

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

December 2013

**Kenbelle Capital LP**

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**This brochure provides information about the qualifications and business practices of Kenbelle Capital LP. If you have any questions about the contents of this brochure, please contact us at (212) 542-4330. 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 Kenbelle Capital LP also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

Kenbelle Capital LP is an investment adviser that is registered with the United States Securities and Exchange Commission. Registration with the United States Securities and Exchange Commission does not imply a certain level of skill or training.

## Material Changes

Kenbelle Capital LP filed its initial Form ADV Part 2A on November 12, 2013. Since then, we have revised this Form ADV Part 2A to, among other things, list Andrew Turchin as our Chief Compliance Officer. We encourage everyone to read this Form ADV Part 2A in its entirety.

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## **1. Advisory Business**

Kenbelle Capital LP, founded in 2013, is an investment advisory services firm that currently provides investment management services to two clients, a pooled investment vehicle, or more specifically, a hedge fund, and a managed account. Meredith Whitney owns 100% of our firm. She is the limited partner of our firm and Kenbelle LLC is the general partner of our firm. Meredith Whitney is the manager and sole owner of Kenbelle LLC.

Our hedge fund client is American Revival Master LP, a private pooled investment “master fund” in a master-feeder structure that also includes a domestic feeder fund and an offshore feeder fund. We only consider the master fund, and not its feeder funds, our client because the feeder funds place all of their investable assets in the master fund. All investment activities for the three funds are conducted at the master fund level where we act as the investment manager to the master fund.

In providing our advisory services to both of our clients, we seek to maximize capital appreciation by employing a long/short equity based strategy in U.S. equity securities with a thematic based approach centered on the new geography of U.S. prosperity. We may make other types of investments on behalf of our clients as we deem appropriate.

Our firm tailors our advisory services to the individual needs and specified investment mandates of our clients. We adhere to the investment strategy set forth in the offering memorandums of the feeder funds and the Investment Management Agreement we entered into with our managed account client. We do not, however, tailor our advisory services to the individual needs or any specified investment mandates of the investors in the feeder funds and those investors may not impose restrictions on investing in certain securities or types of securities. Our managed account client may, however, impose restrictions on investing in certain securities or types of securities.

We do not participate in any wrap-fee programs.

As of November 8, 2013, we have regulatory assets under management of \$56,500,000. We manage 100% of our regulatory assets under management on a discretionary basis and 0% of our regulatory assets under management on a non-discretionary basis.

## **2. Fees and Compensation**

This brochure is only delivered to qualified purchasers and therefore does not contain our advisory service fee schedule.

Our firm typically receives a management fee based on a percentage of assets under management which is calculated and payable monthly in advance from both of our clients. Underlying investors in the feeder funds can generally only withdraw money on the last day of each calendar month, so they are not likely to pay a management fee in excess of what they owe. Our managed account client may withdraw all or a portion of its assets at any time and the management fee they pay is non-refundable so, our managed account client may pay a management fee in excess of what it owes. We deduct our

management fee directly from our master fund client's account. No separate management fee is charged at the feeder fund level but investors in the feeder fund each pay their allocation portion of the master fund's management fee. We do not deduct our management fee from our managed account client's account but, instead, our managed account client is billed for their applicable management fees.

An affiliate of our firm, American Revival Participation LLC, receives performance-based compensation from our master fund client based on a percentage of each underlying feeder fund investor's annual net realized and unrealized profits at the end of each year or upon a withdrawal or redemption if prior to the end of the year (but only on the amount withdrawn or redeemed), subject to a rolling high water mark limitation, as further described in the offering memorandums of the feeder funds. The performance-based compensation related to our master fund client is allocated at the master fund level and no separate performance-based compensation is taken at the feeder fund level.

Our firm also receives performance-based compensation from our managed account client based on a percentage of net realized and unrealized profits at the end of each year or upon a withdrawal if prior to the end of the year (but only on the amount withdrawn), subject to a water mark limitation, as further described in the Investment Management Agreement we entered into with our managed account client. The performance-based compensation related to our managed account client is billed to our managed account client and will be paid by our managed account client on or about the 30<sup>th</sup> day of the month following the end of the calendar year in which the fee accrued.

Our fees are generally non-negotiable, but we do have the discretion to waive all or a portion of the management fee and/or the performance-based compensation with respect to our master fund client.

