

WESTCHESTER CAPITAL PARTNERS, LLC

**100 SUMMIT LAKE DRIVE
VALHALLA, NY 10595**

**(914) 741-5600
OPERATIONS@MERGERFUND.COM**

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This brochure provides information about the qualifications and business practices of Westchester Capital Partners, LLC. If you have any questions about the contents of this brochure, please contact us at (914) 741-5600 or operations@mergerfund.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. Registration as an investment adviser does not imply a certain level of skill or training.

Additional information about Westchester Capital Partners, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2 – MATERIAL CHANGES

Since the last update of our brochure dated April 3, 2013, we have (i) revised the discussion of WCP’s methods of analysis, strategies and the risk of loss; (ii) revised the discussion of WCP’s code of ethics; and (iii) made certain non-material changes.

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ITEM 4 - ADVISORY BUSINESS

Westchester Capital Partners, LLC (“WCP”), 100 Summit Lake Drive, Valhalla, New York 10595, an investment adviser since 1996, provides investment advice as the general partner of WCM Hudson Valley Partners, L.P., a Delaware limited partnership (“HVP”), investment adviser to WCM Merger Fund Ltd., a Cayman Islands exempt company (“LTD”), and the manager of WCM Master Trust, a Bermuda trust (the “Master Fund”), a master-feeder structure in which HVP and LTD act as feeders into the Master Fund (HVP, LTD and the Master Fund are collectively referred to as the “Funds”). The Funds engage in merger arbitrage. Merger arbitrage is an investment approach designed to profit from the successful completion of proposed mergers, takeovers, tender offers, leveraged buyouts, liquidations and other types of corporate reorganizations.

Roy Behren and Michael T. Shannon, Co-Managers of WCP, and Frederick W. Green, a member, are WCP’s principal owners.

WCP tailors its advisory services to the specific investment objectives, policies and restrictions, if any, of each Fund as set forth in the relevant offering circular, placing memorandum, limited partnership agreement, investment management agreement and other governing documents pertaining to each Fund (collectively, the “Fund Documents”). Investment advice is provided in respect of each Fund, and not individually to investors in the Funds. Each Fund is subject to the investment restrictions described, if applicable, in its Fund Documents.

In addition, WCP is an affiliate of Westchester Capital Management, LLC, a registered investment adviser (“WCM”). WCM is the investment adviser to The Merger Fund (“TMF”), The Merger Fund VL (“VL”), WCM Alternatives: Event-Driven Fund (“EDF”), sub-adviser to the Dunham Monthly Distribution Fund (“Dunham”), a separate series of shares of Dunham Funds, and adviser to the Westchester Merger Arbitrage UCITS Fund, a sub-fund of Merrill Lynch Investment Solutions, an umbrella investment company with variable share capital incorporated in the Grand Duchy of Luxembourg (the “UCITS Fund”).

Roy Behren and Michael T. Shannon are Co-Managers, Co-Presidents and members of WCP, Co-Managers and Co-Presidents of WCM and Co-Presidents and Trustees of TMF, VL and EDF. Mr. Behren also serves as Treasurer of WCP, WCM, TMF, VL and EDF.

As of December 31, 2013, WCP managed approximately \$81,339,116 in client assets on a discretionary basis and did not manage any assets on a non-discretionary basis.

ITEM 5 - FEES AND COMPENSATION

WCP is the general partner of HVP pursuant to an Agreement of Limited Partnership of HVP, dated as of August 1, 2009, by and between WCP and HVP’s limited partners (the “Partnership Agreement”). The Partnership Agreement provides that HVP will pay to WCP a cash fee (the “Management Fee”), accrued and calculated monthly and payable in arrears as of the last day of each calendar quarter. Each such quarterly payment of the Management Fee shall be equal to the sum of the Management Fee calculated for each month in such calendar quarter, which monthly calculation shall be equal to one-twelfth (1/12) of one percent (1.0%) of the net asset value of HVP calculated as set forth in the Fund Documents. In addition, WCP is entitled to an incentive

allocation, which is an amount, allocated annually, equal to 20% of the net profits of HVP, if any, during each fiscal year (subject to recoupment of each applicable limited partner's prior cumulative net loss).

