

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

**ROUND TABLE INVESTMENT MANAGEMENT COMPANY, LP**

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**This brochure provides information about the qualifications and business practices of Round Table Investment Management Company, LP. If you have any questions about the contents of this brochure, please contact us at (704) 208-3601. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.**

**Additional information about Round Table Investment Management Company, LP also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

While Round Table Investment Management Company, LP is registered as an investment adviser with the SEC, such registration does not imply any level of skill or training.

**Item 2      Material Changes**

This is an amended brochure as Round Table initially filed in 2012. There were no material changes to the funds or structure of the firm during the year.

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#### **Item 4      Advisory Business**

Round Table Investment Management Company, LP (“Round Table” or the “Firm”) is a limited partnership that was organized in May 2007. Initially, Round Table was formed to manage a global, multi-strategy investment process. Over the course of 2009, Round Table evolved to focus on its core competency of discretionary macroeconomic investing. Currently, Round Table runs two strategies: (1) a dedicated global macroeconomic strategy and (2) a macro U.S. interest rate strategy (collectively referred to as the “Strategies”).

Ian G. Banwell is a founder and the principal owner of Round Table. Mr. Banwell is the only owner holding more than 25%, and his ownership of Round Table is held through St. George Partners LLC, as the general partner of Round Table, and St. George Partners LP, as a limited partner of Round Table.

Round Table provides investment advisory services to two groups of private investment funds (the “Funds”) that were organized by Round Table and its affiliates. One group principally implements the global macroeconomic strategy based on macroeconomic fundamental analysis, validated by quantitative and technical analysis (collectively, the “Global Macro Funds”) while the other group pursues a macro U.S. interest rate strategy based on macroeconomic fundamentals and analysis of Federal Reserve policy objectives (the “Interest Rate Funds”).

Both the Global Macro Funds and the Interest Rate Funds include one domestic “feeder fund” for taxable U.S. investors (an “Onshore Fund”) and one offshore “feeder fund” for non-U.S. investors and tax-exempt U.S. investors (an “Offshore Fund”), each of which invests substantially all of its assets into an offshore master fund (a “Master Fund”), which in turn makes investments according to the relevant strategy. In the case of each of the Offshore Funds, the investment in the respective Master Fund is made through an intermediate offshore fund. Each investment strategy is more fully described in the respective offering memorandums of the Onshore and Offshore Funds.

Round Table also provides investment advisory services to other individual private investment clients via separately managed accounts that closely model the strategies implemented by the Global Macro Funds or the Interest Rate Funds.

The advisory services Round Table provides to the Funds and private investment clients include designing and implementing an investment program, identifying and screening potential investments, managing the investment and reinvestment of the cash, securities and other properties comprising the invested assets, monitoring the performance of the investments, and managing investor relations and reporting.

Round Table tailors its investment advice to each of its clients. For each Fund, Round Table tailors its services to the strategies and conditions set forth in the Fund’s offering and governing documents. As Round Table provides advisory services to the Funds, rather than to any individual investor in a Fund, Round Table does not tailor its investment advice to take into account any specific investment conditions of any individual investor in a Fund. Round Table does, however, tailor investment advice to its private investment clients to conform to the relevant advisory contracts governing such client’s separately managed account. Round Table does not participate in wrap fee programs.

As of the date of this brochure, Round Table’s regulatory assets under management (as such term is defined in the Instructions to Part 1 of Form ADV) were \$701,000,000. All of these assets are managed by Round Table on a discretionary basis.

## **Item 5 Fees and Compensation**

Round Table's fees vary based upon the strategy implemented by the Fund, or in the case of separately managed accounts, the advisory contract.

The Funds are generally structured such that Round Table receives a management fee based on a percentage of the capital accounts of the investors in such Fund, as described in the relevant Fund's offering documents, but does not receive any incentive-based compensation. However, as described in more detail in Item 6 - Performance-Based Fees and Side-by-Side Management, affiliates of Round Table may receive an annual performance-based incentive fee from each of the Global Macro Funds group and the Interest Rate Funds group, payable at the end of each fiscal year. Each of these fees and their terms are more fully described in the offering and governing documents for such Fund. Clients and investors should review the respective Fund governance agreements for full details as to how management fees are calculated. Round Table, or its affiliates, may waive or reduce any fees charged to the Funds that arise from the capital account of any investor, including investors who are members, partners, affiliates or employees of Round Table or its affiliates, as well as for family members of such persons.

Round Table bills the Global Macro Funds and Interest Rate Funds monthly in advance for the management fees and causes each Fund to pay these fees by using cash available to such Fund. In the event of a withdrawal of an investor from a Fund, Round Table will return to the Fund an amount representing any remaining unearned portion of the management fees applicable to such withdrawing investor for distribution to such withdrawing investor.