Each of the feeder funds and their related master fund bear all of their own organizational and operational expenses, including, without limitation:

- legal fees (including settlement costs);
- costs of any litigation or investigation involving the fund's activities;
- filing fees and expenses;
- accounting costs (including tax preparation and audit expenses);
- administration costs;
- costs associated with reporting and providing information to investors;
- costs associated with the offering of interests or shares to investors;
- withholding and/or transfer taxes; and
- other out-of-pocket expenses.

In addition to the expenses described above, our clients also bear all of their investment-related expenses, including, without limitation:

- proxy expenses;
- expenses related to underwriting and private placements;
- brokerage commissions;
- interest on debt balances or borrowings;
- custodial fees; and
- certain expenses incurred conducting research on potential investments.

Each feeder fund bears its pro rata share of the master fund's expenses.

For more information on brokerage transactions and costs, please see Item 9: Brokerage Practices.

The master fund may also charge underlying investors an early withdrawal/redemption fee based on a percentage of the amount withdrawn or redeemed. Any withdrawal/redemption amounts received by the master fund will be paid to our firm.

Neither our firm nor any of our principals or employees receives any transaction-based compensation for the sale of securities or other investment products.

### **3. Performance-Based Fees and Side-By-Side Management**

American Revival Participation LLC, an affiliate of our firm, and our firm are both entitled to receive performance-based compensation from our clients, as described in Item 2: Fees and Compensation. With respect to our master fund client, no separate performance-based compensation is taken at the feeder fund level. We do not have any clients that are not charged or allocated performance-based compensation. The existence of the performance-based compensation may create an incentive for us to make riskier or more speculative investments.

### **4. Types of Clients**

As noted in Item 1: Advisory Business, we provide investment management services to American Revival Master LP, a "master fund" in a master-feeder structure that has a domestic feeder fund and an offshore feeder fund and to one managed account. The master fund, and not the feeder funds, is our client because the feeder funds place all of their investable assets in the master fund. All investment activities for the funds are conducted at the master fund level where we act as the investment manager to the master fund.

Our managed account client is a limited liability company of which the beneficial owner is a high net worth individual.

This brochure is not an offer to invest in our master fund client or any of the feeder funds.

## 5. Method of Analysis, Investment Strategies and Risk of Loss

In providing our advisory services to our clients, we employ a long/short equity-based strategy in U.S. equity securities with a thematic-based approach around the new geography of U.S. prosperity. Within this strategy, we invest our clients' assets primarily in multiple sectors all tied to the catalysts and momentum driving the growing division between high single-digit growth and economic strain amongst states in the U.S.

We use a systematic risk management approach rooted in conservative risk management and dependent upon fundamental research, catalysts, timing and valuation discipline. In selecting long investments, we target companies with solid fundamentals that we believe will benefit from the strong demographic and broader economic growth within the central corridor of the U.S. Critical components of this selection process are financial and management due diligence. We apply this same fundamental analysis to short investments, as well.

Despite our thorough research and analysis and comprehensive investment strategies, investing in any security involves a risk of loss that our clients and investors in our master fund client's feeder funds must be prepared to bear. Please see below for an explanation of some of the significant risks associated with the investment strategies we employ. A more comprehensive list of risks associated with an investment in our master fund client is set forth in the offering memorandum of each feeder fund.

*Investment and Trading Risks in General.* All investments risk the loss of capital. No guarantee or representation is made that our investment program will be successful. Investment results may vary substantially over time.

*Investment Judgment; Market Risk.* The profitability of a significant portion of our clients' investment programs depend to a great extent upon our ability to correctly assess the future course of price movements of securities and other investments. There can be no assurance that we will accurately be able to predict such movements. With respect to investment strategies, there is always some, and occasionally a significant, degree of market risk.

*General Economic and Market Conditions.* The success of our clients' activities will be affected by general economic and market conditions, such as interest rates, availability of credit, the rate of inflation, economic uncertainty, changes in laws (including laws relating to taxation of our clients' investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of securities' prices in general, and the liquidity of our clients' investments. Volatility or illiquidity could impair our clients' profitability or result in losses. We may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets.

*Illiquidity.* The investments made by our clients may be very illiquid, and consequently our clients may not be able to sell these investments at prices that reflect our assessment of their value or the amount paid for these investments by our clients. 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 our clients and other factors. Furthermore, the nature of our clients' investments may require a long holding period prior to profitability.