WCP is the investment adviser to LTD pursuant to an Investment Advisory Agreement, dated as of January 12, 1996, by and between WCP and LTD (the "Advisory Agreement"). The Advisory Agreement provides that WCP receives from LTD a management fee, which is payable quarterly in arrears and is accrued and calculated monthly (as of the last business day of each month) at an annual rate of 1.0% of the net asset value of LTD calculated as set forth in the Fund Documents. In addition, WCP is entitled to an incentive fee, which is an amount, accrued monthly and paid annually, equal to 20% of the net profits of LTD, if any, during each fiscal year (subject to recoupment of each applicable shareholder's prior cumulative net loss).

WCP is the manager of the Master Fund, the "master fund" in a master-feeder structure which also comprises HVP and LTD (as "feeders"), pursuant to a Management Agreement, dated as of May 31, 2005, by and between WCP and Winchester Global Trust Company Limited, a Bermuda corporation ("Winchester"), as trustee of the Master Fund (the "Management Agreement"). WCP does not charge any fee to the Master Fund for its services under the Management Agreement or under the Agreement and Declaration of Trust among HVP, LTD and Winchester, dated as of May 31, 2005.

WCP's fees are generally negotiated and fixed at the time that each Fund is formed.

WCP deducts management fees from clients' assets quarterly in arrears in respect of both HVP and LTD, and receives an incentive allocation or fee directly from clients' assets annually, in respect of both HVP and LTD.

HVP, LTD and the Master Fund pay all other expenses related to their respective operations, including legal and accounting fees, custodial fees, interest on borrowed funds, transfer taxes, brokerage commissions, finder's fees with respect to borrowed securities, fees and expenses for consulting, research and statistical services and any extraordinary expenses such as litigation expenses. *See Item 12 - Brokerage Practices below.* As an investor in the Master Fund, each of HVP and LTD is also responsible for its pro rata share of the expenses of the Master Fund. There is no duplication of investment management fees, prime broker fees or administration fees as to the extent that such fees are charged at the Master Fund level they are not charged at the HVP or LTD level and to the extent that such fees are charged at the HVP or LTD level they are not charged at the Master Fund level.

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

As discussed above under Item 5 - Fees and Compensation, WCP charges performance-based allocations and fees. Specifically, WCP is entitled to an incentive allocation in respect of HVP and an incentive fee in respect of LTD, each of which is an amount, accrued monthly and paid annually, equal to a fixed percentage (set forth in the applicable Fund Documents) of the net profits of the applicable Fund, if any, during each fiscal year (subject to recoupment of each applicable investor's prior cumulative net loss).

In addition, WCP's affiliate, WCM, charges Dunham a performance-based fulcrum fee composed of an annual base rate based on Dunham's average daily net assets, plus or minus a performance fee depending on WCM's performance over a rolling 12-month period measured against a designated benchmark. WCM charges the UCITS Fund a management fee and a performance-based fee. WCM may enter into other sub-advisory agreements from time-to-time.

The fact that WCP's and WCM's portfolio managers manage accounts that are charged a performance-based fee and accounts that are charged an asset-based fee creates the potential for a conflict of interest, since receipt of a portion of any profits realized by WCP-advised and WCM-advised accounts that are charged a performance-based fee could, in theory, create an incentive to favor such accounts (*e.g.*, by allocating to them the most favorable investment opportunities or by allocating more resources and time to managing those accounts). However, WCP believes that any conflicts of interest are mitigated, at least in part, for the following reasons: (i) TMF, VL, EDF, Dunham, the UCITS Fund and the Funds all engage in merger arbitrage and, in many respects, are managed in a similar fashion; (ii) WCP and WCM follow written allocation procedures designed to allocate securities purchases and sales among TMF, VL, EDF, Dunham, the UCITS Fund and the Funds in a fair and equitable manner over time; and (iii) all allocations and fair-value pricing reports are subject to review by WCP's and WCM's Chief Compliance Officer.

ITEM 7 - TYPES OF CLIENTS

WCP provides investment advice to pooled investment vehicles. The minimum purchase price of a limited partnership interest in HVP is \$500,000. However, WCP reserves the right to accept a subscription of less than \$500,000. All investors in HVP must be "qualified purchasers" within the meaning of the Investment Company Act of 1940, as amended.

Each investor in LTD generally must subscribe for a minimum of \$500,000 worth of redeemable shares of LTD. An existing shareholder subscribing for additional shares must subscribe for a minimum of \$100,000 worth of shares. LTD's directors reserve the right to waive or change these minimums at any time subject to an absolute minimum initial subscription of \$100,000, as required by the Irish Stock Exchange.