For private investment clients, Round Table or its affiliates charge similar management and incentive based fees. Round Table charges these fees on either a monthly or quarterly basis, depending on the fund or arrangement, and takes the fees at the beginning or ending of the period depending on the terms of the account agreement. Round Table then books the fee as a prepaid asset, and wires back any unearned fees upon the termination or withdrawal from a fund, minus any stated holdback. Round Table does not control the assets of clients invested in separately managed accounts, so the fees are not taken from the account. However, such fees may be individually-negotiated based upon any restrictions placed on Round Table, the business relationship between such client and Round Table, and any other factors that Round Table deems appropriate.

Round Table bears its own costs arising from providing certain administrative and management services to the Funds and private investment clients, such as employee compensation (including incentive compensation), office rent and certain computer equipment. Each of the Funds and private investment clients are responsible for all other relevant operating and other expenses, such as costs associated with any independent third-party professionals providing advice or assistance to Round Table in connection with the performance of its services; investment-related expenses (including trading and brokerage commissions, interest and financing expenses, investment research expenses, investment-related travel and custody, transfer and registration expenses); the costs of computer software and licenses utilized for risk management and measurement and valuation; consulting, legal, audit and accounting expenses; entity-level taxes and tax preparation expenses; organizational and offering expenses; governmental fees and regulatory expenses; expenses related to the establishment and operation of Fund subsidiaries; costs associated with Fund administration, including investor communications; director's fees and D&O insurance; costs of holding meetings of the Fund's board of directors and investors; and any extraordinary expenses. The trading and brokerage fees are further discussed in Item 12 - Brokerage Practices. The expenses of a Fund may potentially be higher than those typically found in other investment options.

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

## **Item 6 Performance-Based Fees and Side-By-Side Management**

As discussed in Item 5 - Fees and Compensation, each of Round Table's clients, whether private investment clients or the Funds, may be charged an incentive fee. Affiliates of Round Table may receive an annual performance-based incentive fee from certain Funds in each of the Global Macro Funds group and the Interest Rate Funds group. These "incentive fees" are based on a share of the capital gains and/or appreciation of such Fund's assets during such year, subject to certain loss recovery mechanisms (sometimes referred to as "high water mark" measures) as described more fully in each Fund's offering documents.

Generally, incentive fees are only paid on gains and appreciation in the net asset value of the Fund in excess of the highest net asset value used in a prior determination of an incentive fee, as adjusted for issuances and withdrawals of capital from such Fund. Incentive fees are generally paid annually as of December 31, but may also be paid upon a redemption from a Fund by one or more of such Fund's investors. The incentive fees are structured to be in compliance with Rule 205-3 under the Investment Advisor's Act of 1940, as amended (the "Investment Advisor's Act"). Round Table may waive or reduce any incentive fees charged to the Funds that arise from the capital account appreciation of any investor, including investors who are members, partners, affiliates or employees of Round Table or its affiliates, as well as for family members of such persons.

For private investment clients, Round Table or its affiliates may receive similar incentive-based fees. However, such fees may be individually-negotiated based upon any restrictions placed on Round Table, the business relationship between such client and Round Table, and any other factors that Round Table deems appropriate. Incentive fees are generally paid by private investment clients annually as of December 31, but may also be paid upon termination of the related separately managed account. However, Round Table does not have control of the assets of the separately managed accounts, so fees are paid to Round Table by the client.

Each of these performance-based incentive fees may create a potential conflict of interest by providing an incentive for Round Table, due to the higher return potential, to make investments that are riskier or more speculative than it would make if such arrangements were not in effect. In addition, because these incentive fees may be calculated on net asset values which include unrealized appreciation, they may be greater than if such fees were based solely on realized gains and Round Table's clients may never realize the gains on which an incentive fee is based.

Round Table does not currently manage accounts that are charged a performance fee alongside other accounts that are not. However, the performance-based incentive fees also create a potential conflict by providing an incentive for Round Table to favor a Fund or certain separately managed account with a higher incentive fee or that Round Table deems is more likely to generate an incentive fee. The portfolio strategies that Round Table employs for other clients may conflict with the transactions and strategies employed for a given Fund or private investment client and affect the prices and availability of the securities and instruments in which such Fund or private investment client invests. Conversely, participation in specific investment opportunities may be appropriate, at times, for multiple clients. If the performance of a Fund or separately managed account makes it less likely to reach such a new "high water mark," Round Table may have an incentive to allocate desirable investment opportunities to a Fund or separately managed account more likely to reach a new "high water mark" and pay incentive fees.