*Equity Securities.* We buy equity securities on behalf of our clients, seeking to profit from both security selection and thematic sector or market timing decisions. The value of these investments will generally vary with their issuer's performance and movements in the equity markets. Consequently, our clients may suffer losses if we invest in equity instruments of issuers whose performance diverges from our expectations or if equity markets generally move in a single direction and we have not hedged against a move in that direction (see below for an explanation of hedging).

*Short Selling.* We may sell short securities on behalf of our clients. Short selling of securities occurs when we borrow securities, promising to buy them at a later date. If the price drops, we can buy the securities at the lower price and make a profit on the difference. If the price of the securities rises, we have to buy them back at the higher price, and the investment loses money. Furthermore, whereas when we buy securities long our clients' risk of loss is limited to the cost of the securities, there is no limit to losses in a short sale because there is no cap on the price our clients may have to pay to buy the borrowed securities. Buying the securities can itself cause the price of the securities to rise further which would exacerbate the potential for loss.

*Mid-Cap Securities.* We may invest our clients' assets in the listed securities of companies with market capitalization which in the United States would be viewed as medium-sized market capitalizations. These investments may involve greater risk than investments in the listed securities of larger companies. Companies with medium-sized market capitalizations may be more volatile in price and less liquid than larger capitalization companies. Many medium-capitalization companies tend to have less access to capital markets, less negotiating power and less diverse product offerings and customer bases. All these traits make the risk of severe business reversals or business failure higher for many medium-sized issuers than for larger companies, which would have an adverse effect on our clients if they were holding a long position in such a company. On the other hand, companies with medium-sized market capitalizations are much more likely to be acquired at a significant premium, which could have an adverse effect on our clients if they were to short such a company.

*Initial Public Offerings.* We may purchase securities of companies in initial public offerings or shortly thereafter on behalf of our clients. Special risks associated with these securities may include a limited number of shares available for trading, unseasoned trading, lack of investor knowledge of the company and limited operating history. These factors may contribute to substantial price volatility for the shares of these companies. The limited number of shares available for trading in some initial public offerings may make it more difficult for us to buy or sell significant amounts of shares without an

unfavorable impact on prevailing market prices. In addition, some companies in initial public offerings are involved in relatively new industries or lines of business, which may not be widely understood by investors. Some of these companies may be undercapitalized or regarded as developmental stage companies, without revenues or operating income, or the near-term prospects of achieving them.

*Borrowing/Leverage.* We may borrow against the assets of our clients when we believe that the proceeds from doing so will exceed the interest paid on the borrowing. Borrowing involves risk to our clients because the interest on the borrowed amount may be greater than the income from or increase in the value of the securities purchased with the borrowed amount. Also, there is always a possibility that the value of the securities purchased with the borrowed amount can decline below the amount borrowed.

Any investment profits made with the proceeds from borrowings in excess of interest paid on the borrowings will cause the income and value of our clients to be greater than would otherwise be the case. On the other hand, if the value of the additional securities purchased with the borrowed money does not increase enough to cover the interest paid on the borrowings, then the income and value of our clients will be less than would otherwise be the case.

*Hedging Transaction.* We may, at times, engage in hedging transactions on behalf of our clients. Employing hedging techniques reduces a portfolio's vulnerability to various risks. Hedging entails determining certain risks in one's portfolio and making trades to offset those risks. For instance, if an investor buys stock in a company, it may also short the stock of a competitor company. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of these positions decline, but rather it establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions' value. On the other hand, hedging transactions also limit the opportunity for gain if the value of the portfolio position should increase.

The success of our clients' hedging strategy is subject to our ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio being hedged. There is a risk that we may not always choose the right variable to hedge against. For example, a client may own stock in an oil and gas company and bet that the price of oil will fall as a hedge, only to find out that the company's main asset is gas. Also, it is important to note that, in general, we will not attempt to hedge all market or other risks inherent in our clients' positions and will hedge certain risks, if at all, only partially. Our clients' portfolios will always be exposed to certain risks that cannot or will not be hedged.

*Turnover.* Our trading activities may be made on the basis of short-term market considerations. The portfolio turnover rate may be significant, potentially involving substantial brokerage commissions, related transaction fees and expenses and financing charges.

*Transaction Costs.* Because our clients' investments will be actively managed, purchases and sales of investments may be frequent and may result in higher transactions costs to our client.

*Diversification.* While we intend to maintain widely diversified portfolios for our clients, in attempting to maximize returns, we may at times concentrate our clients' holdings in those instruments that we believe provide the best profit opportunities consistent with our clients' investment objectives. Consequently, a loss in any such concentrated portfolio could ultimately result in significant losses to our clients and a proportionately higher reduction in the net asset value of our clients than if their capital had been spread over a wide number of positions. Because our clients' portfolios may not at times be widely diversified, they may be subject to more rapid changes in value than would be the case if we were required to maintain a wide diversification among companies, instruments and types of instruments for our clients' portfolios.