Each investor in LTD must not be a "U.S. Person," as defined in Regulation S under the Securities Act of 1933, other than a Permitted U.S. Person, which generally means a U.S. Person, other than a registered investment company, that is subject to the United States Employee Retirement Income Security Act of 1974, as amended (ERISA), or is a tax-exempt trust described in Section 401(a) of the United States Internal Revenue Code of 1986, as amended, an Individual Retirement Account (IRA), or is otherwise exempt from payment of U.S. Federal income tax. Each investor in LTD additionally must represent and warrant to LTD that, among other things, it is able to acquire shares without violating applicable laws and that it is a sophisticated investor as defined by the Irish Stock Exchange.

ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

In pursuing their merger arbitrage strategy, the Funds may invest a substantial portion of their total assets in companies which are involved in publicly announced mergers, takeovers, tender offers, leveraged buyouts, spin-offs, liquidations and other corporate reorganizations. Merger arbitrage is an investment approach generally designed to profit from the successful completion of such transactions. Although a variety of strategies may be employed depending upon the nature of the reorganizations selected for investment, the most common merger-arbitrage activity involves purchasing the shares of an announced acquisition target at a discount to their expected value upon completion of the acquisition. The size of this discount, known as the arbitrage “spread,” generally determines a Fund’s potential profit on any given investment.

In conjunction with investment in an acquisition target or other investment, the Funds may employ a variety of hedging strategies to protect against issuer-related risk or other risks, including selling short the securities of the company that proposes to acquire the acquisition target and/or the purchase and sale of put and call options. The Funds may enter into derivative transactions and other instruments of any kind for hedging purposes, duration or volatility management purposes, or otherwise to gain, or reduce, long or short exposure to one or more asset classes or issuers. For example, WCP may seek to hedge a Fund’s portfolio against a decline in the value of its portfolio securities or a decline in the market generally by purchasing put options.

In pursuing the Fund’s investment objective and strategies, the Funds may invest in U.S. and foreign securities without limit. The Funds may engage in active trading and may invest a portion of their assets to seek short-term capital appreciation.

Investing in securities involves risk of loss that clients should be prepared to bear. Many factors may affect the Funds’ net asset values and/or performance, including the following:

A principal risk associated with the Funds’ merger-arbitrage investment strategy is that certain of the proposed reorganizations in which a Fund invests may be renegotiated or terminated, in which case losses may be realized. If WCP determines that a proposed acquisition or other corporate reorganization is likely to be consummated, the Funds may purchase the target company’s securities at prices often only slightly below the value expected to be paid or exchanged for such securities upon completion of the reorganization (and often substantially above the prices at which such securities traded immediately prior to the announcement of the proposed transaction). If the reorganization appears unlikely to be consummated or in fact is not consummated or is delayed, the market price of the target’s securities may decline sharply. Similarly, if the Funds have sold short the acquirer’s securities in anticipation of covering the short position by delivery of identical securities received in the exchange, the failure of the transaction to be consummated may force the Funds to cover their short positions in the open market at a price higher than that at which it sold short, with a resulting loss. In addition, if the Funds purchase the target’s securities at prices above the offer price because WCP determines that the offer is likely to be increased or a different and higher offer made, such purchases may be subject to a greater degree of risk.

If, in a transaction in which the Funds have sold the target's securities short (often at prices significantly below the announced offer price for such securities) based on a determination that the transaction is unlikely to be consummated, and the transaction, in fact, is consummated at the announced price or higher, the Funds may suffer substantial losses if it is forced to cover the short position in the open market at a higher price. In addition, there can be no assurance that securities necessary to cover a short position will be available for purchase or that securities will be available to be borrowed at reasonable costs.

Investments in Non-U.S. Securities

The Funds are permitted to hold both long and short positions in non-U.S. securities. Investments in non-U.S. companies involved in pending mergers, takeovers and other corporate reorganizations may entail political, cultural, regulatory, legal and tax risks different from those associated with comparable transactions in the United States, including favorable or unfavorable changes in currency exchange rates, exchange control regulations (including currency blockage), expropriation of assets or nationalization, imposition of taxes on dividends, interest payments, or capital gains, the need for approval by government or other authorities to make investments, and possible difficulty in obtaining and enforcing judgments against non-U.S. entities and other factors beyond the control of WCP. Furthermore, issuers of non-U.S. securities are subject to different, often less comprehensive accounting, reporting or disclosure requirements than U.S. issuers. The securities markets of some countries in which the Funds may invest have substantially less volume than those in the United States, and securities of certain companies in these countries are less liquid and more volatile than securities of comparable U.S. companies. Accordingly, these markets may be subject to greater influence by adverse events generally affecting the market, and by large investors trading significant blocks of securities, than is usual in the United States. Brokerage commissions and other transaction costs on securities exchanges in non-U.S. countries are generally higher than in the United States. Non-U.S. securities settlements may in some instances be subject to delays and related administrative uncertainties. In some countries there are restrictions on investments or investors such that the only practicable way for the Funds to invest in such markets is by entering into swaps or other derivative transactions with its prime brokers or others. Such transactions involve counterparty risks which are not present in the case of direct investments and which may not be controllable by WCP.

