

Item 1 – Hermes BPK Limited’s Brochure

Adviser’s Name:

Hermes BPK Limited

Principal Business Office Address:

1 Portsoken Street, London E1 8HZ, UK

Main Phone Number:

+44 (0)20 7702 0888

Web Site Address(es):

www.hermesbpk.com

Date of Brochure:

18th September 2013

This Brochure provides information about the qualifications and business practices of Hermes BPK Limited (“HBPK”). If you have any questions about the contents of this Brochure, please contact Mark Smith-Lyons (Chief Operating Officer) at +44 (0)20 7680 4660. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

HBPK is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

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

Item 2 – Material Changes

This Brochure, dated as of September 18th, 2013, has been prepared in connection with Hermes BPK Limited’s initial registration with the SEC as an investment adviser. In the future, this Item 2 will set forth a brief summary of any material changes to our disclosure since our last annual update.

Currently, our Brochure may be requested by contacting Mark Smith-Lyons (Chief Operating Officer) at +44 (0)20 7680 4660

Additional information about HBPK is also available via the SEC’s web site www.adviserinfo.sec.gov.

Item 3 -Table of Contents

Item 1 – Hermes BPK Limited’s Brochure	1
Item 2 – Material Changes	2
Item 3 -Table of Contents	3
Item 4 – Advisory Business	4
Item 5 – Fees and Compensation	5
Item 6 – Performance-Based Fees and Side-By-Side Management	7
Item 7 – Types of Clients	8
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	9
Item 9 – Disciplinary Information	12
Item 10 – Other Financial Industry Activities and Affiliations	13
Item 11 – Code of Ethics	14
Item 12 – Brokerage Practices	16
Item 13 – Review of Accounts	17
Item 14 – Client Referrals and Other Compensation	18
Item 15 – Custody	19
Item 16 – Investment Discretion	20
Item 17 – Voting Client Securities	20
Item 18 – Financial Information	20
Item 19 – State Securities Registration	20

Item 4 – Advisory Business

Hermes BPK Limited (HBPK) is an Alternative Advisory Boutique and Fund of Hedge Funds Manager established as a partnership with Hermes Fund Managers Limited (HFML) in 2008 that provides asset management services to Irish and Cayman domiciled private funds and third party clients in line with their respective Investment Management Agreements (“IMAs”), Investment Advisory Agreements (“IAAs”) and Fund Prospectuses.

HBPK primarily provides discretionary investment services to institutional clients, including pension and profit-sharing accounts and collective investment vehicles which are not registered for public sale in the United States (“private funds”). Private funds may be registered for public sale in other jurisdictions such as Cayman, Ireland or the United Kingdom, but none are registered under the Investment Company Act of 1940 (“1940 Act”). Private funds are available to US persons that are accredited investors and/or qualified purchasers as defined under the federal securities laws, or as otherwise permitted under applicable law.

Investments for institutional clients and private funds (collectively, “Clients”) are managed in accordance with the Client’s investment objectives, strategies, restrictions and guidelines. Private funds are managed only in accordance with the fund prospectus and are not tailored to any particular private fund investor (each an “Investor”).

Each Hermes-affiliated investment adviser, regardless of its form of organization, is either a subsidiary of, or otherwise affiliated with Hermes Fund Managers Limited, (“HFML”), HBPK’s direct parent company. Investment advisers operating within the Hermes Group include both US registered advisers and advisers which are licensed, authorized or operating outside the US.

As of 31st July 2013, HBPK had \$195m in discretionary assets under management. There were no assets managed on a non-discretionary basis.

Item 5 – Fees and Compensation

Private Account Advisory Services

HBPK’s fees for institutional accounts (“Private Accounts”) are negotiated on a Client to Client basis but typically HBPK will charge a management fee and performance fee as a percentage of commitments or net asset value.

Institutional Fee Schedules

	Management Fee	Performance Fee
Hermes BPK Strategy	1%	10%
Hermes BPK Restructuring Strategy	1%	10%
Hermes BPK Global Equity Hedge Strategies	0.60%	15% over hurdle
Hermes BPK Alpha Vault Strategy	0.55%	0%
Hermes BPK VolTrend Strategy	0.55%	10% over hurdle
Hermes BPK Greater China Strategy	0.5%	10%

Please note, the fees above relate to the fee rate for institutional share class investment and may include management fee tiering based on assets and performance fee hurdles and claw-back facilities. For more detailed information, please refer to the relevant prospectus or fund supplement or speak with HBPK directly.

