

**PART 2A OF FORM ADV:
FIRM BROCHURE**

**Farmstead Capital Management, LLC
7 North Broad Street, 3rd Floor
Ridgewood, New Jersey 07450
Phone: 201-493-3990
Fax: 201-493-3980**

October 2, 2013

This Brochure provides information about the qualifications and business practices of Farmstead Capital Management, LLC (“Farmstead”). If you have any questions about the contents of this brochure, please contact Graham Quigley at 201-493-3990 or GQuigley@farmsteadcapital.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

ITEM 2 – MATERIAL CHANGES

This is the first version of Farmstead’s Brochure. Accordingly, there are no prior versions of the Brochure and no material changes to be noted.

In the future, when Farmstead amends its Brochure for its annual update and the amended version contains material changes from the last annual update, Farmstead will identify and discuss those changes either on this page or as a separate document accompanying the Brochure. For documentation purposes, Farmstead will provide the date of the last annual update of its Brochure.

ITEM 3 – TABLE OF CONTENTS

	<u>Page</u>
ITEM 2 – MATERIAL CHANGES	II
ITEM 3 – TABLE OF CONTENTS	III
ITEM 4 – ADVISORY BUSINESS	1
ITEM 5 – FEES AND COMPENSATION	3
ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT ..	6
ITEM 7 – TYPES OF CLIENTS	7
ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS	8
ITEM 9 – DISCIPLINARY INFORMATION	16
ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS ..	18
ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING	20
ITEM 12 – BROKERAGE PRACTICES	23
ITEM 13 – REVIEW OF ACCOUNTS	26
ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION	27
ITEM 15 – CUSTODY	28
ITEM 16 – INVESTMENT DISCRETION	29
ITEM 17 – VOTING CLIENT SECURITIES	30
ITEM 18 – FINANCIAL INFORMATION	31

ITEM 4 – ADVISORY BUSINESS

<p>Item 4.A</p>	<p>Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).</p> <p>Founded in August 2013, Farmstead Capital Management, LLC (“Farmstead”) is a Delaware limited liability company and its managing members are Andrew Rebak and Michael Scott. As of the date of this Brochure, Farmstead provides discretionary advisory services to certain pooled investment vehicles organized as private investment funds as follows:</p> <ul style="list-style-type: none"> • Farmstead Partners, LP, a Delaware limited partnership (the “Domestic Fund”) that intends to commence operations in November 2013; and • Farmstead Offshore Fund, Ltd., a Cayman Islands exempted company (the “Offshore Fund”) that intends to commence operations in November 2013. <p>The Domestic Fund and the Offshore Fund will each conduct substantially all of their investment and trading activities through Farmstead Master Fund Ltd., a Cayman Islands exempted company that intends to commence operations in November 2013 (the “Master Fund” and together with the Domestic Fund and the Offshore Fund, the “Funds”).</p> <p>Farmstead serves as investment manager to the Funds. Farmstead Capital GP, LLC, a Delaware limited liability company and affiliate of Farmstead (the “General Partner”) serves as general partner to the Domestic Fund.</p> <p>Farmstead may in the future provide discretionary investment advisory services to additional private funds and separately managed accounts (the “Managed Accounts”, and together with the Funds, the “Advisory Clients”).</p>
<p>Item 4.B</p>	<p>Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.</p> <p>Farmstead provides discretionary investment advisory services to the Funds. As the investment adviser to the Funds, Farmstead intends to invest the Funds’ portfolio in investment and non-investment grade bonds, leveraged loans, distressed products, structured credit and equity securities, on both a long and short basis. It should be noted that the Funds will retain the flexibility to invest both long and short in U.S. or non-U.S. publicly traded or privately issued or negotiated common stocks, preferred stocks, stock warrants and rights, bank loans, trade claims, corporate debt, bonds, notes or other debentures or debt participations, convertible securities, fixed income securities, swaps, options (purchased or written), futures contracts, commodities, forward contracts and other derivative instruments, partnership interests and other securities or financial instruments including those of investment companies. Farmstead may utilize leverage in the pursuit of the investment objectives of the Funds. Farmstead may also invest in new issues of securities, provided that the Funds first comply with</p>

	<p>all of the rules and regulations pertaining to such investments, including the rules of the Financial Industry Regulatory Authority.</p> <p>Each Fund's structure, investment objective and strategy is set forth in a confidential explanatory memorandum (each a "CEM") provided to each investor in the relevant Fund (each an "Investor").</p> <p>If and when applicable, the investment objectives and types of investments associated with any Managed Account clients would be individually negotiated between Farmstead and the relevant Managed Account.</p>
Item 4.C	<p>Explain whether (and, if so, how) you tailor your advisory services to the individual needs of <i>clients</i>. Explain whether <i>clients</i> may impose restrictions on investing in certain securities or types of securities.</p> <p>Farmstead neither tailors its advisory services to the individual needs of Investors nor accepts Investor-imposed investment restrictions. Farmstead has entered (and may in the future enter) into agreements, or "side letters," with certain large or strategic Investors whereby such Investors may be subject to terms and conditions that are more advantageous than those applicable to other Investors. For example, such terms and conditions may provide for lower fees or preferential liquidity, among other rights.</p> <p>When deemed appropriate for a large or strategic Investor, Farmstead may in the future establish one or more separately Managed Accounts, which may (i) tailor their investment objectives to those of the specific Investor(s)/client(s) and/or (ii) be subject to different investment objectives, terms and/or fees than those of the Funds. Such investment objectives, fee arrangements and terms will be individually negotiated, and it should be noted that any such separately managed account relationships would generally be subject to significant account minimums.</p>
Item 4.D	<p>If you participate in <i>wrap fee programs</i> by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.</p> <p>Farmstead does not participate in wrap fee programs.</p>
Item 4.E	<p>If you manage <i>client</i> assets, disclose the amount of <i>client</i> assets you manage on a <i>discretionary basis</i> and the amount of <i>client</i> assets you manage on a <i>non-discretionary basis</i>. Disclose the date "as of" which you calculated the amounts.</p> <p>Farmstead is a newly formed adviser and does not manage any Advisory Client assets as of the date of this Brochure. Farmstead and the Funds intend to launch their operations on or about November 1, 2013. After the commencement of operations, Farmstead will amend this Brochure to include its assets under management, as of the launch date. Farmstead will not manage any Advisory Client assets on a non-discretionary basis.</p>