In certain situations, a Fund or separately managed account may acquire securities or other financial instruments of an issuer which are senior or junior to securities or financial instruments of the same issuer that are held by, or acquired for, one or more other clients (e.g., a Fund may acquire senior debt while one or more other clients may acquire subordinated debt). Round Table addresses the potential conflict arising in these situations by attempting to determine which of the "conflicting investments" has the highest

profitability potential (such investment, the “Preferred Investment”), taking into account such considerations as size of positions, the risk/reward profile and likelihood of success of a particular course of action, control and costs and demands on Round Table’s resources and personnel.

Once the Preferred Investment is determined, Round Table will take actions that seek to maximize overall value for Round Table’s clients. Such actions could possibly be adverse to certain other investments held by a Fund or private investment client. To lessen any adverse impact resulting from such action, Round Table may seek to sell in a commercially reasonable manner the non-Preferred Investments. Alternatively, Round Table may make a determination that an immediate sale would result in a lower return on the non-Preferred Investment than would be the case if the investment remained in the portfolio, in which case Round Table would maintain the position.

Additionally, Round Table addresses the potential conflict arising from investment allocation by allocating investment opportunities among those client accounts for which it considers participation in the respective opportunity to be appropriate, taking into account, among other considerations, (1) whether the risk-return profile of the proposed investment is consistent with the Fund or separately managed account objectives and whether such objectives are considered solely in light of the specific investment under consideration or in the context of the portfolio of such client’s holdings managed by Round Table; (2) the potential for the proposed investment to create an imbalance in the such portfolio; (3) liquidity requirements of a Fund or separately managed account; (4) potentially adverse tax consequences for a Fund or separately managed account; (5) regulatory restrictions that would or could limit a client’s ability to participate in a proposed investment; and (6) the need to re-size risk in the portfolio managed by Round Table. Such considerations may result in unequal allocations of certain investment opportunities among its clients.

#### **Item 7      Types of Clients**

As described in Item 4 - Advisory Business, Round Table provides investment advisory services to two groups of related private investment funds (the Global Macro Funds and the Interest Rate Funds), and to other private investment clients as well.

Round Table does not have a minimum account size for its clients, although the Funds have minimum investment amounts and various other eligibility requirements. Fund investors may be comprised of fund of funds, institutions, businesses, pensions, trusts, government entities and individuals meeting certain net worth requirements. The interests or shares in the Funds are offered privately pursuant to applicable exemptions from registration under federal securities laws and, as such, are not registered under the federal securities laws and regulations. Accordingly, interests or shares in the Funds are offered and sold only to those investors that meet the eligibility requirements for private placements and/or offshore transactions and each of the investors allowed to invest into the Funds, are required to be “qualified purchasers” and “accredited investors” (each as defined under the relevant federal securities laws). Investors in the Funds are generally required to make minimum initial investments of at least \$1,000,000, but the minimum investment restrictions may be waived by Round Table or one of its affiliates.

Private investment clients may be comprised of institutions, high net worth individuals, pooled investment vehicles and other business entities that qualify as “qualified purchasers” and “accredited investors.” Minimum amounts required to open separately managed accounts are negotiated between the private investor and Round Table.

#### **Item 8      Methods of Analysis, Investment Strategies and Risk of Loss**

Round Table currently concentrates its investments in two main strategies: (1) a global macroeconomic strategy (the Global Macroeconomic Strategy” or “Macro Strategy”) and (2) a U.S. interest rate strategy (“Interest Rate Strategy”). Round Table’s strategies are dependent on the services of Mr. Banwell and his discretionary market judgment. The absence of Mr. Banwell could have a negative impact on Round Table.

Round Table's investment programs are speculative and entail substantial risks. In fact, the investment techniques that Round Table may employ can, in certain circumstances, substantially increase the adverse impact that market fluctuations have on Round Table's investment portfolio. Accordingly, Round Table's activities could result in substantial losses under certain circumstances. There can be no assurance that the investment objectives of Round Table, or any given strategy, will be achieved.

### The Global Macroeconomic Strategy

Under the "Macro Strategy," Round Table attempts to capture directional movements across global currency, interest rate, equity and commodity markets. References to the Macro Strategy apply to clients of Round Table whose assets are invested according to the Macro Strategy regardless of whether the investment is through a Fund or a separate managed account. Round Table utilizes a multi-disciplinary research process to support its investment decisions. Important elements of this research process include analysis of critical macroeconomic variables, which are analyzed across both developed and emerging markets. Round Table bolsters its fundamental research process through the use of quantitative analysis, as well as the implementation of a variety of indicators to aid in signaling and market timing decisions. Though Round Table relies upon quantitative inputs to support its investment conclusions, it subscribes to a discretionary approach in its capital commitment.

