

Form ADV, Part 2A: Firm “Brochure”

Richmond Hill Investments, LLC

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This document (the “*Brochure*”) provides information about the qualifications and business practices of Richmond Hill Investments, LLC and its subsidiaries and affiliates (“*Richmond Hill*” or the “*Firm*”). If you have any questions about the contents of the Brochure, please contact us at (212) 989-2700. 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.

Additional information about the Firm also is available on the SEC’s website at <http://www.adviserinfo.sec.gov>. Although the Firm may refer to itself as a “registered investment adviser” or describe itself as being “registered,” this registration with the SEC does not imply a certain level of skill or training.

March 2013

Item 2: Material Changes

The Registrant has no material changes to report since registration with the SEC in March 2012.

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Item 4: Advisory Business

Richmond Hill Investments, LLC is a Delaware Limited Liability Company formed in 2008. Its principal owners are John Liu and Ryan Taylor. Richmond Hill Investment Co., L.P. is a Delaware Limited Partnership formed in 2010. Its principal owner is Ryan Taylor.

The Firm provides discretionary investment management services to private pooled investment vehicles that are exempt from registration of their interest under federal securities laws (each, a “Fund”), which includes two investment vehicles formed for the purpose of managing investments for a family office. These Funds are the Firm’s “clients.” In the Funds, the Firm only accepts investors who meet certain standards of net worth and knowledge of investing. Generally, the Funds’ investors will be high net

worth individuals or institutions, such as universities, trusts, family offices, and other professional investors.

The Firm purchases and sells publicly traded debt and equity securities and private debt and equity investments, and invests in other financial instruments, on behalf of its clients. The Firm invests with a focus on creating long-term value for clients and mitigating the risk of capital loss to the extent reasonably practicable. The Firm will seek to make opportunistic investments across multiple asset classes, while employing a research-intensive, analytic process. The Firm may seek to achieve this goal by investing in any types of securities or other instruments, including without limitation equity, corporate debt, municipal or government securities, derivatives or any other type of security or other instrument. For more information on the Firm's specific investment strategies and methods of analysis, please see Item 8: "Methods of Analysis, Investment Strategies and Risk of Loss."

When making recommendations to clients, the Firm carefully considers the risk/return profile of its investments to ensure that the investment is within the Firm's strategy of preserving capital while offering potentially attractive return characteristics. The Firm also considers the diversification of client portfolios when making recommendations to clients. The Firm does not personalize its advisory services to the individual needs of investors in the Funds.

The Firm does not participate in wrap fee programs.

The Firm managed \$657,783,676 on a discretionary basis as of December 31, 2012.

Item 5: Fees and Compensation

The Firm is compensated for services through a fee based on assets under management. This "management fee" will generally be calculated by the Firm. For Funds over which the Firm has custody, the management fee will be deducted from client assets quarterly in advance. For Funds over which the Firm does not have custody, the Firm will bill the Fund for the management fee and it will be transmitted separately. As described more fully under Item 6, the Firm may also be compensated with performance-based fees.

The Funds will bear all expenses related to their organization and the offering of their interests, including (but not necessarily limited to) legal and accounting fees, printing costs, travel, "blue sky" filing fees and expenses, and out-of-pocket expenses. Clients will also bear all costs and expenses directly related to their investments, including (but not necessarily limited to) brokerage commissions and other transaction costs, expenses related to proxies, underwriting and private placements, custody fees, and fees of professional advisors and consultants relating to investments or prospective investments. For more information on brokerage and transaction costs, please refer to Item 12, "Brokerage Practices." Clients will also bear all out-of-pocket costs relating to their own administration, including accounting, audit and legal expenses, costs of any litigation or investigation involving their activities, and costs associated with reporting and providing information to existing and prospective investors.

For a full list of expenses that you may bear, please refer to the limited partnership agreement or operating agreement, as applicable.

Neither the Firm nor any of its supervised persons accepts compensation for the sale of securities or other investment products.