ITEM 5 – FEES AND COMPENSATION

Item 5.A	<p>Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.</p> <p>The Funds offer interests or shares (as applicable) only to certain qualified Investors and admission in the Funds is not open to the general public. Interests or shares (as applicable) are sold only to qualified Investors who are “accredited investors” under Rule 501 of Regulation D of the Securities Act of 1933, as amended, and “qualified purchasers” as such term is defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended. Each Fund’s offering documents contain a detailed description of the applicable Fund’s fee schedule.</p> <p>It is critical that Investors refer to the relevant Fund’s governing documents for a complete understanding of how Farmstead is compensated for its advisory services.</p>
Item 5.B	<p>Describe whether you deduct fees from <i>clients</i>’ assets or bill <i>clients</i> for fees incurred. If <i>clients</i> may select either method, disclose this fact. Explain how often you bill <i>clients</i> or deduct your fees.</p> <p>Farmstead will deduct fees from each Fund’s assets. With respect to the Funds, Farmstead generally will deduct a management fee based on the net assets of each Fund, quarterly in advance (the “Management Fee”), subject to adjustment for any subsequent intra-quarter additions or distributions. Farmstead will also deduct an annual incentive allocation of net profits, if any, subject to a loss carryforward (the “Incentive Allocation”), payable to the General Partner and certain strategic Investors. It should be noted that the Management Fee and Incentive Allocation may be calculated differently with respect to the type of interests held by Investors in each Fund.</p> <p>When calculating the Incentive Allocation at the Master Fund level, net profits will be reduced by the Management Fee, and all items of income, loss and expense incurred at the Fund level will be taken into account. Since the General Partner and certain strategic Investor(s) will receive the Incentive Allocation at the Master Fund level, no incentive fee will be paid at the Fund level.</p> <p>All or a portion of the Management Fee and/or the Incentive Allocation may be waived, reduced or rebated with respect to the capital accounts of certain Investors, including affiliates of the General Partner or Farmstead.</p> <p>It is critical that Investors refer to their respective Fund’s governing documents for a complete understanding of how fees are deducted from their assets. The information contained herein is a summary only and is qualified in its entirety by the relevant Fund’s governing documents.</p>
Item 5.C	<p>Describe any other types of fees or expenses <i>clients</i> may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that <i>clients</i> will incur brokerage and other transaction costs, and direct <i>clients</i> to the section(s) of your <i>brochure</i> that discuss brokerage.</p> <p>The Funds will pay all costs and expenses related to investments and operations,</p>

	<p>including, without limitation:</p> <ul style="list-style-type: none"> • the Management Fee; • Fund legal, compliance, audit and accounting expenses (including third party accounting services); • portfolio accounting software; • legal fees and expenses related to sourcing, evaluating, consummating, monitoring and enforcing specific investments; • fees and expenses of the Fund’s administrator (including, but not limited to, software necessary for trade capture and portfolio management); • fees and expenses related to various filings (or portions thereof) made in connection with managing the Fund’s portfolio (including, but not limited to, Section 13 filings, Section 16 filings and Form PF and similar expenses (if applicable)); • shareholder proxy voting services; • organizational expenses; • investment expenses such as commissions, research fees and expenses (including research subscriptions, research-related travel and research related third-party advisers or consultants); • portfolio valuation expenses (including data feeds and third-party valuation agents); • interest on margin accounts and indebtedness; • borrowing charges on securities sold short; • custodial fees; • bank service fees; • Fund-related insurance costs (including D&O and E&O insurance); • Directors’ fees and expenses; • and any other expenses reasonably related to the purchase, sale or transmittal of Funds’ assets <p>Farmstead will bear all of its own normal and recurring operating expenses and overhead costs incurred in connection with the investment and other management services that it will provide to the Funds.</p> <p>Please see Item 12 of this brochure for a more detailed discussion of Farmstead’s brokerage practices.</p>
Item 5.D	<p>If your <i>clients</i> either may or must pay your fees in advance, disclose this fact. Explain how a <i>client</i> may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.</p> <p>As noted in Item 5.B. above, with respect to the Funds, Farmstead will deduct the Management Fee quarterly in advance. Investors will typically not be able to withdraw or redeem from a Fund during the middle of the month. To the extent a withdrawal/redemption is made mid-quarter, the pro-rata portion of the Management Fee will be reimbursed to the withdrawing/redeeming Investor.</p> <p>The Directors of the Fund may waive or modify any provision relating to withdrawals/redemption for employees or affiliates of the Farmstead, relatives of such persons, and for certain large or strategic Investors.</p>

	<p>It is critical that Investors refer to the relevant Fund’s governing documents for a complete understanding of withdrawal terms. The information contained in this Item 5 is a summary only and is qualified in its entirety by the relevant Fund’s governing documents.</p>
Item 5.E	<p>If you or any of your <i>supervised persons</i> accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4.</p> <p>Not applicable to Farmstead.</p>
Item 5.E.1	<p>Explain that this practice presents a conflict of interest and gives you or your <i>supervised persons</i> an incentive to recommend investment products based on the compensation received, rather than on a <i>client’s</i> needs. Describe generally how you address conflicts that arise, including your procedures for disclosing the conflicts to <i>clients</i>. If you primarily recommend mutual funds, disclose whether you will recommend “no-load” funds.</p> <p>Not applicable to Farmstead.</p>
Item 5.E.2	<p>Explain that <i>clients</i> have the option to purchase investment products that you recommend through other brokers or agents that are not affiliated with you.</p> <p>Not applicable to Farmstead.</p>
Item 5.E.3	<p>If more than 50% of your revenue from advisory <i>clients</i> results from commissions and other compensation for the sale of investment products you recommend to your <i>clients</i>, including asset-based distribution fees from the sale of mutual funds, disclose that commissions provide your primary or, if applicable, your exclusive compensation.</p> <p>Not applicable to Farmstead.</p>
Item 5.E.4	<p>If you charge advisory fees in addition to commissions or markups, disclose whether you reduce your advisory fees to offset the commissions or markups.</p> <p>Not applicable to Farmstead.</p>

ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

If you or any of your *supervised persons* accepts *performance-based fees* – that is, fees based on a share of capital gains on or capital appreciation of the assets of a *client* (such as a *client* that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your *supervised persons* manage both accounts that are charged a *performance-based fee* and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your *supervised persons* face by managing these accounts at the same time, including that you or your *supervised persons* have an incentive to favor accounts for which you or your *supervised persons* receive a *performance-based fee*, and describe generally how you address these conflicts.

As noted in Item 5.B above, the General Partner and certain strategic Investor(s) will receive performance-based compensation in the form of an Incentive Allocation.

Incentive based fees may create a potential conflict of interest in that Farmstead may have the incentive to make investments that are riskier or more speculative than they would make in the absence of incentive based fees. And because the incentive based fee is calculated on a basis that includes unrealized appreciation of the assets of the relevant Funds, the incentive based fee may be greater than if it were based solely on realized gains. Advisory Clients are provided with clear disclosure in the relevant agreement and/or CEM as to how incentive based fees is charged with respect to a particular Fund and the risks associated with such incentive based fees prior to making an investment.

ITEM 7 – TYPES OF CLIENTS

Describe the types of *clients* to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.

Farmstead will provide investment advisory services to pooled investment vehicles operating as private investment funds. Each Investor in the private funds must meet the eligibility provisions outlined in Item 5.A above. The minimum initial subscription of each Investor is \$5,000,000 (U.S.), subject to change at the sole discretion of the Directors of the respective private fund, but not below \$100,000 (U.S.) or such other amount as may be specified under the applicable law from time to time.

Managed Accounts may be set up for certain large or strategic Investors at the sole discretion of Farmstead, and will be subject to individually negotiated terms.

**ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES
AND RISK OF LOSS**

<p>Item 8.A</p>	<p>Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that <i>clients</i> should be prepared to bear.</p> <p>The investment objective of the Funds is to consistently maximize investment returns, while constantly striving to preserve client capital across investment cycles and limit correlation to the broader markets. Farmstead seeks to achieve this objective by performing rigorous fundamental analysis to identify investments that are trading above or below their intrinsic value, which have definable catalysts for value realization. The Funds will generally invest in corporate capital structures of leveraged or financially distressed companies.</p> <p>Farmstead will make opportunistic investments, on both a long and short basis, in investment and non-investment grade bonds, leveraged loans, distressed products, structured credit and equity securities. Farmstead will use a credit intensive approach to identify and exploit market inefficiencies, while constantly focusing on downside risk protection. Farmstead’s investment management team will leverage the firm’s broad experience with event catalysts and process-driven restructurings to drive the investment process. Further, Farmstead’s investment approach will employ a rigorous bottom up analysis on each company, assessing a number of issues (including operating performance, industry dynamics, organizational / legal structure, and capital structure) to determine the intrinsic value of the enterprise and analyzing the various claims against that enterprise value.</p> <p>Farmstead will attempt to create a concentrated portfolio generally of 20 to 50 positions with asymmetric return profiles and internal idiosyncratic factors driving the return opportunity. Portfolio composition will generally be diversified across industry sectors and investment themes.</p> <p>Each of the Funds has broad and flexible investment authority. The Funds may have other strategies or engage in other activities than those described herein. It is critical that Investors refer to the relevant Fund’s governing documents for a complete understanding of that Fund’s investment objective and strategy. The information contained in this Item 8 is a summary only and is qualified in its entirety by the relevant Fund’s governing documents.</p> <p>An investment in the Funds may be deemed speculative and is not intended as a complete investment program. The Funds are designed only for experienced and sophisticated persons who are able to bear the risk of substantial impairment or total loss of their investment in the Funds.</p>
<p>Item 8.B</p>	<p>For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.</p>

	<p><u>Corporate Debt-Obligations</u></p> <p>Farmstead intends to invest in corporate debt obligations (both performing and nonperforming), which are subject to the risk of an issuer's inability to meet principal and interest payments on the obligations (credit risk). Farmstead may intend to actively expose the Funds to credit risk; however, there can be no guarantee that the Funds will be successful in making the right selections and thus fully mitigate the impact of credit risk changes on the Funds.</p> <p><u>Competitive Nature for "Relative Value" and "Event Driven" Investments</u></p> <p>Relative value and event driven trading is extremely competitive. Competitive investment activity by other firms tends to reduce the Funds' opportunity for profit by reducing the magnitude as well as the duration of the market inefficiencies which it seeks to exploit.</p> <p><u>Distressed Investments</u></p> <p>Distressed investments may result in significant returns, but also involve a substantial degree of risk. The Funds may lose a substantial portion or all of its investment in a distressed environment or may be required to accept cash or securities with a value less than the Funds' investment. Among the risks inherent in investments in entities experiencing significant financial or business difficulties is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments also may be adversely affected by state and federal laws relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims. The market prices of such instruments are also subject to abrupt and erratic market movements and above average price volatility, and the spread between the bid and asked prices of such instruments may be greater than normally expected. In trading distressed instruments, litigation is sometimes required. Such litigation can be time-consuming and expensive, and can frequently lead to unpredicted delays or losses. Moreover, to the extent that the Funds invest in distressed sovereign debt obligations, it will be subject to additional risks and considerations not present in private distressed securities, including the uncertainties involved in enforcing and collecting debt obligations against sovereign nations, which may be affected by world events, changes in U.S. foreign policy and other factors outside of the control of the Farmstead.</p> <p><u>Credit Derivatives</u></p> <p>The market for credit derivatives is somewhat illiquid and there are considerable risks that it may be difficult to either buy or sell the contracts as needed or at reasonable prices. Sellers of credit derivatives carry the inherent price, spread and default risks of the debt instruments covered by the derivative instruments. Buyers of credit derivatives carry the risk of non-performance by the seller due to inability to pay. There are also risks with respect to credit derivatives in determining whether an event will trigger payment under the derivative and whether such payment will offset the loss or payment due under another instrument. In the past, buyers and sellers of credit derivatives have found that a trigger event in one contract may not match the trigger event in another contract, exposing the buyer or the seller to further risk.</p> <p><u>Special Situations</u></p> <p>Farmstead will invest in companies involved in (or the target of) acquisition attempts or tender offers or in companies involved in or undergoing work-outs,</p>
--	---

liquidations, spin-offs, reorganizations, bankruptcies or other catalytic changes or similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Fund of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Fund may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which Farmstead may invest, there is a potential risk of loss by Farmstead of its entire investment in such companies. In connection with such transactions (or otherwise), Farmstead may purchase securities on a when-issued basis, which means that delivery and payment take place sometime after the date of the commitment to purchase and is often conditioned upon the occurrence of a subsequent event, such as approval and consummation of a merger, reorganization or debt restructuring. The purchase price or interest rate receivable with respect to a when-issued security can be fixed when Farmstead enters into the commitment. Such securities are subject to changes in market value prior to their delivery.

Credit Default Swap Agreements

Credit default swaps involve greater risks than if Farmstead invests in the reference obligation directly. In addition to general market risks, credit default swaps are subject to liquidity risk and credit risk. A buyer also may lose its investment and recover nothing should no credit event occur. If a credit event were to occur, the value of the reference obligation received by the seller, coupled with the periodic payments previously received, may be less than the full notional value it pays to the buyer, resulting in a loss of value to Funds.

Futures Contracts

While the use of futures contracts by the Funds may reduce certain risks associated with portfolio positions, these techniques themselves entail certain other risks. The Funds could experience losses if the values of its futures positions were poorly correlated with its other investments, or if it could not close out its positions because of an illiquid market. In addition, the Funds will incur transaction costs, including trading commissions, in connection with its futures transactions and these transactions could significantly increase the Funds' investment turnover rate. There is no assurance that a liquid secondary market will exist for futures contracts or options purchased or sold, and the Fund may be required to maintain a position until exercise or expiration, which could result in losses. Many futures exchanges limit the amount of fluctuation permitted in contract prices during a single trading day. Once the daily limit has been reached in a particular contract, no trades may be made that day at a price beyond that limit. Contract prices could move to the daily limit for several consecutive trading days permitting little or no trading, thereby preventing prompt liquidation of futures and options positions and potentially subjecting the Funds to substantial losses.

High Yield Securities

Farmstead will invest in "high yield" bonds and preferred securities which are rated in the lower rating categories by the various credit rating agencies (or in comparable non-rated securities). Securities in the lower rating categories are subject to greater risk of loss of principal and interest than higher-rated securities

and are generally considered to be predominately speculative with respect to the issuer's capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than securities with higher ratings in the case of deterioration of general economic conditions. Because Investors generally perceive that there are greater risks associated with the lower-rated securities, the yields and prices of such securities may tend to fluctuate more than those for higher-rated securities. The market for lower-rated securities is thinner and less active than that for higher-rated securities, which can adversely affect the prices at which these securities can be sold. In addition, adverse publicity and Investor perceptions about lower-rated securities, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of such lower-rated securities.