If securities are denominated in a foreign currency, there is a risk that the value in U.S. dollars of the foreign securities held by the Funds that are not U.S. dollar-denominated may be affected favorably or unfavorably by changes in exchange rates and exchange-control regulations, and the Funds may incur costs in connection with conversions between various currencies. In conjunction with their investments in foreign securities, the Funds may hedge their exposure to foreign currencies. Such hedging activities involve additional expenses and, in the case of reorganizations that are terminated, the risk of loss when the currency hedge is unwound. There is no assurance that any such hedging techniques will be successful.

Portfolio Turnover

Merger arbitrage portfolios may have higher turnover rates than portfolios of typical long-only funds. This may result in increased transaction costs to the Funds, which could impact the

Funds' performance. The sale of portfolio securities also may result in the recognition of capital gain, which will be taxable to the Funds' shareholders, or loss.

Concentration of Investments

The Funds are not limited in the amount of capital which may be committed to any one investment. Although WCP typically seeks to diversify the Funds' capital among a number of investments deemed attractive, the Funds may at certain times hold a few, relatively large (in relation to its capital) securities positions, with the result that a loss in any such position could have a material adverse impact on the Funds' capital.

Dependence on WCP

There can be no assurance that the Funds will achieve their investment objectives. Although WCP's investment professionals have participated in the management of other investment funds and accounts, the past performance of such other investment funds and accounts cannot be relied upon as an indicator of a Fund's own success. Investors must rely upon the ability of WCP and its investment professionals in identifying and implementing investments consistent with each Fund's investment objective and policies. A Fund's investment performance depends largely on the skill of key personnel of WCP. If key personnel were to leave WCP, it might not be able to find equally desirable replacements and the performance of the Funds could, as a result, be adversely affected.

Recent Financial Market Fluctuations

General fluctuations in the market prices of securities and economic conditions generally, particularly of the type experienced since 2008, may reduce the availability of attractive investment opportunities for a Fund and may affect such Fund's ability to make investments and the value of the investments held by such Fund. Instability in the securities markets and economic conditions generally may also increase the risks inherent in a Fund's investments. The public securities markets have seen increased volatility and the ability of companies to obtain financing for ongoing operations or expansions may be severely hampered by the tightening of the credit markets and the ongoing financial turmoil and uncertainty created by legislative inaction. It is unclear what the repercussions of this market turmoil may be. Moreover, it remains unknown whether governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) will have a positive or negative effect on market conditions. There can be no assurance that the market will, in the future, become more liquid than it is at present and it may well continue to be volatile for the foreseeable future. The ability to realize investments in an effective manner depends not only on companies in the investment portfolio of a Fund and their historical results and prospects, but also on political, market and economic conditions at the time of such realizations. The trading market, if any, for the securities of any company in the investment portfolio of a Fund may not be sufficiently liquid to enable a Fund to sell these securities when WCP believes it is most advantageous to do so, or without adversely affecting the stock price. Continued or renewed volatility in the financial sector may have an adverse material effect on the ability of a Fund to buy, sell and partially dispose of a company in its investment portfolio. A Fund may be adversely affected to the extent that it seeks to dispose of any of its portfolio investments into an illiquid or volatile market, and a Fund may find itself

unable to dispose of investments at prices that WCP believes reflect the fair value of such investments. The duration and ultimate effect of current market conditions and whether such conditions may worsen cannot be predicted. The ability of companies in the investment portfolio to refinance debt securities may depend on their ability to sell new securities in the public high yield debt market or otherwise.