*Trade Errors.* Unless we determine, in our sole discretion, that a trade error was the result of our willful misconduct or gross negligence, any losses associated with a trade error that are not recovered from a third party will be borne by our clients.

## **6. Disciplinary Information**

Neither we, nor any of our directors, officers or principals has been involved in any criminal or civil actions in a domestic, foreign or military court.

Neither we, nor any of our directors, officers or principals has been involved in any administrative proceedings before the Securities and Exchange Commission, any other federal regulatory agency, any state regulatory agency or any foreign financial regulatory authority.

Neither we, nor any of our directors, officers or principals has been involved in any self-regulatory organization proceedings.

## **7. Other Financial Industry Activities and Affiliates**

Our firm and Kenbelle LLC, an affiliate of our firm, have sponsored certain private investment funds, including a U.S. limited partnership and a Bermuda exempted company. Both of these feeder funds invest through a master-feeder structure by placing all of their investable assets in our master fund client which is a Bermuda exempted limited partnership.

Kenbelle LLC serves as the general partner of the domestic feeder fund and our master fund client. Meredith Whitney is a director of the offshore feeder fund and we selected the two other independent directors of the offshore fund. Although Meredith Whitney's control of the investment adviser and the general partner may give her heightened control and discretion over our related funds, she manages any potential conflicts of interest by adhering to the investment strategy discussed in the feeder funds' offering documents.

Kenbelle LLC, as general partner of the master fund, entered into the investment management agreement with our firm on behalf of the master fund to appoint our firm the investment manager of the master fund. While this may be an interested party agreement, the material terms of the investment management agreement are fully disclosed to all investors in the feeder funds prior to their investment.

American Revival Participation LLC, an affiliate of our firm, receives a performance allocation from our master fund client based on a percentage of each underlying feeder fund investor's annual net realized and unrealized profits. This performance allocation, as well as the performance fee we receive from our managed account client, may create an incentive for our firm to make investments that are riskier or more speculative than would be the case in the absence of such performance-based compensation. We address this potential conflict of interest by fully disclosing the relationship among our firm and American Revival Participation LLC in the feeder funds' offering documents and by adhering to the investment strategies and policies set forth in the feeder funds' offering documents and the Investment Management Agreement we entered into with our managed account client.

Meredith Whitney is the sole owner and Chief Executive Officer of Meredith Whitney Advisory Group, LLC, an investment advisor registered with the state of New York and engaged in research and other investment advisory services. In order to avoid any conflict of interest, Meredith Whitney Advisory Group, LLC does not charge our firm or our clients for usage of the database of research it has compiled and provides no other services to our firm or our clients.

Neither we nor any of our directors, officers or principals is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or is an associated person of any of the above.

We do not have any related person who is:

- broker-dealer, municipal securities dealer, or government securities dealer or broker;
- an investment adviser or financial planner;
- a future commissions merchant, commodity pool operator, or commodity trading adviser;
- a banking or thrift institution;
- an accountant or accounting firm;
- a lawyer or law firm;

- an insurance company or agency;
- a pension consultant; or
- a real estate broker or dealer.

We do not recommend or select other investment advisers for our clients.

## **8. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

We have adopted a Code of Ethics in accordance with Securities and Exchange Commission requirements. Our Code of Ethics works to ensure that our employees' actions are consistent with our fiduciary duty to our clients and to ensure compliance with legal and regulatory requirements. It focuses on specific areas where employee conduct has the potential to affect our clients' interests (and/or the interests of investors in the feeder funds) adversely, such as personal securities trading, outside activities, and gifts. Among other things, our Code of Ethics prohibits employees from participating in any securities transactions for an account in which an employee or certain of their family members have an interest.

Upon request, we will provide a copy of our entire Code of Ethics to our clients, any prospective client, and any investor in the feeder funds.

Our principals and employees do not recommend to our clients, nor do they buy or sell for the clients' accounts, securities in which they have a material financial interest.