Synthetic Securities

In addition to credit risks associated with holding non-investment grade loans and high yield debt securities, with respect to synthetic securities, the Funds will usually have a contractual relationship only with the counterparty of such synthetic securities, and not the Reference Obligor on the Reference Obligation. A "Reference Obligation" is the debt security or other obligation upon which the synthetic security is based. The Funds will generally have no right to directly enforce compliance by the Reference Obligor with the terms of the Reference Obligation or any rights of off-set against the Reference Obligor, or have any voting rights with respect to the Reference Obligation. The Funds will not benefit directly from the collateral supporting the Reference Obligation or have the benefit of the remedies that would normally be available to a holder of such Reference Obligation. In addition, in the event of insolvency of the counterparty, the Funds will be treated as a general creditor of such counterparty, and will not have any claim with respect to the credit risk of the counterparty or the Reference Obligor. As a result, concentrations of synthetic securities in any one counterparty subject the Funds to an additional degree of risk with respect to defaults by such counterparty as well as by the Reference Obligor. Farmstead will not normally perform independent credit analyses of a counterparty or any entity guaranteeing such counterparty, individually or in the aggregate. A "Reference Obligor" is the obligor on a Reference Obligation.

Loan Participations

Farmstead will invest in corporate loans acquired through assignment or participations. In purchasing participations, Farmstead will usually have a contractual relationship only with the selling institution, and not the borrower. Farmstead generally will have no right directly to enforce compliance by the borrower with the terms of the loan agreement, nor any rights of set-off against the borrower, nor will it have the right to object to certain changes to the loan agreement agreed to by the selling institution.

In addition, in the event of the insolvency of the selling institution, under the laws of the United States and the individual states, Farmstead may be treated as a general creditor of such selling institution, and may not have any exclusive or senior claim with respect to the selling institution's interest in, or the collateral with respect to, the secured loan. Consequently, Farmstead may be subject to the credit risk of the selling institution as well as of the borrower. Certain loans or loan participations may be governed by the laws of a jurisdiction other than a United States jurisdiction, which may present additional risks as regards the characterization under such laws of such participation in the event of the

	<p>insolvency of the selling institution or the borrower.</p> <p>A number of judicial decisions have upheld judgments of borrowers against lending institutions on the basis of various evolving legal theories, collectively termed “lender liability.” Because of the nature of the assets in which Farmstead may invest, which may include corporate loans, Farmstead may be subject to allegations of lender liability. Farmstead cannot assure Investors that lender liability claims will not be made against the Funds or that the Funds will not be subject to significant liability if a claim of this type is made.</p> <p><u>Interest Rate Risk</u></p> <p>Farmstead will be subject to interest rate risk. Generally, the value of fixed income instruments will change inversely with changes in interest rates. Farmstead may attempt to minimize the exposure of the portfolios to interest rate changes through the use of interest rate swaps, interest rate futures and/or interest rate options. However, there can be no guarantee that the Farmstead will be successful in fully mitigating the impact of interest rate changes on the portfolios.</p> <p><u>Convertible Securities</u></p> <p>As with all debt securities, the market value of convertible securities tends to decline as interest rates increase and conversely, increase as interest rates decline. Convertible securities, however, also appreciate when the underlying common stock appreciates, and conversely, depreciate when the underlying common stock depreciates.</p> <p><u>Equities and Equity-Related Instruments</u></p> <p>Farmstead may invest in equities and equity-related instruments. Certain options and other equity-related instruments may be subject to various types of risks, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk. In addition, equities and equity-related instruments can involve significant economic leverage and may, in some cases, involve significant risks of loss.</p> <p><u>Relative Value Strategy Risk</u></p> <p>Farmstead will pursue relative value strategies by taking long positions in securities believed to be undervalued and short positions in securities believed to be overvalued. In the event that the perceived mispricings underlying the trading positions were to fail to converge toward, or were to diverge further from, Farmstead’s expectations, the Funds may incur a loss. In implementing "relative value" strategies Farmstead will seek to reduce exposure to the risk of overall market price movements, but will be fully exposed to the risks of disruptions in historical price relationships, the restricted availability of credit and the obsolescence of its valuation models.</p> <p><u>Arbitrage Transaction Risks</u></p> <p>Arbitrage strategies attempt to take advantage of perceived price discrepancies of identical or similar financial instruments, on different markets or in different forms. If the requisite elements of an arbitrage strategy are not properly analyzed, or unexpected events or price movements intervene, losses can occur which can be magnified to the extent Farmstead is employing leverage. Moreover, arbitrage strategies often depend upon identifying favorable "spreads", which can also be identified, reduced or eliminated by other market participants.</p>
--	--

	<p><u>Non-U.S. Securities</u></p> <p>Investing in securities of non-U.S. governments and companies that are generally denominated in non-U.S. currencies and utilization of options on non-U.S. securities involves certain considerations comprising both risks and opportunities not typically associated with investing in securities of the United States government or United States companies. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, foreign government restrictions, less government supervision of exchanges, brokers and issuers, greater risks associated with counterparties and settlement, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.</p> <p><u>Hedging Transactions</u></p> <p>Although Farmstead may utilize a variety of financial instruments, such as derivatives, options, interest rate swaps, swaptions, government bonds, equity indices, caps and floors, futures and forward contracts generally for risk management purposes (potentially for speculative purposes as well), there can be no assurances that a particular hedge is appropriate, or that a certain risk is measured properly. Further, such transactions may result in a poorer overall performance and increased (rather than reduced) risk for Farmstead than if it did not engage in any such hedging transactions.</p> <p><u>Derivative Financial Instruments and Techniques</u></p> <p>Farmstead intends to invest in derivative financial instruments. The risks posed by such instruments and techniques, which can be extremely complex and may involve leveraging of the Funds' assets, include: (i) credit risks (the exposure to the possibility of loss resulting from a counterparty's failure to meet its financial obligations); (ii) market risk (adverse movements in the price of a financial asset); (iii) legal risks (the characterization of a transaction or a party's legal capacity to enter into it could render the financial contract unenforceable, and the insolvency or bankruptcy of a counterparty could preempt otherwise enforceable contract rights); (iv) operations risk (inadequate controls, deficient procedures, human error, system failure or fraud); (v) documentation risk (exposure to losses resulting from inadequate documentation); (vi) liquidity risk (exposure to losses created by inability to prematurely terminate the derivative); (vii) system risk (the risk that financial difficulties in one institution or a major market disruption will cause uncontrollable financial harm to the financial system); (viii) concentration risk (exposure to losses from the concentration of closely related risks such as exposure to a particular industry or exposure linked to a particular entity); and (ix) settlement risk.</p> <p><u>Short Sales</u></p> <p>Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on the portfolio. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no assurance that securities necessary to cover a short position will be available for purchase.</p>
--	---