Derivatives Risk

The Funds may invest in derivatives, which are financial contracts whose value depends on, or is derived from, the value of underlying assets, reference rates or indices. Derivatives include futures, non-U.S. currency contracts, swap contracts, reverse repurchase agreements and other over-the-counter (“OTC”) contracts. Derivatives may relate to securities, interest rates, currencies or currency exchange rates, inflation rates, commodities and indices. The use of derivatives involves risks that are in addition to, and potentially greater than, the risks of investing directly in securities and other more traditional assets. In particular, the Funds’ use of OTC derivatives exposes it to the risk that the counterparties will be unable or unwilling to make timely settlement payments or otherwise honor their obligations. An OTC derivatives contract typically can be closed only with the consent of the other party to the contract. If the counterparty defaults, the Funds will have contractual remedies but may not be able to enforce them. Because the contract for each OTC derivative is individually negotiated, the counterparty may interpret contractual terms (e.g., the definition of default) differently than the Funds, and if it does, the Funds may decide not to pursue its claims against the counterparty to avoid incurring the cost and unpredictability of legal proceedings.

The Funds may invest in derivatives that (i) do not require the counterparty to post collateral (e.g., non-U.S. currency forwards), (ii) require collateral but that do not provide for the Funds’ security interests in it to be perfected, (iii) require a significant upfront deposit by the Funds unrelated to the derivative’s intrinsic value, or (iv) do not require that collateral be regularly marked-to-market. When a counterparty’s obligations are not fully secured by collateral, the Funds run the risk of having limited recourse if the counterparty defaults. Even when obligations are required by contract to be collateralized, there is usually a lag between the day the collateral is called for and the day the Funds receive it. The Funds may invest in derivatives with a limited number of counterparties, and events affecting the creditworthiness of any of those counterparties may have a pronounced effect on the Funds. Derivatives risk is particularly acute in environments (like those of 2008) in which financial services firms are exposed to systemic risks of the type evidenced by the insolvency of Lehman Brothers and subsequent market disruptions. In addition, during those periods, the Funds may have a greater need for cash to provide collateral for large swings in its mark-to-market obligations under the derivatives used by the Funds. Derivatives also present other risks described, including market risk, liquidity risk, leverage risk (described below), currency risk, credit risk and counterparty risk. The Funds’ use of derivatives may not be effective or have the desired results. Moreover, suitable derivatives will not be available in all circumstances.

Certain derivatives contracts are required to be executed through swap execution facilities (“SEFs”). An SEF is a trading platform where multiple market participants can execute derivatives by accepting bids and offers made by multiple other participants in the platform.

SEFs typically charge fees, and if the Funds execute derivatives on a swap execution facility through a broker intermediary, the intermediary may impose fees as well. A Fund also may be required to indemnify a SEF, or a broker intermediary who executes cleared derivatives on a SEF on the Fund's behalf, against any losses or costs that may be incurred as a result of the Fund's transactions on the SEF. In addition, a Fund may be subject to execution risk if it enters into a derivatives transaction that is required to be cleared (or which WCP expects to be cleared), and no clearing member is willing to clear the transaction on the Fund's behalf.

Leverage Risk

The Funds may borrow against their securities positions and employ leverage. The profitability of the Funds will depend in part upon their ability to obtain such loans at prevailing interest rates, and to the extent that margin rules become more restrictive or financial institutions less willing to lend against securities positions, the results of the Funds may be adversely affected. When the Funds increase their investment positions by borrowing, the possibilities for profit and the risk of loss will also be increased. The amount of borrowings which the Funds may have outstanding at any time may be large in relation to their capital. In addition, the level of interest rates generally, and the rates at which the Funds can borrow in particular, will affect the operating results of the Funds. Fluctuations in the market value of the Funds' portfolio can therefore have a disproportionately large effect in relation to the capital of the Funds.

ITEM 9 - DISCIPLINARY INFORMATION

We are required to disclose all material facts regarding legal or disciplinary events that would be material to your evaluation of WCP's advisory business or the integrity of WCP's management. WCP does not have any such legal or disciplinary events to report.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

As described above under *Item 6 - Performance-based Fees and Side-by-Side Management*, WCM, an affiliate of WCP, is a registered investment adviser that serves as investment adviser or sub-adviser to registered investment companies. The Co-Managers of WCP are officers and/or trustees of WCM, TMF, VL and EDF. WCP considers this relationship material to its business. This relationship creates the potential for a conflict of interest; this potential conflict and the manner in which it is addressed are discussed under *Item 6 - Performance-based Fees and Side-by-Side Management* and *Item 11- Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*.