Private Fund Fees

Fees for each private fund are described in the relevant fund prospectus. Private funds are charged a management fee based upon NAV. Management fees are paid monthly. A performance fee is also payable to the Investment Manager by each Share Class if the relevant criteria for that Share Class are met. Different calculations of performance fee apply to each Share Class so investors should select the Share Class that best suits their requirements. Performance fees for each private fund are described in the fund prospectus.

Investment Funds

A Fund may invest in Regulated Funds and Unregulated Funds. As a shareholder of another Investment Fund, the Fund will bear, along with other shareholders, its portion of the expenses of the other Investment Funds, including management, administration, custody and/or other fees. These fees will be in addition to the management, administration and custody fees and other expenses which the Fund bears directly with its own operations.

The collective investment schemes in which a Fund may invest may be established in unregulated jurisdictions which do not have an equivalent level of investor protection as that provided in Ireland by collective investment schemes authorized under Irish laws and subject to Irish regulations and conditions. Investment transactions by the Investment Funds in which a Fund may invest may not be regulated by the rules of any stock exchange or investment exchange or other regulatory body or authority. In calculating the Net Asset Value of a Fund, the Administrator may be relying on Net Asset Values of the Investment Funds in which the relevant Fund invests, which may be estimates. Some of the Investments made by a Fund may not be readily realizable and their marketability may be restricted, in particular because markets in those Investments may be made only by the manager of the relevant underlying fund, allowing redemptions only at specific times and dates and it may be difficult for the Company to sell or realize its Investments. In these circumstances, the Company is permitted to impose redemption/conversion limits.

Fees of Investment Funds

Each Fund may invest in hedge funds which may be subject to issue and redemption charges, and to management, administration and incentive or performance fees. In most instances, the Company would expect to pay a fee in respect of such investments. Prospective investors should also note that in relation to any Investments of a Fund in other Investment Funds that the Fund may also be subject to fees and charges imposed by the underlying funds in which such fund will invest.

Custody Fees

The Custodian is entitled to an annual fee for the provision of trustee and custody services out of the assets of the Fund, accrued monthly and payable monthly in arrears, which are detailed within each Private Fund’s prospectus. The Custodian shall be entitled to be reimbursed for any tax paid or to be paid on behalf of the Fund and for any transaction charges, sub-custodial fees, and Out of Pocket Expenses.

Administration Fees

The Administrator is entitled to an annual fee payable out of the assets of the Fund, accrued monthly and payable monthly in arrears, which are detailed with each Private Fund’s prospectus.

The Administrator is also entitled to receive out of the assets of the Fund its Out of Pocket Expenses and transfer agency fees which shall be at normal commercial rates, which shall also be payable from the assets of the Fund.

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

In addition to receiving a management fee, the Investment Manager may also receive a performance fee based on the appreciation in the Net Asset Value per Share. The performance fee may provide a motive for the Investment Manager to make investments for a Fund which may entail more risk than would be the case in the absence of a fee based on the performance of the relevant Fund. Performance fees will be based on net realized and net unrealized gains and losses at the end of each performance period. As a result, performance fees may be paid on unrealized gains which may subsequently never be realized. Each Private Fund’s prospectus will contain details as to how the performance fees are calculated and applied.

Performance-based fees are in compliance with Rule 205-3 under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), and are charged only to “qualified clients” as defined in the rule, or as otherwise permitted by Advisers Act Section 205. Accounts are managed in the same facility, using the same systems and staffed with the same personnel used for Clients which do not have performance-based fees.