	<p><u>Options</u> Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the Investor loses its premium. Selling options involves potentially greater risk because the Investor is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received (which could result in a potentially unlimited loss). Over-the-counter options also involve counterparty solvency risk.</p> <p><u>Use of Leverage</u> As noted in Section 4 above, Farmstead may utilize leverage. This results in Farmstead controlling substantially more assets than Farmstead has equity. The use of leverage exposes Farmstead to additional levels of risk, including (i) greater losses from investments than would otherwise have been the case had the Fund not borrowed to make the investments, (ii) margin calls or interim margin requirements which may force premature liquidations of investment positions and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the cost of borrowing such funds. In the event of a sudden, precipitous drop in value of the assets, Farmstead might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying its losses.</p> <p><u>Event Driven Strategy Risk</u> The success of the event-driven investment strategy depends Farmstead's ability to make predictions about the likelihood that an event will occur and the impact such event will have on the value of a company's securities. If the event fails to occur or it does not have the effect foreseen, losses can result. Because of the inherently speculative nature of event-driven investing, the results of the Funds' operations may be expected to fluctuate from period to period.</p> <p><u>Lack of Diversification</u> Farmstead will primarily invest in securities and other financial instruments in the financial services universe and may not be widely diversified among sectors, industries, issuers, types of securities or geographic areas. Accordingly, the Funds' portfolios may be subject to more rapid change in value than would be the case if the Funds were required to maintain a wide diversification.</p> <p><u>Counterparty Risk</u> To the extent that Farmstead invests in swaps, "synthetic" or derivative instruments, repurchase agreements, forward contracts, certain types of options or other customized financial instruments, or, in certain circumstances, non-U.S. securities, Farmstead takes the risk of non-performance by the other party to the contract. This risk may include credit risk of the counterparty and the risk of settlement default.</p> <p><u>Lack of Liquidity of Fund Investments</u> Fund assets may, at any given time, include securities and other financial instruments or obligations that are thinly-traded or for which no market exists and/or which are restricted as to their transferability under applicable securities laws. The sale of any such investments may be possible only at substantial discounts, and it may be extremely difficult to accurately value any such investments.</p> <p>The foregoing list of risk factors does not purport to be a complete statement of the risks involved in an investment in the Funds or in the establishment of</p>
--	---

	<p>a Managed Account. Prospective Investors should read the offering materials and consult with their own advisors before deciding to invest in a Fund.</p>
Item 8.C	<p>If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.</p> <p>An investment in the Funds carries with it the inherent risks associated with investments primarily in credit and equity instruments and the use of leverage and short sales. Please see Item 8.B above for a more detailed description.</p>

ITEM 9 – DISCIPLINARY INFORMATION

If there are legal or disciplinary events that are material to a *client's* or prospective *client's* evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.

Items 9.A, 9.B, and 9.C list specific legal and disciplinary events presumed to be material for this Item. If your advisory firm or a *management person* has been *involved* in one of these events, you must disclose it under this Item for ten years following the date of the event, unless (1) the event was resolved in your or the *management person's* favor, or was reversed, suspended or vacated, or (2) you have rebutted the presumption of materiality to determine that the event is not material (see Note below). For purposes of calculating this ten-year period, the “date” of an event is the date that the final *order*, judgment, or decree was entered, or the date that any rights of appeal from preliminary *orders*, judgments or decrees lapsed.

Items 9.A, 9.B, and 9.C do not contain an exclusive list of material disciplinary events. If your advisory firm or a *management person* has been *involved* in a legal or disciplinary event that is not listed in Items 9.A, 9.B, or 9.C, but nonetheless is material to a *client's* or prospective *client's* evaluation of your advisory business or the integrity of its management, you must disclose the event. Similarly, even if more than ten years have passed since the date of the event, you must disclose the event if it is so serious that it remains material to a *client's* or prospective *client's* evaluation.

Item 9.A	<p>A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which your firm or a <i>management person</i></p> <ol style="list-style-type: none"> 1. was convicted of, or pled guilty or nolo contendere (“no contest”) to (a) any <i>felony</i>; (b) a <i>misdemeanor</i> that <i>involved</i> investments or an <i>investment-related</i> business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses; 2. is the named subject of a pending criminal <i>proceeding</i> that involves an <i>investment-related</i> business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses; 3. was <i>found</i> to have been <i>involved</i> in a violation of an <i>investment-related</i> statute or regulation; or 4. was the subject of any <i>order</i>, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a <i>management person</i> from engaging in any <i>investment-related</i> activity, or from violating any <i>investment-related</i> statute, rule, or <i>order</i>. <p>Not applicable to Farmstead.</p>
Item 9.B	<p>An administrative <i>proceeding</i> before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which your firm or a <i>management person</i></p> <ol style="list-style-type: none"> 1. was <i>found</i> to have caused an <i>investment-related</i> business to lose its

	<p>authorization to do business; or</p> <p>2. was <i>found</i> to have been <i>involved</i> in a violation of an <i>investment-related</i> statute or regulation and was the subject of an <i>order</i> by the agency or authority</p> <p>(a) denying, suspending, or revoking the authorization of your firm or a <i>management person</i> to act in an <i>investment-related</i> business;</p> <p>(b) barring or suspending your firm's or a <i>management person's</i> association with an <i>investment-related</i> business;</p> <p>(c) otherwise significantly limiting your firm's or a <i>management person's investment-related</i> activities; or</p> <p>(d) imposing a civil money penalty of more than \$2,500 on your firm or a <i>management person</i>.</p> <p>Not applicable to Farmstead.</p>
Item 9.C	<p>A self-regulatory organization (SRO) proceeding in which your firm or a management person</p> <p>1. was <i>found</i> to have caused an <i>investment-related</i> business to lose its authorization to do business; or</p> <p>2. was <i>found</i> to have been <i>involved</i> in a violation of the <i>SRO's</i> rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from <i>investment-related</i> activities; or (iii) fined more than \$2,500.</p> <p>Not applicable to Farmstead.</p>

**ITEM 10 – OTHER FINANCIAL INDUSTRY
ACTIVITIES AND AFFILIATIONS**

Item 10.A	<p>If you or any of your <i>management persons</i> are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.</p> <p>Not applicable to Farmstead.</p>
Item 10.B	<p>If you or any of your <i>management persons</i> are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.</p> <p>Not applicable to Farmstead.</p>
Item 10.C	<p>Describe any relationship or arrangement that is material to your advisory business or to your <i>clients</i> that you or any of your <i>management persons</i> have with any <i>related person</i> listed below. Identify the <i>related person</i> and if the relationship or arrangement creates a material conflict of interest with <i>clients</i>, describe the nature of the conflict and how you address it.</p> <ol style="list-style-type: none"> 1. broker-dealer, municipal securities dealer, or government securities dealer or broker 2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund) 3. other investment adviser or financial planner 4. futures commission merchant, commodity pool operator, or commodity trading advisor 5. banking or thrift institution 6. accountant or accounting firm 7. lawyer or law firm 8. insurance company or agency 9. pension consultant 10. real estate broker or dealer 11. sponsor or syndicator of limited partnerships <p>Farmstead Capital GP LLC, a Delaware limited liability company and affiliate of Farmstead (the “General Partner”) serves as general partner to the Domestic Fund.</p> <p>Farmstead has claimed an exemption from registration with the Commodity Futures Trading Commission as a commodity pool operator pursuant to Rule 4.13(a)(3) under the Commodity Exchange Act, as amended.</p> <p>Farmstead, its employees, affiliates or their related persons may also invest directly in any one, some or all of the Funds.</p> <p>The Chief Compliance Officer monitors the conflicts associated with such activities through enforcement of Farmstead’s Compliance Manual (which requires reporting such outside activities) and Code of Ethics (which requires that</p>

	employees place the interests of Advisory Clients ahead of their own personal interests).
Item 10.D	<p>If you recommend or select other investment advisers for your <i>clients</i> and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.</p> <p>Not applicable to Farmstead.</p>

**ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT
TRANSACTIONS AND PERSONAL TRADING**

<p>Item 11.A</p>	<p>If you are an SEC-registered adviser, briefly describe your code of ethics adopted pursuant to SEC rule 204A-1 or similar state rules. Explain that you will provide a copy of your code of ethics to any <i>client</i> or prospective <i>client</i> upon request.</p> <p>Farmstead’s Code of Ethics (the “Code”) is designed to meet the requirements of Rule 204A-1 of the Investment Advisers Act of 1940 (“Advisers Act”). The Code applies to Farmstead’s access persons (which term includes all employees of Farmstead) (the “Access Persons”) and sets forth a standard of business conduct that takes into account Farmstead’s status as a fiduciary and requires Access Persons to place the interests of Advisory Clients and Investors above their own interests. The Code requires Access Persons to comply with applicable federal securities laws. Further, Access Persons are required to promptly bring violations of the Code to the attention of Farmstead’s Chief Compliance Officer. All Access Persons are provided with a copy of the Code and are required to acknowledge receipt of the Code on at least an annual basis.</p> <p>As required by Rule 204A-1 of the Advisers Act, and as further discussed in Item 11.C below, the Code also sets forth certain reporting and pre-clearance requirements with respect to personal trading by Access Persons. Access Persons must pre-clear certain transactions in reportable securities. Access Persons must also provide the Chief Compliance Officer with a list of their personal accounts and an initial holdings report within 10 days of becoming an Access Person. In addition, Access Persons must provide annual holdings reports and quarterly transaction reports in accordance with Rule 204A-1.</p> <p>Further, Farmstead’s Code ensures the protection of nonpublic information about the activities of the Funds. Investors or prospective Investors may obtain a copy of Farmstead’s Code by contacting the Chief Compliance Officer, Graham Quigley, at GQuigley@farmsteadcapital.com.</p>
<p>Item 11.B</p>	<p>If you or a <i>related person</i> recommends to <i>clients</i>, or buys or sells for <i>client</i> accounts, securities in which you or a <i>related person</i> has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.</p> <p>Examples: (1) You or a <i>related person</i>, as principal, buys securities from (or sells securities to) your <i>clients</i>; (2) you or a <i>related person</i> acts as general partner in a partnership in which you solicit <i>client</i> investments; or (3) you or a <i>related person</i> acts as an investment adviser to an investment company that you recommend to <i>clients</i>.</p> <p>As described above, Farmstead serves as the investment manager of the Funds and as such recommends interests in the Funds to prospective Investors. Farmstead (or its affiliates) have a material financial interest with respect to fees paid by Investors. Management fees are payable without regard to the overall success or income earned by the Advisory Clients and therefore may create an incentive on the part of Farmstead to raise or otherwise increase assets under management to a higher level than would be the case if Farmstead were receiving a lower or no management fee. Performance-based fees may create an incentive</p>

	<p>for Farmstead to make investments that are riskier or more speculative than in the absence of such performance-based compensation. Advisory Clients and Investors are provided with clear disclosure as to how performance-based compensation is charged and the risks associated with such performance-based compensation prior to making an investment.</p> <p>The fact that Farmstead and certain Access Persons may each have financial ownership interests in the Funds creates a potential conflict in that it could cause Farmstead to make different investment decisions than if such parties did not have such financial ownership interests.</p> <p>If permitted under applicable law, Farmstead may, on behalf of the Funds, for liquidity, portfolio rebalancing, trade allocation or other reasons, purchase investments from, sell investments to or enter into agreements with Other Accounts (<i>i.e.</i>, “cross transactions”). The terms of any such cross transactions will be commercially reasonable and will not be materially less favorable to the Funds than those available in the market. Farmstead will receive no special fees or other compensation in connection with cross transactions. Expenses incurred in a cross transaction will be allocated equitably in the sole discretion of Farmstead between the Funds and the Other Accounts that are parties to the cross transaction. Similarly, if a transaction is cancelled, any costs incurred will be allocated equitably in the sole discretion of Farmstead between the Funds and the Other Accounts that are parties to the cross transaction.</p> <p>Farmstead addresses these potential conflicts through regular monitoring of the Funds’ portfolios for consistency with the Funds’ objectives, strategies, and target capacity. Further, Farmstead carefully considers the risks involved in any investments and provides extensive disclosure to Investors regarding the potential risks that come with an investment in the Funds. The Code requires Access Persons to place the interests of Advisory Clients and Investors over their own or those of Farmstead, and all Access Persons are required to acknowledge their receipt and understanding of the Code. Also, as noted in Item 11.A. and 11.C, Access Persons are subject to personal securities transaction pre-clearance and holding requirements to ensure all Access Persons place the interests of the Advisory Clients above their own.</p>
Item 11.C	<p>If you or a <i>related person</i> invests in the same securities (or related securities, <i>e.g.</i>, warrants, options or futures) that you or a <i>related person</i> recommends to clients, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.</p> <p>As noted above, Farmstead’s Access Persons and related entities may have investments in the Funds. It should be noted that investments in the Funds made by such parties may not be subject to the asset or performance-based fees described in Item 5 above.</p> <p>Subject to pre-clearance requirements, Access Persons of Farmstead are permitted to make certain securities transactions in their personal accounts. This presents potential conflicts in that an employee could make improper use of information regarding an Advisory Client’s holdings, future transactions or research paid for by the Advisory Clients. For example, an Access Person could take for himself or herself an investment opportunity available to an Advisory Client.</p>

	<p>Farmstead manages the potential conflicts of interest inherent in Access Person personal trading by rigorous enforcement of its Code, which contains strict pre-clearance and reporting guidelines for Access Persons. Specifically, Farmstead's Code requires related persons of Farmstead to obtain prior written approval from Farmstead's Chief Compliance Officer before engaging in certain transactions in their personal accounts. The Chief Compliance Officer may only approve the transaction if he concludes that the transaction would comply with the provisions of the Code and is not likely to have any adverse economic impact on the Advisory Clients.</p> <p>The Chief Compliance Officer reviews each Access Person's personal transaction reports to make sure each Access Person is conducting his or her personal securities transactions in a manner that is consistent with the Code.</p> <p>Farmstead also maintains policies and procedures to prevent insider trading that are designed to prevent the misuse of material, non-public information. Farmstead's personnel are required to certify on an annual basis their compliance with such policies and procedures as well as the Code.</p>
Item 11.D	<p>If you or a <i>related person</i> recommends securities to <i>clients</i>, or buys or sells securities for <i>client</i> accounts, at or about the same time that you or a <i>related person</i> buys or sells the same securities for your own (or the <i>related person's</i> own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.</p> <p>Please also refer to Items 11.A, 11.B, and 11.C.</p>