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

Code of Ethics

WCP has adopted a Code of Ethics and will provide a copy of the Code of Ethics to any client or prospective client upon request. The Code of Ethics is designed to reinforce fiduciary principles that govern the conduct of WCP and its personnel and is designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940. The Code of Ethics covers a wide range of issues,

including general fiduciary principles, personal securities transactions in Covered Securities (defined below), gifts, nonpublic material information, certification of compliance and sanctions.

WCP's access persons (other than Trustees who are not "interested persons" of the Funds within the meaning of Section 2(a)(19) of the 1940 Act) must preclear all personal transactions in Covered Securities. A "Covered Security" shall mean a security as defined in Section 2(a)(36) of the 1940 Act, except that it does not include: (i) direct obligations of the Government of the United States; (ii) bankers' acceptances, bank certificates of deposit, commercial paper and high quality short-term debt instruments, including repurchase agreements; (iii) shares of money market investment companies registered under the 1940 Act, and (iv) shares issued by registered open-end investment companies other than HVP, LTD, MF, VL, EDF, Dunham and the UCITS Fund. All persons deemed to be access persons of WCP are subject to the provisions of the Code of Ethics regarding personal securities transactions and trading while in the possession of inside information and may only enter into personal securities transactions subject to the Code of Ethics. WCP's access persons also must report periodically all of the holdings and transactions in Covered Securities in which such access person had any beneficial ownership, which reports are reviewed for trading inconsistent with WCP's Code of Ethics by WCP's CCO or his designee. The Code of Ethics is designed to mitigate conflicts of interest and prevent violations of law by persons subject to its provisions.

Participation in Client Transactions

WCP and its related entities may engage in a broad range of activities, including investment activities for the account of other investment funds. In the ordinary course of conducting WCP's activities, the interests of a Fund may conflict with the interests of WCP, other Funds or their respective affiliates. Certain of these conflicts of interest, as well as a description of how WCP addresses such conflicts of interest, can be found below.

HVP and LTD may make investments in, or otherwise enter into transactions with other investment funds or accounts managed or sponsored by WCP or its affiliates, or with affiliates of WCP or a general partner of any of the Funds, as applicable (collectively, the "Related Parties"). Conflicts of interest may arise in a number of different situations involving transactions with the Related Parties ("Related Party Transactions"), including, without limitation, (i) if the Funds invest in a Related Party or a Related Party invests in the Funds or (ii) if the Funds invest in an existing investment held by a Related Party. WCP will use its reasonable judgment when resolving conflicts of interest that arise in connection with Related Party Transactions.

Conflicts

The material conflicts of interest encountered by WCP include those discussed below, although the discussion below does not necessarily describe all of the conflicts that may be faced by WCP. Certain other conflicts may be disclosed throughout this brochure and the brochure should be read in its entirety for other conflicts.

Allocation of Investment Opportunities Among Funds

In connection with its investment activities, WCP may encounter situations in which it must determine how to allocate investment opportunities among various Funds and other persons,

which may include, but are not limited to, funds advised by WCM. In recognition of its fiduciary duties, it is the policy of WCP to allocate such investment opportunities on an equitable basis and in accordance with the written policies and procedures relating to the allocation of investment opportunities WCP has adopted. Typically, in order to address potential conflicts of interest associated with the aggregation of trades for multiple Funds, WCP, in conjunction with WCM, where applicable, will determine how an aggregated trade will be allocated among eligible Funds and/or accounts either (i) before or (ii) at the time the trade order is entered, where practicable. The pre-allocation of trades may not be practical or possible in a large number of transactions. In those situations, WCP and WCM will typically allocate an investment opportunity using a default methodology, which may include allocating the investment opportunity *pro rata* among eligible Funds or accounts based on either each eligible Fund's or account's (i) total assets or (ii) existing position in the relevant security (or securities, as the case may be).

There can be no assurances that an investment opportunity that comes to the attention of WCP and WCM will not be allocated wholly or primarily to certain funds advised or sub-advised by them, with the Funds being unable to participate in such investment opportunity or participating only on a limited basis. If, in the discretion of WCP, the Funds should not participate in a particular investment opportunity for tax, regulatory or other reasons, such investment opportunity will not be allocated to such Funds.

Diverse Membership

The investors in the Funds may include U.S. taxable and tax exempt entities, and persons and institutions from jurisdictions outside of the United States. Such investors may have conflicting investment, tax and other interests with respect to their investments in a Fund. The conflicting interests among the investors may relate to or arise from, among other things, the nature of investments made by a Fund, the structuring of the acquisition of investments and the timing of the disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by WCP, including with respect to the nature or structuring of investments, that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring investments appropriate for a Fund, WCP will consider the investment and tax objectives of the applicable Fund, not the investment, tax or other objectives of any investor individually.