## **9. Brokerage Practices**

We have complete investment and brokerage discretion over our master fund client's account. Our managed account client has chosen the clearing broker to be used for its account but we may, from time to time, have the authority to choose additional brokers for our managed account client's account. In selecting broker-dealers and determining the reasonableness of their commissions for our clients' transactions, our firm seeks to obtain the best execution for our clients' portfolios and we take into account, among other things, the following factors:

- The broker-dealer's ability to effect prompt and reliable executions at favorable prices (including the applicable profit or commission, if any);
- The operational efficiency with which transactions are effected, considering the size of the order and difficulty of execution;
- The financial strength, integrity and stability of the broker-dealer;
- The broker-dealer's risk in positioning a block of securities;

- The quality, comprehensiveness and frequency of available research services considered to be of value; and
- The competitiveness of commission rates in comparison with other broker-dealers that satisfy our selection criteria.

We are not required to weigh any of these factors equally.

We Have the Authority to Utilize Research and Other Soft Dollar Benefits. We are authorized to pay higher prices to buy securities from, or accept lower prices for the sale of securities to, brokerage firms that provide us or our affiliates with certain investment and research information. Research services furnished by broker-dealers may include written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; statistics and pricing or appraisal services; discussions with research personnel; and invitations to attend conferences or meetings with management or industry consultants.

We have the option to use “soft dollars” generated by our clients to pay for the research and research related services described above. The term “soft dollars” refers to the receipt by an investment manager of products and services provided by brokers, without any cash payment by the investment manager, based on the volume of revenues generated from brokerage commissions for transactions executed for clients of the investment manager. The products and services available from brokers include both internally generated items (such as research reports prepared by employees of the broker), as well as items acquired by the broker from third parties (such as quotation equipment). Section 28(e) of the United States Securities Exchange Act of 1934, as amended, provides a “safe harbor” to investment managers who use soft dollars generated by their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to the investment manager in the performance of investment decision-making responsibilities. In the event that we elect to use soft dollars, we will limit our soft dollar use to services that fall within the safe harbor afforded by Section 28(e).

The Use of Soft Dollars Can Create a Conflict of Interest. Using client transactions to obtain research and other benefits creates incentives that result in conflicts of interest between advisers and their clients. If we use client markups or markdowns to obtain research products and services, our firm receives a benefit because we do not have to pay for the research products and services. The availability of these benefits may influence us to select one broker-dealer rather than another to perform services for our clients, based on our interest in receiving the products and services instead of on our clients’ interest in receiving the best execution prices. Obtaining these benefits may cause our clients to pay higher fees than those charged by other broker-dealers.

The use of soft dollars to obtain research services and to pay for other costs and expenses that our firm might otherwise incur creates a conflict of interest between our firm and our clients because our clients pay for products and services that are not exclusively for their benefit and that may benefit our firm or our other clients. While at times we will use soft dollar benefits to service both of our clients’ accounts, even if the benefits were

technically paid for by one specific client, we will generally seek to allocate soft dollar benefits to the clients' accounts in proportion to the soft dollar credits each account generates. To the extent that we are able to acquire these products and services without expending our own resources, our use of soft dollar benefits tends to increase our profitability.

We Use Particular Procedures to Direct Transactions in Return for Soft Dollars. Except as otherwise described in this Item 9, we direct our clients' transactions to broker-dealers based on overall best execution, as explained above.

We Do Not Consider Referrals in Selecting or Recommending Broker-Dealers.

Directed Brokerage. Our firm does not recommend, request or require that our clients direct us to execute transactions through a specified broker-dealer. Our master fund client is not permitted to direct us to execute transactions through a specified broker-dealer but our managed account client is permitted to do so and has identified a sole clearing broker to be used for its account. Directing brokerage may actually cost our clients more money. For example, our clients may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs. Further, our managed account client may receive less favorable prices from its chosen broker than we could otherwise secure.

We will act in a manner that we consider fair, reasonable and equitable in allocating investment opportunities between our clients but are not currently under any specific obligations or requirements related to the same. When we determine that it would be appropriate for our clients to both participate in an investment opportunity, we will seek to execute orders for both of our clients on an equitable basis. In that situation, we will generally place combined orders for all such accounts simultaneously, and if all such orders are not filled at the same price, we will generally average the prices paid. Similarly, if an order on behalf of both of our clients cannot be fully executed under prevailing market conditions, we will allocate the trade between both accounts on a basis that we consider equitable.

As a general policy with respect to our clients, we attempt to conduct all transactions in the same securities as close to simultaneously as possible. We also attempt to aggregate trade orders to the extent possible.