Item 6: Performance-Based Fees

The Firm or an affiliate accepts a performance-based allocation at year-end based on a share of capital appreciation of the assets of its clients. The Firm only receives performance-based fees if its clients' assets under management meet or exceed a "high water mark," which is the highest value previously attained as of any previous year-end, after taking into account new capital contributions and redemptions.

One of the Firm's clients does not compensate the Firm based on a share of capital appreciation. This client pursues an investment strategy that evaluates potential investments based on different criteria of risk of capital loss. Generally, investment opportunities recommended to this client and the Firm's other clients will only have limited overlap. In cases where the availability of an investment opportunity that has been deemed suitable for all of the Firm's clients is limited, the Firm will allocate such opportunity among strategies on a basis deemed equitable to all clients, such as desired order size.

Among clients which compensate the Firm with a performance-based allocation, there may be variations in the percentage of profit allocation paid to the Firm. The Firm generally mitigates this potential conflict by allocating investment opportunities among these clients *pro rata* on the basis of net assets.

Performance-based fees may create an incentive for the Firm to make riskier or more speculative investments than the Firm might consider in the absence of such fees.

Item 7: Types of Clients

The Firm provides advisory services to the Funds. The investors in the Funds are exclusively high net worth individuals and institutions, such as universities, trusts, family offices, and other professional investors.

Included in these investors is the "strategic investor" in the Funds. In exchange for a significant capital commitment with limited redemption rights, the strategic investor may participate in the Funds on more favorable terms than are generally available to investors. The terms of the strategic investor's participation include a share of the compensation to which the Firm is entitled.

The minimum investment in each Fund is generally \$2 million, although the Firm maintains discretion to waive, increase or reduce the minimum investment required.

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

Investment Strategies and Methods of Analysis

The Firm purchases and sells publicly traded debt and equity securities and private debt and equity investments, and invests in other financial instruments, on behalf of its clients. The Firm invests with a focus on creating long-term value for clients and mitigating the risk of capital loss to the extent reasonably practicable. The Firm will seek to make opportunistic investments across multiple asset classes, while employing a research-intensive, analytic process. The Firm may seek to achieve this goal by investing in any types of securities or other instruments, including without limitation equity, corporate debt, municipal or government securities, derivatives or any other type of security or other instrument. When evaluating potential investments, the Firm's strategies and methods of analysis are characterized by the following:

- Long-Term Value Orientation
- Investments Across Multiple Asset Classes
- Risk-Focused Investment Approach and Culture
- Concentrated Portfolio Structure
- Research-Intensive, Analytical Approach

Long-Term Value Orientation

The Firm defines value investing as acquiring a security or business at a price that is below its intrinsic value. The Firm defines intrinsic value as the present value of the cash that can be realized by a security or business during its remaining life. The Firm will attempt to take advantage of spreads between the market price and the intrinsic value of securities or businesses.

A long-term investment horizon reduces the Fund's reliance on broader market conditions. While over the short-term the price of a security may be significantly impacted by general market direction and sentiment, the Firm attempts to determine the long-term performance of an investment by attempting to understand a business's or an event's fundamental outcome and the resulting cash flows that may accrue as a result.

Investments Across Multiple Asset Classes

The Firm seeks investment opportunities in industries, asset classes or businesses that it believes are either out of favor or under-followed by other investors. The Firm also seeks to invest in event-driven situations, which it defines as investments that possess a clear catalyst for value realization (i.e., as a result of a corporate event).

Certain investment types in general tend to generate less institutional attention than average and are more likely to possess a catalyst for value realization, so the Firm is especially focused on these areas for potential investments, including:

- **Distressed Businesses, Industries or Asset Classes.** The Firm believes that distressed situations can lead to mispriced securities in many cases and will attempt to take advantage of such pricing discrepancies.

- **Corporate realignments.** The Firm believes that corporations that are undergoing structural changes or restructurings may produce investment opportunities. Such situations may include spin-offs/ split-offs, subsidiary IPOs, acquisitions, or balance sheet restructurings.
- **Complex situations.** The Firm will attempt to sift through complex securities or situations and reduce the security or situation into a series of prospective future cash flows that can be compared to the available price.
- **Small-capitalization companies.** The Firm believes institutional investors and investment analysts do not devote substantial time and energy to small capitalization companies. In such cases, the Firm will attempt to utilize its proprietary research, which it believes is likely to produce a differentiated perspective.