Other Activities

The general partner or trustee of a Fund, as applicable, WCP and their respective officers and employees devote as much of their time to the activities of each Fund as the particular general partner, trustee or WCP, as applicable, deem necessary and appropriate. Such persons are not restricted from forming additional investment funds, from entering into other investment advisory relationships, or from engaging in other business activities, even though such activities may be in competition with the Funds. These activities could be viewed as creating a conflict of interest in that the time and effort of such persons will not be devoted exclusively to the business of one particular Fund, or to the Funds collectively.

The general partner or trustee of a Fund, WCP and their respective principals, owners, or employees may engage in investment activities for other client accounts, for their own accounts and for family members and others and may make personal investments in other investment funds, some of which have investment strategies similar to that of the Funds, or that may participate with the Funds in certain private or special situation investment opportunities. *See discussion under “Code of Ethics” and “Allocation of Investment Opportunities Among Funds.”*

ITEM 12 - BROKERAGE PRACTICES

In selecting a broker-dealer to execute any given transaction, WCP will seek “best execution” of the transaction except to the extent it may be permitted to pay higher brokerage commissions in exchange for brokerage and research services (as discussed below).

In determining whether a particular broker or dealer is likely to provide best execution in a particular transaction, WCP may take the following factors, among other things, into consideration: the best net price available; the reliability, integrity and financial condition of the broker or dealer; the size of and difficulty in executing the order; and the value of the expected contribution of the broker or dealer to the investment performance of each Fund on a continuing basis.

WCP and WCM may receive research or brokerage services other than execution from a broker-dealer or third party in connection with client securities transactions. These are known as “soft dollar” benefits. WCP may cause the Funds to pay commissions higher than those charged by other broker-dealers in return for soft dollar benefits if WCP determines in good faith that such commissions are reasonable in relation to the value of brokerage, research and other services provided, either in terms of the particular transaction or WCP’s overall responsibilities for accounts over which WCP exercises investment discretion.

When WCP uses client brokerage commissions to obtain research or other products or services, WCP receives a benefit because it does not have to produce or pay for the research, products or services. WCP may have an incentive to select or recommend a broker-dealer based on WCP’s interest in receiving the research or other products or services, rather than on WCP’s clients’ interest in receiving most favorable execution. WCP typically advises Funds that pursue merger arbitrage investment strategies and often aggregate their trading activities. Accordingly, soft dollar benefits often are useful in managing all or a number of WCP-advised accounts. It is, therefore, typically not practicable for WCP to allocate soft dollar benefits proportionately to the soft dollar credits each account generates. Some of the services received as a result of Fund transactions may benefit accounts other than the Fund that generated the credits.

Some research or other products or services received from a broker-dealer or third party may be only partially eligible for soft dollar payments (a “mixed-use” product or service). In these cases, WCP makes a reasonable allocation of the cost between that portion which is eligible and that portion which is ineligible. The eligible portion may be paid for with soft dollars and the ineligible portion will be paid for with WCP’s own funds (hard dollars). This allocation decision may present a conflict of interest to WCP because it is deciding how much it will pay out of its own pocket.

Additionally, in allocating portfolio brokerage, WCP may select broker-dealers who also provide brokerage, research and other services that may be useful to other accounts over which WCP or WCM exercises investment discretion. WCP may have an incentive to select or recommend a broker-dealer based on WCP's interest in receiving client referrals, rather than on WCP's clients' interest in receiving most favorable execution.

WCP's Chief Compliance Officer, or his designee, meets periodically, with Fund management personnel to review the performance of each selected broker-dealer, the services being provided by the broker-dealer and the fees being paid for those services to evaluate whether WCP is satisfying its best execution obligations.

During WCP's last fiscal year, WCP only acquired research services permitted under Section 28(e) of the Securities Exchange Act of 1934 with client brokerage commissions.

When a Fund and the other accounts over which WCP or WCM exercises investment discretion are engaged in the simultaneous purchase or sale of the same securities, WCP and WCM may aggregate the orders. WCP believes that such bunching generally facilitates the timely and efficient execution of trades. Moreover, WCP may be able to execute bunched orders at more favorable prices than would be realized when effecting a number of individual, sequential purchase or sale transactions. As a result of the practice of bunching orders, however, WCP and WCM often must allocate purchases and sales of securities among different client accounts following the execution of a bunched purchase or sale order. WCP maintains a policy of allocating the executions in a manner which seeks to treat all the accounts involved fairly and equitably over time. *See Item-11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading—Allocations of Investment Opportunities Among Funds* above.

