicts of interest resulting from the relationship between Corsair and these other investment advisers other than any conflicts described in Item 10.

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

Corsair has adopted a Code of Ethics (the “Code of Ethics”) which provides that it is committed to conducting its business in accordance with all applicable laws and

regulations and in an ethical and professional manner. In addition, Corsair recognizes that it has a fiduciary duty to the investors in the Funds and any other Corsair client, and that all of its employees must conduct their business on Corsair's behalf in a manner that enables it to fulfill this fiduciary duty. In this regard, Corsair has developed policies and procedures in its Code of Ethics that are premised on fundamental principles of openness, integrity, honesty and trust. In addition, among other things, Corsair's Code of Ethics governs all personal investment transactions by its employees, its policies with respect to gifts and entertainment, compliance with applicable federal securities laws, the manner in which violations of its Code of Ethics are to be reported, and certain other outside activities of its employees. Corsair will provide a copy of its Code of Ethics to any prospective client or client upon request.

*Participation or Interest in Client Transactions and Transactions between Client Accounts*

Corsair offers the opportunity to qualified prospective investors to invest in the Funds. The Portfolio Managers and other management persons have significant personal investments in the Funds. In addition, Corsair and its affiliates receive performance-based fees and allocations from the Funds and may in the future with respect to certain other Corsair clients.

Subject to applicable law, Corsair may effect transactions between the Funds and/or other Corsair clients (generally for rebalancing purposes) whereby one client will purchase securities from or sell securities to another client (*see Item 10*).

If Corsair effects a cross trade between an account in which Corsair or its controlling persons own more than twenty five percent (25%) and another client account, such transaction may be deemed to be a principal transaction under the Advisers Act. Such transactions may create a conflict of interest for Corsair because Corsair has an incentive to put its or its control persons' interests in such accounts before the interests of its clients in the other account. In order to mitigate this conflict of interest, Corsair monitors the interests of its principals, their immediate family members and their affiliates in its client accounts, and will not effect any cross trades between accounts if Corsair believes that such trade would result in a principal transaction unless:

- 1) Corsair believes that such transaction is in the interest of the clients participating in the transaction; and
- 2) Corsair obtains the consent of the applicable clients and makes appropriate disclosures as required by the Advisers Act.

*Personal Securities Trading*

Employees are generally prohibited from engaging in a personal securities transaction without the prior written consent of Corsair's Chief Compliance Officer. Generally, in granting or denying such requests, the Chief Compliance Officer, in consultation with one of the Portfolio Managers, takes the following guidelines into account: (i) employees may not trade opposite of Corsair's recommendations (except in limited situations where the employee is suffering a financial hardship); (ii) employees may not engage in "front-running" of client accounts, which is a practice generally understood to be personally trading ahead of client accounts; (iii) employees may not purchase or sell a security that

is in the process of being purchased or sold, respectively, by the Funds or other Corsair clients until such Funds or other clients have completed their purchases and sales of such securities, unless the Chief Compliance Officer, in consultation with one of the Portfolio Managers consents; and (iv) although not strictly prohibited, employees should not be engaged in short-term (less than 1 year) trading of securities. Prohibitions relating to personal trading also generally apply to any spouse or child of an employee living in the same household as such employee.

#### Timing of Transactions

Corsair may buy or sell securities for one client at the same time that Corsair or its related persons buy or sell the same security for one or more other clients. This will typically happen when more than one client is capable of purchasing or selling a particular security based on investment objectives, available cash and other factors. This may create a conflict of interest if one or more clients may benefit from making the trade before or after the other client(s). Corsair will generally aggregate trades, subject to best execution, to mitigate any such conflict of interest. (See Item 12, "Aggregation of Orders.")

Purchases for Corsair's clients are generally allocated so that clients will reach their desired position sizes in the applicable security, based upon the objectives of each client. Generally, all investment opportunities of the Corsair Capital strategy are allocated pro rata to the Corsair Capital Partnerships. The investment opportunities allocated to the Corsair Select Partnerships are investments that the Portfolio Managers consider to be core positions in the Corsair Capital strategy ("Core Positions"). A position may become a Core Position at (x) the time the position is initiated in the Corsair Capital Partnerships, or (y) once such position reaches a certain size within the Corsair Capital Partnerships. Generally, trades that are allocated to the Corsair Select Partnerships are allocated pro rata among the Corsair Select Partnerships.