The Firm expects to primarily recommend investments in U.S. public equities, and international public equities on an opportunistic basis. However, from time to time the Firm will attempt to recommend investments in other asset classes in which it believes an investment opportunity exists. Such asset classes may include, but are not necessarily limited to, distressed debt, private equity investments and any other asset class that may present an opportunity in the future. As always, the Firm will only invest in situations, businesses and structures that it understands, that it can evaluate on a fundamental basis and that satisfy its internal criteria.

Risk-Focused Investment Approach and Culture

The Firm will attempt to preserve and grow its investors' capital over a long period of time. The Firm emphasizes avoiding large investment losses as a factor in achieving this objective. In order to attempt to reduce the probability of large investment losses, the Firm spends a material amount of time assessing the potential risks involved with a given investment and the chances that such risks will materialize. Clearly, such risk assessments contain significant uncertainties. The Firm attempts to manage this uncertainty in several ways:

- The Firm pursues investments only in businesses and situations that it believes it understands and for which it believes it has a reasonable ability to probability-weight future outcomes;
- The Firm believes it uses conservative assumptions to derive estimates of free cash flow;
- The Firm invests only when it believes the chance of potential gain is significantly higher than the chance of potential loss;
- The Firm invests significant capital only when it believes the absolute level of potential loss is low; and
- The Firm only acquires a security or business when it believes that the available price is materially lower than its best estimate of intrinsic value.

Concentrated Portfolio Structure

The Firm believes that the portfolio structure of its clients is consistent with its dual objectives of preserving capital and achieving risk-adjusted returns. Key aspects include (i) portfolio concentration; (ii) avoidance of recourse leverage; (iii) significant hedging activity; and (iv) a willingness to hold cash reserves.

Concentration

The Firm believes that the standards for inclusion in a client's portfolio will be met by relatively few investments and that capital should be focused on the highest conviction ideas rather than adding positions with a less favorable risk/reward outlook for the sole purpose of diversification. This degree of concentration may lead to volatility in the Fund's short-term returns. Given its long-term focus, the Firm is comfortable with this volatility, as it does not believe that volatility equates to risk.

Lack of Recourse Leverage

The Firm will rarely, if ever, employ recourse leverage in the Fund's portfolio. With recourse leverage, a fall in prices of a market participant's existing investments can generate margin calls, thereby forcing the market participant to allocate incremental capital to the existing positions (adding exposure at the original buy-in price, not the current, lower price), or to sell compelling investments under duress. The Firm believes that the same market that leads to margin calls is likely to contain attractive investment opportunities. In such markets, the Firm prefers to add exposure to existing investments at the *lower* prices or allocate capital to new investments. The Firm believes that the avoidance of recourse leverage is most beneficial to its clients, given its overall investment strategy.

Hedging Activity

The Firm may engage in hedges on client's broad portfolios. The Firm believes that such hedges can serve as a source of proceeds in distressed markets and to protect the downside of client portfolios in volatile or down markets. Further, the Firm believes that broad hedges reduce the risk that it will be required to engage in distressed dispositions of investments at low prices.

The Firm may hedge specific risks of individual positions. Occasionally, an otherwise suitable investment opportunity has a clearly identifiable risk. If the investment is otherwise suitable and the Firm believes there is a cost-effective and efficient way to hedge a specific risk, it may do so.

Holding of Cash Reserves

When the Firm cannot find investments that meet its investment strategy, it will be comfortable holding cash. Cash reserves further enable the Fund to take advantage in distressed market climates.

Research-Intensive, Analytic Approach

The Firm will utilize its research to attempt to identify potential investments and inform its judgments on a business's prospects. This knowledge helps it make the financial models that it uses to attempt to quantify the risk of capital loss and the potential return.

There are three stages to the Firm's investment process: (i) sourcing; (ii) due diligence; (iii) monitoring.