Depending on performance, fees obtained by HBPK and compensation earned by its investment staff on these Separate Accounts may be significantly higher than that earned on accounts of Clients which do not have performance-based fees. There are inherent conflicts of interest in the side-by-side management of performance fee and fixed fee accounts, in that an adviser may have an incentive to favor a performance fee account over a fixed fee account. HBPK believes its trade allocation procedures, including procedures for allocating limited offerings and average pricing of executed trades, mitigate such potential conflicts of interest. The procedures generally require accounts for Clients with similar investment strategies to be managed in a similar fashion, subject to a variety of exceptions, such as, particular investment restrictions or policies applicable only to certain accounts, differences in cash flows and account sizes, and similar factors. HBPK’s trade allocation procedures are discussed more fully in Item 12 below.

While the Administrator will calculate the Performance Fee, the methodology shall be verified by the Trustee.

HBPK’s trade allocation procedures are discussed more fully in Item 12 below.

Item 7 – Types of Clients

HBPK provides investment advisory services to institutional clients which may include: pension and profit sharing plans; trusts, estates or charitable organizations; and other types of corporations or business entities, including private funds. HBPK expects each private fund to qualify for exemption from the definition of “investment company” under the 1940 Act, as amended under either 1940 Act Section 3(c)(1) or 1940 Act Section 3(c)(7) and to offer interests to Investors pursuant to Regulation D under the Securities Act of 1933, as amended (“1933 Act”). As a result, this disclosure brochure (“Brochure”) may discuss information relevant to such Investors, as necessary or appropriate. Nonetheless, this Brochure is designed solely to provide information about HBPK and should not be considered to be an offer of interests in any private fund managed or offered by HBPK.

Private fund investors may include high net worth individuals and a variety of institutional investors (*e.g.*, trusts, employee benefit plans, endowments, foundations, corporations and

other types of entities, including private funds of funds) meeting the terms of the exceptions and exemptions under which the private fund operates and wishing to invest in accordance with the private fund’s investment objective. Investors must meet the requirements for “accredited investors” under the 1933 Act. In some cases, they must also be “qualified purchasers” under the 1940 Act and/or “qualified eligible persons” under regulations of the Commodity Futures Trading Commission (“CFTC”).

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

This brochure has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient. Prospective investors must rely on their own examination of the legal, taxation, financial and other consequences of an investment with HBPK or HBPKs products, including the merits of investing and the risks involved. Prospective investors should not treat the contents of this document as advice relating to legal, taxation or investment matters. Before entering into an agreement in respect of any investment referred to in this brochure you should consult your own professional and/or investment advisers as to its suitability for you. No action should be taken or omitted to be taken in reliance upon information in this brochure. Figures, unless otherwise indicated, are sourced from HBPK.

The opportunities described in this brochure have unique risks that may make them unsuitable for certain investors. Past performance is not a reliable indicator of future results. It is important to note that the underlying volatility and risk of the funds’ portfolios and that of their benchmark indices vary materially.

This document should be read in conjunction with any relevant fund offering document (such as a prospectus or private placement memorandum) which will exclusively form the basis of any application. A comprehensive list of risk factors appears in each fund offering document and an investment should not be contemplated until the risks of investment have been considered fully.

Investors may not get back the full amount originally invested. The value of overseas investments will be influenced by the rate of exchange. The value and risks of underlying investments may be difficult to verify independently.

Any person wishing to subscribe for any interest should satisfy himself as to the observance of the laws of any relevant territory, including the obtaining of any requisite governmental or other consent and the observing of any other formalities.

Investment Fund and Managed Account Selection

The Investment Manager will select Investment Funds and Managed Accounts based on the thorough qualitative, quantitative and operational due diligence conducted by the Investment Manager on a highly selective list of hedge fund managers.

When an investment opportunity in a hedge fund is analyzed, the Investment Manager seeks to understand how a manager takes risk in order to generate returns, in particular seeking to determine the environments which will lead to a manager generating positive returns and the environments that will be more challenging and therefore likely to lead to underperformance.

Furthermore, and more importantly, the Investment Manager seeks to understand the drivers of tail risk that are inherent in all hedge fund strategies. In this, the Investment Manager aims to assess these drivers at a qualitative level, before subjecting the analysis to rigorous quantitative testing to challenge or validate any thesis. In order to identify the risk exposures of managers, the Investment Manager utilizes an exhaustive research and due diligence process to uncover sources of risk. Regular communication, developed through long standing relationships, coupled with a high level of transparency allows the Investment Manager to constantly monitor, assess, and aggregate detailed risk exposures across underlying Investments.