ITEM 12 – BROKERAGE PRACTICES

Item 12.A.1	<p>Describe the factors that you consider in selecting or recommending broker-dealers for <i>client</i> transactions and determining the reasonableness of their compensation (e.g., commissions).</p> <ol style="list-style-type: none"> 1. Research and Other Soft Dollar Benefits. If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions (“soft dollar benefits”), disclose your practices and discuss the conflicts of interest they create. <ol style="list-style-type: none"> a. Explain that when you use <i>client</i> brokerage commissions (or markups or markdowns) to obtain research or other products or services, you receive a benefit because you do not have to produce or pay for the research, products or services. b. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving the research or other products or services, rather than on your <i>clients’</i> interest in receiving most favorable execution. c. If you may cause <i>clients</i> to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), disclose this fact. d. Disclose whether you use soft dollar benefits to service all of your <i>clients’</i> accounts or only those that paid for the benefits. Disclose whether you seek to allocate soft dollar benefits to <i>client</i> accounts proportionately to the soft dollar credits the accounts generate. e. Describe the types of products and services you or any of your <i>related persons</i> acquired with <i>client</i> brokerage commissions (or markups or markdowns) within your last fiscal year. f. Explain the procedures you used during your last fiscal year to direct <i>client</i> transactions to a particular broker-dealer in return for soft dollar benefits you received. <p>Farmstead recognizes its duty to obtain “best execution” for its Advisory Clients. Consistent with such duty, in determining best execution, Farmstead may take into account the full range and quality of a broker-dealer’s services that benefit an account under management such as brokerage, research and other services. In seeking best execution, Farmstead will take into consideration the full range of broker-dealer services. Accordingly, although Farmstead’s primary consideration in placing transactions with particular broker-dealers is to obtain execution in the most effective manner possible, Farmstead also takes into account a variety of other factors, including the financial strength, integrity and stability of the broker-dealer and the commissions to be paid. As such, although Farmstead will seek</p>
-------------	---

	<p>competitive rates, it may not necessarily obtain the lowest possible commission rates for executing transactions. Commission rates are generally negotiable and thus selecting brokers on the basis of considerations that are not limited to the applicable commission rates may result in higher transaction costs than would otherwise be obtainable.</p> <p>Further, Farmstead may, if it deems it to be in the best interest of the Funds, utilize “soft dollar” arrangements with certain brokers. Any benefits or services received by Farmstead are expected to be consistent with Section 28(e) of the Securities Exchange Act, as amended, which permits the use of “soft dollars” in certain circumstances. Research obtained by soft dollars generated by the Funds may be used by Farmstead to service accounts other than the Funds. Where research, trading or other services also assist Farmstead in performing non-investment decision-making functions, Farmstead will make reasonable allocation of the cost of the services according to its use, and use brokerage commissions to pay only for the research and/or trading-related components. Farmstead does not intend to enter into “soft dollar” arrangements for any other purposes, such as defraying its overhead expenses. When determining the appropriate commission rates to pay brokers, Farmstead takes into consideration each broker’s contribution to the investment process.</p> <p>The relationship with brokerage firms that provide soft dollar services to Farmstead influence Farmstead’s judgment in allocating brokerage business and creates a conflict of interest in using the services of those broker-dealers to execute the Funds’ brokerage transactions. It is anticipated that brokerage commissions that the Funds expect to pay to those firms, however, should not differ materially from and are not materially higher than the commissions that it pays to other firms for comparable services. Farmstead believes that these relationships will be beneficial to the Funds, but Fund trades executed through these firms or any other brokerage firm may or may not be at the best price otherwise available.</p> <p>Farmstead will periodically review the execution performance of broker-dealers executing its clients’ transactions to make a good faith determination that the value of research and brokerage services received is reasonable in relation to the amount of commissions paid.</p>
Item 12.A.2	<p><u>Brokerage for <i>Client</i> Referrals.</u> If you consider, in selecting or recommending broker-dealers, whether you or a <i>related person</i> receives <i>client</i> referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.</p> <ol style="list-style-type: none"> a. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving <i>client</i> referrals, rather than on your <i>clients</i>’ interest in receiving most favorable execution. b. Explain the procedures you used during your last fiscal year to direct <i>client</i> transactions to a particular broker-dealer in return for <i>client</i> referrals. <p>Broker dealers, including firms that serve as prime brokers to the Funds may, from time to time, permit Farmstead to participate in capital introduction</p>

	<p>programs with respect to the Funds and/or recommend the Funds as an investment to clients. Portfolio transactions may be placed with firms who have made such recommendations or provided capital introduction opportunities, if otherwise consistent with seeking best execution. In no event will Farmstead select a broker or dealer as a means of remuneration for recommending the Funds or any other private fund managed by Farmstead (or an affiliate) or affording Farmstead with the opportunity to participate in capital introduction programs.</p>
Item 12.A.3	<p><u>Directed Brokerage.</u></p> <ol style="list-style-type: none"> a. If you routinely <u>recommend</u>, <u>request</u> or <u>require</u> that a <i>client</i> direct you to execute transactions through a specified broker-dealer, describe your practice or policy. Explain that not all advisers require their <i>clients</i> to direct brokerage. If you and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, describe the relationship and discuss the conflicts of interest it presents. Explain that by directing brokerage you may be unable to achieve most favorable execution of <i>client</i> transactions, and that this practice may cost <i>clients</i> more money. b. If you <u>permit</u> a <i>client</i> to direct brokerage, describe your practice. If applicable, explain that you may be unable to achieve most favorable execution of <i>client</i> transactions. Explain that directing brokerage may cost <i>clients</i> more money. For example, in a directed brokerage account, the <i>client</i> may pay higher brokerage commissions because you may not be able to aggregate orders to reduce transaction costs, or the <i>client</i> may receive less favorable prices. <p>Farmstead has complete discretion in deciding what brokers and dealers the Advisory Clients will use and in negotiating the rates of compensation the Advisory Clients will pay. Farmstead is not committed to continue its prime brokerage relationships with any particular prime brokers for any minimum period, and Farmstead may select other or additional brokers to act as prime broker for the Advisory Clients. As outlined above, Farmstead recognizes its duty to obtain “best execution” in effecting transactions on behalf of the Advisory Clients.</p>
Item 12.B	<p>Discuss whether and under what conditions you aggregate the purchase or sale of securities for various <i>client</i> accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to <i>clients</i> of not aggregating.</p> <p>When appropriate, Farmstead may, but is not required to, aggregate Advisory Client orders to achieve more efficient execution or to provide for equitable treatment among accounts. Advisory Clients participating in aggregated trades will generally be allocated securities based on the average price achieved for such trades.</p>

ITEM 13 – REVIEW OF ACCOUNTS

<p>Item 13.A</p>	<p>Indicate whether you periodically review <i>client</i> accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the supervised persons who conduct the review.</p> <p>The Advisory Clients’ portfolios will be under continuous review and their performance will be analyzed on a daily basis. It is generally the responsibility of Andrew Rebak and Michael Scott, the Portfolio Managers, to take affirmative steps to ensure that all trades in an Advisory Client account are in compliance with the laws and regulations governing each type of account, and with all Advisory Clients’ investment objectives and guidelines. Other Farmstead employees may also be designated to review Advisory Client accounts and orders.</p> <p>Further, Graham Quigley, in his capacity as Chief Compliance Officer, will periodically review the firm’s trading and current practices to ensure consistency with applicable law and regulations.</p>
<p>Item 13.B</p>	<p>If you review <i>client</i> accounts on other than a periodic basis, describe the factors that trigger a review.</p> <p>Please see Item 13.A. The accounts will be under continuous review.</p>
<p>Item 13.C</p>	<p>Describe the content and indicate the frequency of regular reports you provide to <i>clients</i> regarding their accounts. State whether these reports are written.</p> <p>Generally, Investors will receive written monthly unaudited reports on the Funds’ progress and letters quarterly. In addition, Investors will receive annual audited financial statements.</p>