Sourcing

The search for investment ideas is a continual process. The Firm expects that most of its investment ideas will be generated (i) through personal observation of its investment professionals (e.g., when reviewing third party research or attending trade shows or investment conferences), (ii) through its external network of business and financial industry contacts or (iii) through computer screening for companies with certain fundamental and trading characteristics.

As the Firm considers potential investments during the sourcing stage, the Firm considers factors such as the business model, trading characteristics and intrinsic value of the company to identify companies that may be suitable for an investment.

Due Diligence

Potential investments that pass the initial screening process reach the due diligence stage. Often, the first step in the Firm's diligence process is the development of a dynamic financial model in order to understand the key variables that affect the business's cash flow. The financial model enables the Firm to attempt to identify the key factors that may affect a business's future performance, on which the Firm will focus its research efforts.

Once the key business drivers have been identified, the Firm identifies and examines the sources that are most likely to provide insight into the business, including customers, suppliers, competitors, former executives and industry experts. The Firm also develops a perspective on management by evaluating all available public information and sometimes meeting management in person. The Firm then refines its financial model and values the business. The Firm also attempts to identify the reason why it believes the security's market price may not reflect its intrinsic value.

Monitoring

The Firm will evaluate regularly whether a business is progressing along the general trend it expects and whether its investment thesis and assumptions remain valid. In addition, the Firm will maintain and update its financial model while clients hold the investment. This modeling will generally form the basis for the Firm's decisions to re-size or sell investments, taking action when business and pricing developments alter the risk/reward equation.

Risks to the Firm's Investment Strategy and Methods of Analysis

All investments risk the loss of capital. No guarantee or representation is made that the Firm's strategy will be successful, and investment results may vary substantially over time. Prospective investors should carefully consider the following factors in evaluating the merits and suitability of an investment with the Firm.

Investment Judgment; Market Risk. The profitability of a significant portion of investments recommended by the Firm depends to a great extent upon correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that the Firm will be able to predict accurately these price movements. With respect to the investment strategy utilized by clients, there will always be some, and may be a significant, degree of market risk.

Reliance on Key Person. The Fund will be substantially dependent on the services of certain key personnel. In the event of the death, disability, departure or insolvency of such personnel, the Firm (and, correspondingly, its clients) may be adversely affected.

Concentration of Investments. The Investment Manager has broad discretion over the Fund's investment program and may choose to allocate substantial portions of the Fund's assets to a particular investment. Such an occurrence may tend to result in more rapid changes in the Fund's portfolio,

upward or downward, than would be the case with greater diversification, with the result that a loss in any such position could have a material adverse impact on the Fund's capital. The Investment Manager may also make similar market timing and asset allocation decisions regarding the investments or some combination of other strategies.

Diversification. Since clients' portfolios will not necessarily be widely diversified, the investment portfolio of a client may be subject to more rapid changes in value than would be the case if clients were required to maintain a wide diversification among companies, securities and types of securities.

Competitive Markets. The investments industry in general, and the markets in which the Firm will recommend investments, are extremely competitive. In pursuing its trading methods and strategies, the Firm's clients will compete with investment firms, including many of the larger investment advisory and private investment firms, as well as institutional investors and, in certain circumstances, market-makers, banks and broker-dealers. In relative terms, the Firm's clients have little capital and may have difficulty in competing in markets in which its competitors have substantially greater financial resources, larger research staffs and more trading professionals than the Firm has or expects to have in the future. In any given transaction, investment and trading activity by other firms will tend to narrow the spread between the price at which a commodity interest or investment may be purchased by the Firm's clients and the price they expect to receive upon consummation of the transaction.

Risks of Certain Types of Securities Recommended

The Firm primarily recommends public equity securities. The Firm may also recommend certain other types of securities or financial instruments from time to time. All investors should be aware of the following risks concerning investments in public markets and in certain types of securities recommended by the Firm. Investors should also carefully read the offering documents and other documentation provided by the Firm at the time of investment.