An equal focus is placed on operational due diligence, with a team of dedicated individuals in the Investment Manager responsible for identifying and monitoring all non-investment related aspects of potential Investments including external service providers and counterparties related to the Investment. Here the Investment Manager seeks to understand the operational risks within a hedge fund, the safeguards to successful custody of investors' capital, and the effectiveness of the processes to ensure correct application of the hedge fund manager's strategy.

The two most senior investment professionals in the Investment Manager have refined their fund of hedge fund asset allocation skills since the late 1980s and consequently bring a wealth of experience in how hedge funds have performed through both normalized and

dislocating markets. The lessons learned have shaped the way that they view hedge fund risk, and how such risks should be used to complement one another in both normal environments and tail risk events.

Hedge Fund Strategies Summary

Credit Strategies

Long Short Credit - This strategy allows managers to exploit the pricing of credit risk across a wide range of credit securities. The strategy is opportunistic and may be driven by fundamental or technical factors or a combination of both.

Distressed Debt - This strategy involves looking to purchase undervalued or deeply discounted securities in companies experiencing financial distress and to generate returns from the operational or balance sheet restructuring of those businesses. In many cases, the manager employing this strategy will have a significant ability to influence the outcome of their investment whether this is through taking an active management role, a controlling interest, an advisory role, being active in creditor committees or by encouraging investment by third parties who may take an active stance.

Asset Backed Credit - This strategy involves the purchase or short sale of asset backed securities that are perceived as being significantly mis-priced. Securities could include Residential Mortgage Backed Securities (RMBS), Commercial Mortgage Backed Securities (CMBS), Collateralized Loan Obligations (CLO) which may include Bank Loans, Credit Card obligations, Student Loans amongst others, and Collateralized Debt Obligations (CDOs).

In certain cases, we may utilize asset backed strategies that involve the manager originating loans directly rather than purchasing loan securities in the secondary market.

Equity Strategies

Long Short Equity - This is typically a directional strategy, where success is reliant on the manager's skill in choosing outperforming stocks while shorting underperforming stocks. Managers can display a range of differing net exposures from net long to net short or be market neutral. Managers may also have a bias, whether that be geographic, market capitalization or sector focused. Managers may be concentrated or highly diversified and

may trade actively, have model driven approaches or may take a longer term, value approach to their investments.

Event Driven - An event driven strategy aims to exploit the opportunities created by significant transactional corporate events such as spin-offs, mergers and acquisitions, post bankruptcy reorganizations, to name but a few. Generally, Special Situations managers are included into this strategy. Managers may deploy a number of event driven strategies within a multi-strategy approach allocating according to prevailing economic conditions which may include allocations to distressed securities and credit-based strategies.

Directional and Relative Value Strategies

Global Macro - Macro managers invest based on anticipating directional price moves across a diverse range of asset classes. These include interest rates, currencies, equity markets and commodity markets. A top down, global approach to forecasting changes in money supply, relative shifts in global economies, changes in the political or regulatory environment and supply / demand changes. Having forecast these changes, managers will use primary or derivative securities to exploit their theses.

CTA Strategies - These strategies are systematic, generally price driven trading strategies that exploit momentum or mean reversion patterns across a range of asset classes, but generally through the futures markets. The trading programs are usually highly automated where little human discretion is involved.

Relative Value - This arbitrage strategy focuses on exploiting pricing anomalies between closely related securities, which may consist of equities, bonds, or hybrid investments such as convertible bonds. In addition, the strategy may deploy capital with specialist strategies that use systematic models as in the case of statistical arbitrage or in strategies that look to profit from volatility arbitrage through the use of derivative-based approaches.

Multi Strategy – This is a flexible and dynamic strategy, allocating assets across a wide but defined range of different strategies within the same fund.