In certain circumstances, Corsair may allocate securities among its clients on a different basis. When Corsair determines that a particular investment opportunity should be allocated among its clients in a manner other than as described above, Corsair will seek to allocate such opportunity among such clients in a manner that it deems fair and equitable under the circumstances existing at such time. The factors that the Portfolio Managers may consider in making such determination include (but are not limited to): the relative amounts of capital in each client account available for new investments of the type at issue; Corsair's perception of the appropriate risk/reward ratio for each client; the intended investment strategy and restrictions of each client; current positions in the applicable security; the liquidity of each client account at the time of investment and thereafter; applicable tax considerations; and the overall portfolio composition of each client account.

Corsair's principals and employees are not permitted to trade securities for their own accounts that are the same securities that Corsair is trading on behalf of its clients without prior consent and are restricted as per its personal securities transaction policies and procedures. (See "Personal Trading" of this Item 11.)

### **Item 12 - Brokerage Practices**

#### Selection of Brokers

In selecting brokers or dealers to execute transactions for its clients, Corsair need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not Corsair's practice to negotiate for "execution only" commission rates. In placing portfolio transactions for its clients, Corsair seeks to obtain the best execution, taking into account the following factors, among other things: execution capability, execution quality, commission rate, financial responsibility and financial services offered, willingness and ability to commit capital, confidentiality, trading expertise, facilities, reputation and integrity, reliability in keeping records, responsiveness, as well as research and research-related products and services, and with respect to a particular trade, the timing and size of the order, available liquidity and market conditions.

On a semi-annual basis, Corsair's Brokerage Committee (which includes the Chief Compliance Officer and one or both of the Portfolio Managers) evaluates the execution performance of the broker-dealers Corsair uses (directly or indirectly) to execute client transactions. In conducting such reviews, the Brokerage Committee may consider the factors described above in evaluating best execution. The Brokerage Committee also evaluates, and seeks to resolve, any conflicts of interest that Corsair may have in selecting brokers to execute client transactions.

#### Research and Other Soft Dollar Benefits

Soft dollar arrangements generally arise when an investment adviser obtains products and services, other than securities execution, from a broker in return for directing client securities transactions to the broker. Soft dollar arrangements pose a conflict of interest for Corsair in that such arrangements allow Corsair to pay with client commissions expenses that it would otherwise bear. If Corsair uses client brokerage commissions (or markups or markdowns) to obtain research or other products or services, Corsair receives a benefit because it does not have to produce or pay for the research, products or services. Corsair believes that this conflict would be mitigated because its clients will generally pay for research as a "hard dollar" expense pursuant to their respective investment management agreements. Corsair may have an incentive to select a broker based on its interest in receiving the research or other products or services offered by such broker, rather than on its clients' interests in receiving lowest price.

Corsair does not currently engage in any formal soft dollar arrangements with respect to securities transactions for its clients. In the event Corsair enters into any soft dollar arrangements, Corsair anticipates that such arrangements will only be entered into with respect to research and brokerage products and services (collectively, "Research") that fall within the safe harbor created by Section 28(e) of the Exchange Act. The safe harbor requirements of Section 28(e) provide that in exercising Corsair's discretionary authority to select or arrange for the selection of brokers for execution of transactions for its clients, and, subject to its duty to obtain best execution, Corsair may consider the value of Research provided orally or in writing by such brokers. Such Research may include, without limitation: written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts, as well as discussions with research personnel along with software, databases and other technical and telecommunication services utilized in the investment management process. Accordingly, if Corsair determines in good faith that the amount of commissions charged by a broker is reasonable in relation to the value of the brokerage and products or services

provided by such broker, a client may pay commissions to such broker in an amount greater than the amount another broker might charge.

Corsair's prime brokers provide it with front and back office services, including trading, securities lending, clearing, reporting, and settlement for equities, fixed income, foreign currency and options, as well as custodial services. Subject to applicable law, Corsair's prime brokers may also provide it with capital introduction services. Corsair may also execute trades on behalf of its clients through such prime brokers, subject to receiving best execution.