Derivatives. Derivative instruments, or "derivatives," include futures, options, swaps, structured securities and other instruments and contracts that are derived from, or the value of which is related to, one or more underlying securities, financial benchmarks, currencies or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark, currency or index at a fraction of the cost of investing in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives are "leveraged," and thus provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement can result in the loss of the entire investment. Use of derivatives may also expose clients to liquidity risk, as there may not be a liquid market within which to close or dispose of outstanding derivatives contracts.

Although some derivatives may expose clients to the possibility of a loss exceeding the original amount invested, the Firm does not intend to invest in derivative positions that could lead to such liabilities.

Options. Investing in options can provide a greater potential for profit or loss than an equivalent investment in the underlying asset. The value of an option may decline because of a change in the value

of the underlying asset relative to the strike price, the passage of time, changes in the market's perception as to the future price behavior of the underlying asset, or any combination thereof. In the case of the purchase of an option, the risk of loss of an investor's entire investment (i.e., the premium paid plus transaction charges) reflects the nature of an option as a wasting asset that may become worthless when the option expires. Where an option is written or granted (i.e., sold) uncovered, the seller may be liable to pay substantial additional margin, and the risk of loss is unlimited, as the seller will be obligated to deliver, or take delivery of, an asset at a predetermined price which may, upon exercise of the option, be significantly different from the market value.

Although some options may expose clients to the possibility of a loss exceeding the original amount invested, the Firm does not intend invest in options that could lead to such liabilities.

Futures Risk. The Fund may take long and short positions in futures during the normal course of business. Futures have specific delivery periods and commitments that require the counterparties to make or take physical delivery of a commodity at a designated location if the contracts are held through the expiry period. The Fund intends to unwind (flatten out) its positions prior to final contract expiry. To the extent that it is unable to do so, the Fund may incur significant costs to offset the obligations that physical delivery presents. The Fund does not intend to take physical delivery of futures regularly.

Put and Call Options on Specific Investments. The Firm may recommend investments in exchange-listed and over-the-counter ("**OTC**") put and call options on specific investments. A call option gives the purchaser of the option the right to buy, and obligates the writer to sell, the underlying investments at a stated exercise price at any time prior to the expiration of the option. Similarly, a put option gives the purchaser of the option the right to sell, and obligates the writer to buy, the underlying investments at a stated exercise price at any time prior to the expiration of the option. Options on specific investments may be recommended by the Firm to seek enhanced profits with respect to a particular investment or commodity contract. Alternatively, they may be used for various defensive or hedging purposes. For example, they may be used to protect against a future adverse change in the market price of particular portfolio investments held by the client without requiring a sale of the investments.

Use of put and call options may result in losses to the client, force the sale or purchase of portfolio investments at inopportune times or for prices higher than (in the case of put options) or lower than (in the case of call options) current market values, limit the amount of appreciation the client can realize on their investments or cause the client to hold an investment they might otherwise sell. For example, a decline in the market price of a particular investment could result in a complete loss of the amount expended by the client to purchase a call option (equal to the premium paid for the option and any associated transaction charges). An adverse price movement may result in unanticipated losses with respect to covered options sold by the client.

Illiquid Investments. Some of the investments recommended by the Firm may be illiquid, and consequently clients may not be able to sell such investments at prices that reflect the Firm's assessment of their value or the amount paid for such investments by the client. Illiquidity may result from the absence of an established market for the investments as well as legal, contractual or other

restrictions on their resale by the client and other factors. Furthermore, the nature of the investments recommended by the Firm, especially those in financially distressed companies, may require a long holding period prior to profitability.

Foreign Securities. Investments in foreign securities involve certain factors not typically associated with investing in U.S. securities, such as risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar (the currency in which the books of the Fund are maintained) and the various foreign currencies in which the Fund's portfolio securities will be denominated and costs associated with conversion of investment principal and income from one currency into another; (ii) differences between the U.S. and foreign securities markets, including the absence of uniform accounting, auditing and financial reporting standards and practices and disclosure requirements, and less government supervision and regulation; (iii) political, social or economic instability; (iv) imposition of foreign income, withholding or other taxes; and (v) the extension of credit, especially in the case of sovereign debt.