Item 9 – Disciplinary Information

HBPK has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

HBPK is affiliated with the following investment advisers:

- Hermes Fund Managers Australia Pty Ltd (“HFMA”)
- Hermes Fund Managers (North America) LP (“HFMNA”)
- Hermes GPE LLP (“HGPE”)
- Hermes Investment Management Limited (“HIML”)
- Hermes Sourcecap Limited (“HSL”)
- HIML (Singapore) PTE Ltd (“HIML SINGAPORE”)
- Hermes Alternative Investment management Limited (“HAIML”)
- Hermes GPE (USA) INC (“HGPE USA”)
- Hermes GPE (Singapore) PTE Limited (“HGPE SINGAPORE”)

HGPE, HIML, HAIML & HSL are all authorized and regulated by the Financial Conduct Authority in the United Kingdom.

HFMNA, HGPE, HIML, HGPE USA and HSL are all registered advisers with the Securities and Exchange Commission.

HFMA is licensed with the Australian Securities and Investments Commission.

HIML SINGAPORE is a fund manager Capital Markets Services Licence holder with the Monetary Authority of Singapore

HBPK also has a material relationship with The Northern Trust Company (“NT”) which provides all fund administration activities including accounting, custody and transfer agency to some of the Private Funds. In addition NT provides middle office services specific as to the fund of hedge fund operations and accounting services tailored to corporate partnership structures.

HBPK also has a material relationship with GlobeOp Financial Services (Ireland) Limited (“GlobeOp”), which provides fund administration activities to some of the Private Funds. Additionally, GlobeOp provides certain back office services in relation to the Private Funds that it administers.

Item 11 – Code of Ethics

HBPK has adopted the Hermes Group Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at HBPK must acknowledge the terms of the Code of Ethics annually, or as amended.

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

circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between HBPK and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with HBPK's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. HBPK will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

An existing or prospective Client may obtain a copy of the Code by contacting HBPK at Mark Smith-Lyons (Chief Operating Officer) at +44 (0)20 7680 4660.

It is HBPK's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. HBPK will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

Item 12 – Brokerage Practices

It is unlikely that as a fund of Hedge fund business HBPK will undertake broker trading. Please see Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss (Investment Fund and Manager Account Selection) for details on the HBPKs fund of funds trading practice.

Portfolios for which Hermes BPK Limited acts as an advisor or an Investment Manager are governed by the principle of fair allocation of investment opportunities. Trades will be allocated on a basis believed to be fair and equitable; no participating portfolio will receive preferential treatment over any other.

In order to ensure fairness in the allocation of investment opportunities among the funds of funds it manages, HBPK will allocate the investment opportunities with consideration to prime determinants outlined in the trade allocation policy.

In determining the suitability of each investment opportunity (“IO”) to a fund of funds (“FOF”), consideration will be given to the following factors:

1/ Is the IO in line with the FOF’s investment mandate and objectives?

2/ Would the IO be a good addition given the existing portfolio composition? At this occasion, not only portfolio risk constraints but also liquidity measures are being considered.

3/ Does the FOF have enough cash to participate in the IO?

Where an IO is suitable for 2 or more FOFs (if 2 or more FOFs answered “yes” to the 3 previous questions), Hermes BPK Limited will allocate such IO equitably in order to ensure that “suitable FOFs” have equal access to the same quality and quantity of meaningful IOs. Such allocation rules are outlined below.

The Portfolio Management team will adhere to the trade allocation policy to ensure that no FOF will be disadvantaged by the allocation of trades. The allocation of trades is documented by way of an electronic trade ticket, copy of which is maintained in a binder by HBPK’s Chief Operating Officer. Explanations for allocations deviating from this policy will be documented and reported by the Head of Operational Due Diligence to the CEO. Any corrective actions of follow-up explanations will also be documented.

Item 13 – Review of Accounts

Reviews

HBPK’s manager selection and monitoring process combines the activity of three teams: Qualitative Due Diligence; Quantitative Due Diligence and Operational Due Diligence and results in a formal report and an investment recommendation from each as to the benefits / disadvantages of making an investment. HBPK constructs reasonably concentrated portfolios where high conviction ideas are underpinned by deep fundamental and quantitative research. Full agreement from the six voting members of the HBPKs Investment Committee is required before any investment is made. Once a manager is approved, the teams perform continuous and scheduled manager monitoring.