During Corsair's last fiscal year, the broker-dealers who have executed its transactions have provided Corsair with the following as part of their bundled services: written research reports, capital introduction services and trading-related services, including access to investment-related conferences and meetings with potential investment companies. Such research and research-related services may be used to service each or any of Corsair's clients and not exclusively in connection with the management of the client that has the relationship with the applicable broker-dealer.

During Corsair's last fiscal year, Corsair has taken into account the quality, comprehensiveness and frequency of available Research considered to be of value provided by brokers when directing transactions to a particular broker. Corsair directed transactions to such brokers only consistent with best execution. Brokers sometimes suggest a level of business they would like to receive in return for the research services and products they provide, however Corsair has not committed to provide any level of brokerage business to any broker.

#### Brokerage for Client Referrals

Subject to applicable law and consistent with best execution, Corsair may direct some client brokerage business to brokers who refer prospective investors to Corsair and may pay or share amounts it receives as management fees and/or performance compensation. Because such referrals, if any, are likely to benefit Corsair but may only provide an insignificant (if any) benefit to its clients, Corsair may have a conflict of interest with its clients when allocating brokerage business to a broker who has referred investors to it. To mitigate this potential conflict, Corsair will not allocate brokerage business to a referring broker unless it determines in good faith that the commissions payable to such broker are not materially higher than those available from non-referring brokers offering services of substantially equal value to Corsair's clients.

Prime brokers may provide capital introduction services to Corsair. Such services may influence Corsair in deciding whether to engage such prime brokers.

#### Trade Error Policy

Subject to applicable law, Corsair will reimburse the applicable Fund or other Corsair client for net losses that occur to the extent that it is required to do so under the governing agreements for such Fund or advisory contract for such client.

Corsair may correct misallocations of trades among its client accounts by re-allocating the applicable trade using the intended allocation methodology prior to the trade's settlement date. If an erroneous allocation cannot be corrected prior to or after

settlement, Corsair may, if appropriate and subject to applicable law, correct such erroneous allocation by effecting a cross trade between its client accounts at the price at which the initial trade was effected.

Corsair does not use soft dollars to correct trade errors and will not enter into agreements with broker-dealers to absorb any correction costs in exchange for the promise of future brokerage business.

#### Aggregation of Orders

Corsair will generally aggregate client trades, subject to best execution. Aggregation, or “bunching,” describes a procedure whereby an investment adviser combines the orders of two or more clients into a single order for the purpose of obtaining better prices and lower execution costs. Aggregation opportunities generally arise when more than one client is capable of purchasing or selling a particular security based on investment objectives, available cash and other factors. Corsair is not required to aggregate trades. Corsair may aggregate client orders when doing so will result in no worse overall price for its clients’ trades.

Orders for the same security entered on behalf of more than one client will generally be aggregated subject to the aggregation being in the best interests of all participating clients. Subsequent orders for the same security entered during the same day may be aggregated with any previously unfilled orders; filled orders should be allocated to clients separately from subsequent orders. One exception is that subsequent orders may be aggregated with filled orders if the market price for the security has not materially changed and the aggregation does not cause any unintended exposure.

When a trade is to be executed for an individual Fund or other Corsair client and the trade is not in the best interests of other Funds or Corsair clients, then the trade will only be executed for that Fund or client, as applicable.

In addition, when Corsair encounters investment opportunities which are appropriate for more than one client or when an aggregated order is only partially filled, Corsair will allocate the investment opportunity on a pro rata basis to the clients participating in the investment based upon the criteria set forth in Item 11 above.

Corsair will generally allocate “bunched” orders on an average price basis among its clients, and each client will bear a pro rata share of commission and ticket charges. In the event that Corsair determines to allocate securities purchased in a bunched order other than on an average price basis, the Chief Compliance Officer will document the reasons for such decision.

### **Item 13 - Review of Accounts**

The portfolios are reviewed daily, and their performance analyzed, by our investment professionals. The portfolios are also reviewed by our CCO to monitor compliance with the applicable trading mandate and any applicable risk and/or operating guidelines. Our CCO is also involved in the review of trading activity and account allocations.