ITEM 13 - REVIEW OF ACCOUNTS

Merger arbitrage is a highly focused, dynamic type of investing which requires analysis of events surrounding a pending corporate reorganization. Arbitrage positions generally are reviewed on a daily basis and the holdings of WCP's clients are adjusted accordingly. These accounts are managed by Roy Behren, Co-President and Treasurer of WCP, and Michael T. Shannon, Co-President of WCP.

As described in HVP's Amended and Restated Agreement of Limited Partnership, WCP provides HVP's limited partners with written unaudited quarterly reports, written audited annual financial statements and a Schedule K-1. As described in LTD's Placing Memorandum, WCP provides LTD's shareholders with written audited financial statements of LTD, including its annual report, and written unaudited interim reports. A shareholder of LTD may request additional information which WCP in its discretion may or may not provide.

Pursuant to the applicable investment management agreement which WCP has entered into, which may be amended from time to time, WCP may provide written monthly fact sheets, quarterly letters and annual reports to Fund investors, which may include a report of current positions, valuations, prices and transactions; commentary; a statement of total assets; and performance.

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

While not a client solicitation arrangement, WCP may from time to time enter into arrangements whereby it compensates consultants for recommending prospective investors to the Funds. These arrangements may provide that the consultants receive a fee based on a certain percentage of the investment advisory fee received by WCP from these referred Fund investors.

ITEM 15 – CUSTODY

Fund investors should expect to receive quarterly, or more frequent, account statements from their broker-dealer or bank or other qualified custodian. To the extent WCP provides periodic unaudited reports, clients should compare the account statements received from their qualified custodians with the reports, if any, received from WCP.

ITEM 16 - INVESTMENT DISCRETION

WCP has discretionary authority to manage securities accounts on behalf of the Funds. Each Fund's Fund Documents include a description of certain investment limitations applicable to the Fund. Prior to assuming discretion in managing clients' assets, WCP enters into an investment management agreement, limited partnership agreement or other agreement that explains the scope of WCP's discretionary authority.

ITEM 17 - VOTING CLIENT SECURITIES

WCP has authority to vote client securities. WCP has adopted Proxy and Corporate-Action Voting Policies and Procedures that govern the voting of proxies for securities held by the Funds. Clients cannot direct WCP how to vote in a particular solicitation. WCP has full authority to vote proxies or act with respect to other shareholder actions on behalf of the Funds. WCP's primary consideration in voting proxies is the best interest of the Funds. The proxy-voting procedures address the resolution of potential conflicts of interest and circumstances under which WCP will limit its role in voting proxies. Where a proxy proposal raises a material conflict between WCP's interests and HVP's or LTD's interests, WCP will resolve the conflict by following the policy guidelines.

The proxy-voting guidelines describe WCP's general position on proposals. WCP will generally vote against any management proposal that clearly has the effect of restricting the ability of shareholders to realize the full potential value of their investment. WCP will typically vote in favor of routine proposals that do not change the structure, bylaws or operations of the corporation to the detriment of the shareholders. WCP will review certain issues on a case-by-case basis based on the financial interest of HVP and LTD.

When securities are out on loan, they are transferred into the borrower's name and are voted by the borrower, in its discretion. However, if WCP has knowledge that an event will occur having a material effect on HVP's or LTD's investment in a loaned security, WCP will seek to call the loan in time to vote the securities or WCP will seek to enter into an arrangement which ensures that the proxies for such material events may be voted as WCP believes is in HVP's or LTD's best interests, as applicable. There can be no assurance that WCP will be successful in calling a

loan in time to vote the securities or entering into an arrangement to ensure the proxies for such events will be voted as WCP believes is in HVP's or LTD's best interests, as applicable.

Information regarding how WCP voted proxies with respect to securities held by each of HVP and LTD and a copy of WCP's Proxy and Corporate-Action Voting Policies and Procedures are available upon request by calling (914) 741-5600 or sending an e-mail to operations@mergerfund.com.

ITEM 18 - FINANCIAL INFORMATION

WCP does not require or solicit prepayment of fees six months or more in advance and no present financial condition is reasonably likely to impair WCP's ability to meet contractual commitments to clients.