Portfolio Construction

The portfolio construction process uses HBPKs qualitative and quantitative research, coupled with the risk management framework. HBPK defines longer-term core positions for each strategy and we evaluate the expected sensitivity of these positions within each strategy to a variety of market scenarios. We will then add positions to each strategy bucket to reduce sensitivity / beta to below the level of maximum exposure defined in our top-down allocations. The process is repeated for each strategy and the overall portfolio is monitored for excess sensitivity / beta beyond our defined budgets. Additional positions may then be added to strategy buckets in order to reduce overall portfolio sensitivity / beta.

Risk Management

HBPKs risk management framework is conducted through a combination of risk models and monthly reports run by the Risk and Quantitative Research Team covering Portfolio Risk Management (at the aggregate portfolio level to ensure that portfolio risk, liquidity and diversification are managed within set guidelines) and Risk Monitoring (at the manager level we monitor a variety of performance and risk exposures to ensure that we understand overall aggregated portfolio risk). HBPK looks at risk monitoring from three perspectives:

Historic Risk – analyzing the contributions to returns and risk by manager and strategy through attribution and co-variance analysis with risk contributions regressed against relevant market factors in order to decompose the sources of volatility.

Current Risk - analyzing, with a high degree of granularity, exposures and sensitivities of managers, strategies and portfolios, we build a risk matrix that provides a detailed snapshot of current portfolio positioning.

Conditional Risk. We use a flight to quality scenario stress test to create a bridge between the exposure-based and sensitivity-based reports. Data is analyzed at both the manager and portfolio level and then calculated on an asset weighted basis to support portfolio risk management. In addition, customized stress scenarios are sourced to model the expected P&L in the event of (likely or unlikely) adverse market shocks.

Nature and Frequency of Reports

Clients receive quarterly reports from HBPK. Private fund Investors receive reports as described in the applicable fund prospectus. HBPK will work with Clients on a case-by-case basis to determine their reporting needs and provide customized reporting where applicable.

Item 14 – Client Referrals and Other Compensation

HBPK may from time to time compensate, either directly or indirectly, either employees or third parties for client referrals. Any such referral arrangements will comply with the relevant portions of the “cash solicitation” rule (Rule 206(4)-3). In particular, third party referral arrangements will be pursuant to a written agreement between HBPK and the solicitor and all required disclosures will be made.

Some of HBPK’s clients may retain consulting firms to assist them in selecting investment managers. Some consulting firms provide services to both those who hire investment managers and to investment management firms. HBPK may pay to attend conferences sponsored by consulting firms and/or purchase services from consulting firms where it believes those services will be useful in operating our investment management business. HBPK does not pay referral fees to consultants. However, HBPK’s clients and prospective should be aware that consulting firms might have business relationships with investment management firms that they recommend to their clients.

HBPK is affiliated, and has business relationships, with HFMNA and HFMA through cash solicitation arrangements with both entities under which it pays compensation to each for

referring prospects to HBPK. The referral fee is a percentage of net fee income generated on investments made by the client.

HBPK pays HFMNA referral fees based on net fee income as follows:

Year 1 = 21%

Year 2 = 14%

Year 3 onwards = 7%

HFMNA has not been engaged, and is not compensated, to refer prospective investors for private funds advised by HBPK.

The referral fees paid to HFMA by HBPK shall be agreed between the parties in writing from time to time.

The cost of all referral fees is borne entirely by HBPK and not by its clients.

Item 15 – Custody

It is HBPK’s policy not to accept custody of client funds or securities. We also have policies and procedures designed to prevent us from having inadvertent or deemed custody. From time to time, custodians or other parties may mistakenly send us share certificates, dividend checks or other client assets. HBPK has procedures that require such assets to be returned in a timely manner.

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client’s investment assets. HBPK recommends you carefully review such statements and compare such official custodial records to the account statements that we provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

HBPK usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, HBPK observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, HBPK’s authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to HBPK in writing and are usually part of the Investment Management Agreement signed by the Client and HBPK. Investment Guidelines for Private Funds managed by HBPK are contained within each Private Fund’s prospectus.

Item 17 – Voting Client Securities

It is unlikely that HBPK will undertake voting of securities.

Item 18 – Financial Information

HBPK has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Item 19 – State Securities Registration

HBPK is not registered with any state securities authorities.