Corsair furnishes investors in the Funds with monthly net asset value estimations and quarterly reports. Also, on an annual basis, investors receive a copy of the relevant

Fund's annual audited financial statements and, where applicable, a statement of taxable income (form K-1).

In addition, investors may be provided with information (including position level information) about us and the Funds in response to questions and requests, and/or in connection with due diligence meetings and other communications. Such information may not be distributed to other investors or prospective investors who do not request such information. Each investor is responsible for making its own investment decisions and must decide for itself if it deems it necessary to seek additional information to make this decision.

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

Corsair has entered into arrangements with one or more third parties that it will compensate for referring investors to it. Typically, Corsair will pay these third parties a portion of the management fees and/or performance based compensation that it receives from the investors introduced to it by those third parties, and/or a retainer borne by Corsair. Any such arrangements will be on a fully-disclosed basis and in accordance with all applicable laws.

Corsair may enter into soft dollar arrangements with brokers pursuant to which it obtains certain research and brokerage products and services in return for directing client securities transactions to the broker (*see Item 12, "Selection of Brokers"*).

#### **Item 15 - Custody**

Investors in any Fund will not receive account statements from the Fund's custodians. Although Corsair may technically be deemed to have custody of any Fund's assets or the assets of any other client account it manages, Corsair does not serve as qualified custodian with respect to such assets. Investors in the Funds receive audited financial statements in lieu of account statements from the Funds' custodians.

#### **Item 16 - Investment Discretion**

Corsair has discretionary authority to manage securities accounts on behalf of its clients. The investors in the Funds generally may not place any limits on Corsair's authority beyond the limitations set forth in the offering and governing documents of such Funds. Owners of any separately managed accounts managed by Corsair may place certain investment guidelines and/or restrictions on Corsair's ability to trade.

#### **Item 17 - Voting Client Securities**

Corsair has voting discretion over securities held in at least some of its clients' accounts. Investors in the Funds will generally not be able to direct their votes in a particular situation. Corsair will vote each proxy in accordance with its fiduciary duties to each client for which it is voting, which may result in different voting results for proxies for the same issuer. Corsair has adopted a proxy voting policy which is summarized below.

Corsair's Portfolio Managers (either singly or jointly) will generally be responsible for determining how to vote all proxy statements Corsair receives with respect to securities



held by its clients. Corsair may retain a third party to assist it in coordinating and delivering proxies.

In the absence of any conflicts of interest, Corsair will vote all proxies in the manner that the Portfolio Manager(s) determine is in the best interests of each client for which it is voting. In addition, the Portfolio Manager(s) may determine to abstain from voting a proxy if they believe that such action is in the best interests of a particular client.

The Portfolio Manager(s) may take into account the following factors, among others, in determining if a specific proposal is in, or not opposed to, the best interests of the applicable clients: (a) management of the issuer's views and recommendations on such proposal; (b) whether the proposal may have the effect of entrenching existing management and/or making management less responsive to shareholders' concerns (e.g., instituting or removing a poison pill, classified board of directors and/or other anti-takeover measure); and (c) whether the Portfolio Manager(s) believe that the proposal will fairly compensate management for its and/or the issuer's performance.

If the Portfolio Manager(s) deem that the issue being voted upon is not material for Corsair and its applicable clients, Corsair will not be obligated to vote on such matter.

In evaluating how to vote a proxy, the Portfolio Manager(s) will consider whether Corsair is subject to any material conflicts of interest in connection with a proxy vote. If Corsair detects a material conflict of interest in connection with a proxy solicitation, the Chief Compliance Officer will review and determine the appropriate course of action. If the Chief Compliance Officer believes that a material conflict exists between Corsair and any of its clients for which it is voting, he or she shall rely exclusively in making his or her voting decision on the recommendation of an independent third party who is experienced in advising investment managers regarding proxy voting decisions.

Special considerations may apply in cases of conflicts of interest involving those funds that are deemed to constitute "plan assets" under ERISA. The Chief Compliance Officer will confer with appropriate ERISA counsel in such cases.

#### **Item 18 – Financial Information**

*Not applicable.*

#### **Item 19 – Requirements for State Registered Advisors**

*Not applicable.*