Market Conditions. Developments in the global financial markets illustrate that the current environment is one of extraordinary and possibly unprecedented uncertainty. In light of market turmoil and the overall weakening of the financial services industry, the Firm's clients, their prime broker(s) and other financial institutions' financial condition may be adversely affected and they may become subject to legal, regulatory, reputational and other unforeseen risks that could have a material adverse effect on clients' business and operations. Moreover, market conditions have substantially reduced the availability of credit, which may have a material adverse effect on clients' ability to achieve their investment objective with respect to any particular investment and/or their entire portfolios, which could have a material adverse effect on their overall return objectives.

Item 9: Disciplinary Information

The Firm is not aware of any legal or disciplinary events that are material to a client's or prospective client's evaluation of its advisory business or the integrity of its management.

Item 10: Other Financial Industry Activities and Affiliations

Neither the Firm nor any of its management persons is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither the Firm nor any of its management persons is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor or an associated person of any of the foregoing entities.

The Firm does not have any related persons that are investment-related companies. The Firm only enters business arrangements with other investment-related companies (e.g., broker-dealers) in the performance of its contractual obligations to clients.

From time to time, the Firm may invest assets of the Funds with other investment advisers that have specialized knowledge of a certain asset class or market sector. The Firm does not receive additional compensation from, or have any other business relationship with, any such adviser.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

The Firm adopted a Code of Ethics (the “Code”) to ensure that it fulfills its role as a fiduciary to its clients. The Code obligates the Firm and its related persons to put the interests of clients before their own interests and to act honestly and fairly in all respects in their dealings with clients. The Firm’s personnel are also required to comply with applicable provisions of federal securities laws and make prompt reports of any actual or suspected violations of such laws by the Firm or its employees.

The Code explains each person’s duty to maintain the confidentiality of the Firm’s proprietary information as well as a policy against insider trading and restrictions with respect to giving or receiving of gifts and entertainment or making political contributions. The Firm requires that all employees attend an annual Code of Ethics training session.

The Code also contains the Firm’s personal trading policy. The Firm adopted a policy that limits the ability of its employees to trade in securities for their personal accounts. The Code requires all personnel to report their personal trading activity to the Chief Compliance Officer. The policy applies to accounts of certain family members (including the spouse and minor children of a principal or employee, and immediate family members of an employee who live in the same household). Under the Code, employees must obtain approval prior to executing any transaction in a personal trading account, including transactions in private placements or initial public offerings, with certain limited exceptions for extremely liquid securities, such as Treasuries and open-end mutual funds. The Firm prohibits employees from executing any transaction that may create the appearance of conflict of interest with clients. In addition, the Firm maintains a restricted list containing the names of securities which access persons are generally prohibited from trading, both personally and on behalf of clients.

All transactions made by employees are closely monitored on an ongoing basis by the Chief Compliance Officer to ensure pre-clearance has been sought and obtained when required, and to ensure the personal trading patterns of employees fall within the guidelines set forth in the Code. The Firm’s employees may invest directly in one or more of the Funds managed by the Firm.

Investors and prospective investors may obtain a copy of the Code upon request by contacting the Firm at (212) 989-2700 or info@rhiclp.com.

Item 12: Brokerage Practices

The Firm has full discretionary authority to direct client trades. As a result, it is the Firm’s duty to use reasonable efforts to obtain best execution for client securities transactions. In placing orders to

purchase and sell securities for the Funds, the Firm considers a number of factors in selecting appropriate broker-dealers, including execution capability, commission rates, financial responsibility, the value of research provided and responsiveness to the Firm.

The Firm has adopted the following guidelines for evaluating brokerage services when determining whether it has obtained best execution for Fund transactions. These guidelines are designed to enable the Firm to fairly evaluate the overall quality and costs of a broker-dealer's execution services, including factors other than prices, commissions and other expenses paid in connection with account transactions.