## **10. Review of Accounts**

Our principal and Chief Investment Officer, Meredith Whitney, reviews our clients' accounts on a daily basis and as triggered by economic and market conditions. Where applicable, these reviews include an assessment of daily profit and loss reports with respect to our clients' investment positions. Our principal evaluates our clients' investments in a manner consistent with the investment goals of our clients.

We will also review our clients' accounts in certain extraordinary events, such as natural disasters, extreme political and economic events (*i.e.* a market crash) and any other event we believe creates abnormal market conditions.

We provide investors in our master fund client's feeder funds with written quarterly reports reviewing our master fund client's performance for such quarter. We also provide investors in the feeder funds with account balances and written annual reports that contain audited financial statements and tax information. In addition, we provide our managed account client certain monthly and annual reports reviewing our managed account client's performance.

## **11. Client Referrals and Other Compensation**

We may receive certain economic benefits from broker-dealers and prime brokers which we conduct business with that might not be received otherwise. These benefits may include: company-specific research reports, industry research reports, access to the analysts who write the reports, corporate access events such as conferences where we access the management teams of the companies in which we invest for our clients. While broker-dealers generally provide these products and services at no additional cost, we may select certain broker-dealers due to receipt of these services. We address this conflict of interest by always seeking best execution from broker-dealers for our clients' transactions regardless of the products and services provided to us by the broker-dealers.

We do not, nor do any of our principals or employees, compensate anyone for investor referrals.

## **12. Custody**

While it is our practice not to accept or maintain physical possession of any of our clients' assets, we are deemed to have custody of our master fund client's assets under Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended, because we have the authority to access our master fund client's funds and deduct fees and expenses from our master fund client's accounts.

In order to comply with Rule 206(4)-2, we utilize the services of a bank or qualified custodian (as defined under Rule 206(4)-2) to hold all of our clients' assets. We also ensure that the qualified custodian maintains these funds in accounts that contain only our clients' funds and securities, under our name as agent for the clients. In accordance with Rule 206(4)-2, we also (1) engage an outside auditor to audit our master fund and feeder funds at the end of each fiscal year and (2) distribute the results of the audit in audited financial statements that are prepared in accordance with generally accepted accounting principles to the investors in the feeder funds within 120 days after the end of the fiscal year.

## **13. Investment Discretion**

### Scope of Authority

We accept discretionary authority to manage our clients' securities accounts. Essentially, this means that we have the authority to determine, without obtaining specific client consent, which securities to buy or sell and the amount of securities to buy or sell. Despite this broad authority, we are committed to adhering to the investment strategy and

program set forth in the offering memorandum of each of our master fund client's feeder funds and the investment policies set forth in the Investment Management Agreement we entered into with our managed account client.

#### Procedures for Assuming Authority

Before accepting their subscriptions for interests in the domestic feeder fund or shares of the offshore feeder fund, we provide all potential investors in our master fund client's feeder funds with an offering document that sets forth, in detail, our investment strategy and program for our master fund client. By completing our subscription documents to acquire an interest or shares in one of our master fund client's feeder funds, investors give us complete authority to manage the master fund's investments in accordance with the offering document that they each received.

The Investment Management Agreement we entered into with our managed account client contains a power of attorney which grants us specific limited authority to exercise investment discretion over the managed account's assets in accordance with the additional terms of that agreement.

#### **14. Voting Client Securities**

Because our master fund client has delegated the power to vote its securities to our firm, we have implemented proxy voting policies and procedures in accordance with securities laws and our fiduciary obligations to our master fund client. When deciding whether to vote proxies for our master fund client, we attempt to consider all aspects of our vote that could affect the value of our master fund client's investment; and where we do vote proxies, we do so in the manner that we believe maximizes shareholder value.

If a proxy vote creates a material conflict between our interests and the interests of our master fund client, we will resolve the conflict before voting the proxies. We will either disclose the conflict to our master fund client and obtain consent or take other steps designed to ensure that a decision to vote the proxy was based on our determination of the master fund client's best interest and was not a product of the conflict. We maintain records of how we vote all proxies on behalf of our master fund client. These records are available to the master fund client, including any investor in a feeder fund of the master fund client, upon request.

Our managed account client has retained the absolute right to vote the securities in its account. The managed account client will receive its proxies and other solicitations from us and should contact Andrew Turchin, our Chief Compliance Officer, with questions about a particular solicitation.

## **15. Financial Information**

We do not require nor do we solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

We are not aware of any financial condition that is likely to impair our ability to meet our contractual commitments to our clients.

We have never been the subject of a bankruptcy petition.