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Item 14.A	<p>If someone who is not a <i>client</i> provides an economic benefit to you for providing investment advice or other advisory services to your <i>clients</i>, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.</p> <p>Not applicable to Farmstead.</p>
Item 14.B	<p>If you or a <i>related person</i> directly or indirectly compensates any <i>person</i> who is not your <i>supervised person</i> for <i>client</i> referrals, describe the arrangement and the compensation.</p> <p>Farmstead does not currently utilize the services of outside solicitors in its marketing efforts. To the extent this policy changes in the future, and Farmstead engages Solicitors for clients other than the private Funds, Farmstead will maintain copies of: (i) any written agreements with such Solicitors; (ii) any client acknowledgements; and (iii) any written disclosure statements furnished by such Solicitors to Farmstead's clients.</p> <p>The Chief Compliance Officer must approve all proposed referral fee arrangements and will be responsible for ensuring compliance with Rule 206(4)-3 as applicable. Employees should immediately notify the Chief Compliance Officer of any proposed relationship with a Solicitor.</p>

ITEM 15 – CUSTODY

If you have *custody of client* funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your *clients*, explain that *clients* will receive account statements from the broker-dealer, bank or other qualified custodian and that *clients* should carefully review those statements. If your *clients* also receive account statements from you, your explanation must include a statement urging *clients* to compare the account statements they receive from the qualified custodian with those they receive from you.

Pursuant to Rule 206(4)-2 of the Advisers Act (the “Custody Rule”), Farmstead will be deemed to have custody of the Funds’ assets. Farmstead will maintain the assets of the Funds in accounts with “qualified custodians” pursuant to Rule 206(4)-2 under the Advisers Act. The qualified custodians presently utilized by Farmstead are:

Goldman, Sachs & Co.
200 West Street
New York, New York 10282
United States of America

Credit Suisse Securities (USA) LLC
11 Madison Avenue
New York, NY 10010
United States of America

In order to comply with the requirements of the Custody Rule, Farmstead will ensure that: (i) the Funds are audited annually and upon liquidation; (ii) the accounting firm conducting such audits is an independent public accountant registered with, and subject to inspection by, the Public Company Accounting Oversight Board; (iii) each such audit is conducted in accordance with U.S. Generally Accepted Accounting Principles; and (iv) the audited financial statements for the Funds are provided to Investors within 120 days of the end of each Fund’s fiscal year (or, in the case of a liquidating audit, promptly after completion of the audit). Investors should carefully review the audited financial statements of the Funds upon receipt.

Employees are strictly prohibited from acquiring custody of client assets (i.e., Employees are not allowed to become trustees for client assets or obtain any power of attorney for clients separate and apart from Farmstead).

ITEM 16 – INVESTMENT DISCRETION

If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).

Farmstead has discretionary authority to manage the Funds. Farmstead is authorized to make purchase and sale decisions for the Funds. As explained in Item 4.C above, individual Investors in the Funds do not have the ability to impose limitations on Farmstead's discretionary authority. Prospective Investors are provided with an offering memorandum prior to their investment and are encouraged to carefully review the offering memorandum, along with all supplements and other relevant offering documents, and to be sure that the proposed investment is consistent with their investment goals and tolerance for risk. Prospective Investors should also consult with their legal, tax, or other advisors prior to making any investment. All Investors must execute a subscription agreement, each of which constitutes a legal, valid and binding obligation of the Investor, enforceable in accordance with its terms. In addition, Investors in the Domestic Fund must also execute a limited partnership agreement.

ITEM 17 – VOTING CLIENT SECURITIES

<p>Item 17.A</p>	<p>If you have, or will accept, authority to vote <i>client</i> securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6. Describe whether (and, if so, how) your <i>clients</i> can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your <i>clients</i> with respect to voting their securities. Describe how <i>clients</i> may obtain information from you about how you voted their securities. Explain to <i>clients</i> that they may obtain a copy of your proxy voting policies and procedures upon request.</p> <p>Farmstead has the authority to vote proxies relating to securities of issuers in which the Funds are invested. Farmstead will determine how to vote after studying proxy materials and any other information that Farmstead deems to be germane to its decision on how to exercise its vote. All proxies sent to Funds will be provided to the Chief Compliance Officer. Prior to voting any proxies, the Chief Compliance Officer will determine which of the Funds hold the security to which the proxy relates and whether any material conflict of interests exists between Farmstead and the Funds with respect to such proxy vote.</p> <p>If a conflict is identified, the Chief Compliance Officer will then make a determination (which may be in consultation with outside legal counsel) as to whether the conflict is material or not. If the Chief Compliance Officer determines that no such material conflict of interests exists, the Chief Compliance Officer will so advise the Chief Investment Officer and Head of Research and they will make a decision on how to vote the proxy, which may be in consultation with other investment team members. If a conflict is identified and deemed “material,” the Chief Investment Officer, in consultation with the Chief Compliance Officer, will determine whether voting the proxy is in the best interests of affected Advisory Clients (which may include utilizing an independent third party to vote such proxies).</p> <p>Generally, the Chief Compliance Officer will be responsible for ensuring that the proxy is voted on and submitted in a timely manner. Farmstead will keep a record of its proxy voting policies and procedures, proxy statements received, votes cast, all communications received and internal documents created that were material to voting decisions and each client request for proxy voting records and Farmstead’s response for the previous five years.</p> <p>If you have any questions about Farmstead’s proxy policy, its proxy record-keeping procedures or if you would like any detailed information about how proxies are actually voted, please contact the Chief Compliance Officer, Graham Quigley, at GQuigley@farmsteadcapital.com.</p>
<p>Item 17.B</p>	<p>If you do not have authority to vote <i>client</i> securities, disclose this fact. Explain whether <i>clients</i> will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) <i>clients</i> can contact you with questions about a particular solicitation.</p> <p>Not applicable to Farmstead.</p>

ITEM 18 – FINANCIAL INFORMATION

Item 18.A	<p>If you require or solicit prepayment of more than \$1,200 in fees per <i>client</i>, six months or more in advance, include a balance sheet for your most recent fiscal year.</p> <ol style="list-style-type: none"> 1. The balance sheet must be prepared in accordance with generally accepted accounting principles, audited by an independent public accountant, and accompanied by a note stating the principles used to prepare it, the basis of securities included, and any other explanations required for clarity. 2. Show parenthetically the market or fair value of securities included at cost. 3. Qualifications of the independent public accountant and any accompanying independent public accountant's report must conform to Article 2 of SEC Regulation S-X. <p>Not applicable to Farmstead.</p>
Item 18.B	<p>If you have <i>discretionary authority</i> or <i>custody</i> of <i>client</i> funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per <i>client</i>, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to <i>clients</i>.</p> <p>Note: With respect to Items 18.A and 18.B, if you are registered or are registering with one or more of the state securities authorities, the dollar amount reporting threshold for including the required balance sheet and for making the required financial condition disclosures is more than \$500 in fees per client, six months or more in advance.</p> <p>Farmstead is not currently aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.</p>
Item 18.C	<p>If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.</p> <p>Not applicable to Farmstead.</p>