The factors to be considered in selecting and approving brokers-dealers that may be used to execute trades for Fund accounts include but are not limited to:

- Overall costs of a trade (i.e., net price paid or received) including commissions, mark-ups, mark-downs or spreads, in the context of the Firm's knowledge of negotiated commission rates currently available and other current transaction costs;
- Reputation, financial strength and stability;
- Quality of execution (including accurate and timely execution, clearance and dispute resolution);
- Error correction capabilities;
- Block trading and block positioning capabilities ;
- Willingness to execute difficult transactions;
- Willingness and ability to commit capital;
- Access to underwritten offerings and secondary markets;
- Ongoing reliability;
- Nature of the security and the available market makers;
- Desired timing of the transaction and size of trade;
- Confidentiality of trading activity; and
- Market intelligence regarding trading activity.

The Firm does not enter into formal soft dollar arrangements, allocate brokerage for client referrals, or enter into directed brokerage arrangements. If the Firm determines to enter into such arrangements in the future, this Brochure will be amended to reflect this change.

Item 13: Review of Accounts

The Firm's Managing Directors review client portfolios on a daily basis and monitor them based on various risk metrics, exposures and hedges on a daily basis. In addition, each portfolio investment is reviewed at least weekly.

Audited year-end financial statements are provided annually to investors in Funds over which we have custody. In addition, quarterly letters are generally provided to investors, which may include certain

information relating to investment performance and investment themes going forward. The Firm also provides monthly statements to investors regarding their capital accounts.

Item 14: Client Referrals and Other Compensation

The Firm does not receive an economic benefit from a third party for providing investment advice or other advisory services to clients.

The Firm may compensate third parties, including its prime brokers, for investor referrals. If investors are charged for this service, the Firm will reduce that investor's management fee by the same amount. All such arrangements are fully disclosed to investors.

Item 15: Custody

While the Firm may be deemed to have custody of certain client funds and securities, the Firm does not maintain physical custody of such assets. All client funds and securities are held at accounts maintained in their name with qualified custodians within the meaning of the applicable rules under the Advisers Act.

Investors in the Funds over which the Firm is deemed to have custody of the funds and securities receive audited annual account statements of the Funds, prepared by an independent public accountant in accordance with generally accepted accounting principles, within 120 days of the Funds' fiscal year end, as well as monthly account statements directly from the Funds' independent administrator.

Item 16: Investment Discretion

The Firm (or an affiliate under common control) has discretionary investment authority to manage securities accounts on behalf of its clients. Generally, this discretionary authority is provided in the client's governing documents, which may include (where applicable) the client's limited partnership agreement, operating agreement and/or investment management agreement. The Firm will buy and sell securities and other instruments for its clients on a discretionary basis in a manner consistent with each client's stated investment objectives and restrictions, as set forth in the applicable client's governing documents.

Generally, the Firm also assumes the authority to perform all acts and enter into and perform all contracts and other undertakings which it may deem necessary or advisable or incidental thereto. This includes power of attorney, power to direct clients' business affairs, power to borrow money and power to vote client securities. Investors should familiarize themselves with their applicable governing documents.

Item 17: Voting Client Securities

The Firm has adopted a proxy voting policy as required by the Advisers Act. The policy provides that the Firm will act in the best interests of our clients when determining if and how to vote proxies of client

securities. Proxy voting is an important right of shareholders and reasonable care and diligence must be undertaken to ensure that such rights are properly and timely exercised.

Generally, the Firm's opinion of management is a substantial element of the Firm's investment thesis. Therefore, we expect to vote proxies frequently in line with management. However, there may be circumstances when we believe that management's proposal is not designed to maximize value for our clients, in which cases we will vote against management. In such cases, the reason for the decision, along with a record of the vote, will be retained by the Chief Compliance Officer. The Firm may also abstain from voting or affirmatively not vote if it determines that such decision would be in the best interests of clients.

The Chief Compliance Officer will consult with the Firm's investment professionals when determining how to vote each proxy received. The Firm will provide details of how proxies were voted to investors upon request.

The Firm's proxy voting policy and procedures are available for review. In addition, our proxy voting record is available to investors. Please contact us at (212) 989-2700 or info@rhiclp.com if you have any questions or if you would like to review these records.

Item 18: Financial Information

The Firm does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.