The Macro Strategy's predominant investments are based upon Round Table's views of the general directions of the markets; the Strategy may also make relative value opportunities in liquid markets. Round Table's research process heavily weights the import of monetary and fiscal policy makers in its capital allocations, as their actions tend to contribute to trend persistence and disequilibrium in financial markets. The flexible nature of the Macro Strategy allows for risk to be expressed in liquid markets globally. Round Table utilizes three primary techniques to generate investment ideas: macroeconomic research, fundamental bottom up research, and quantitative analysis.

Allocations between asset classes and geographies are based upon the opportunity presented by each individual investment and the level of conviction in those investments. Round Table actively measures and monitors correlated risk across the Macro Strategy, and attempts to limit the concentration of investments in any single theme. At times, the top five investment themes may contribute the vast majority of risk expressed through rates, foreign exchange, equities and volatility.

Round Table has a preference for investments generally considered more liquid and the majority of the Macro Strategy's risk is accordingly expressed through liquid currency, interest rate, equity, and credit instruments. For less liquid investments, Round Table requires a higher expected return to compensate the Macro Strategy.

Round Table uses a combination of statistically based risk models (value-at-risk "VaR", stress testing) coupled with hard stop loss limits to both size and control risk at the Macro Strategy level. VaR targets are adaptive, increasing risk tolerance when performance is positive and decreasing risk tolerance when performance is negative. Targets are set to control gap risk and to minimize the chance of breaking stop barriers. Round Table's VaR and stress testing framework uses proprietary models that have been refined and tested across multiple market cycles. Round Table measures and monitors a range of broad market risks and portfolio specific risks. However, there is no assurance that any risk management system will be effective in stopping or lessening losses.

The Macro Strategy is not limited in the percentage of its assets that it may invest in for any single type of asset, security, investment or strategy. In certain instances, Round Table may determine that an investment is only suitable for one of its clients, and, as a result, the performance of each client for which



Round Table trades according to the Macro Strategy may differ.

### Interest Rate Strategy

Under the Interest Rate Strategy, the Fund seeks to deliver high risk adjusted and absolute returns by investing in fixed income and related securities to emphasize directional positioning, term structure arbitrage, intra market and cross border arbitrage, non-credit sensitive basis risk and volatility oriented strategies. Positions taken by the Fund may be both long and short.

The Fund will rely on traditional, top-down macroeconomic research and will seek to optimize risk adjusted returns by anticipating or responding to disequilibrium and trend opportunities. Important elements of this research process include analysis of critical global macroeconomic variables, including central bank policy, real output, inflation, trade data and balance of payments, real and fundamental equilibrium exchange rates, demographic trends, government finance, corporate profits, and geo-political risks. This economic research is analyzed globally in both developed and emerging markets. The Investment Manager utilizes an extensive network of sources and contacts to support the research process. The Fund bolsters this fundamental research process through the use of quantitative analysis of trends and correlations as well as the implementation of a variety of technical indicators to aid in signaling and making market timing decisions.

Trends in risk premia are frequently driven by the stance of monetary policy makers, and because interest rate markets are highly correlated with both the level and direction of official policy rates, changes in monetary policy frequently have long lasting implications on the trends of other major asset classes. The Fund's research process heavily weights the importance of monetary and fiscal policy makers in committing capital. The Fund's scope is predominantly U.S. in nature.

Investments made in the portfolio will typically represent a theme that supports a longer-term view of six to twelve months. The Investment Manager will occasionally make relative value trades of shorter duration to take advantage of periodic changes in relative sector valuations and overall market risk tolerance. The Investment Manager anticipates the average holding period for a single security to be between one to twelve months.

Investment ideas are generated from the collective efforts of the Investment Manager's research team and portfolio managers. Assuming a conclusion of demonstrable asymmetry in the distribution of outcomes, the relevant portfolio manager will decide upon the optimal securities for expression. The portfolio manager and research personnel will continuously monitor the validity of the underlying portfolio and undervalued securities. The Investment Manager will exit the position upon realization of expected return or a material negative change in the distribution of outcomes.

Interest rate exposure will be actively managed and hedged with liquid interest rate futures with the primary goal of providing a superior risk adjusted return to the investor. In addition, the Investment Manager will use discretionary hedges to manage tail risk materializing from an imbalance in demand, a decline in overall market risk tolerance or deterioration in market fundamentals.

For a variety of reasons, the Investment Manager may not seek to establish a perfect correlation between the hedging instruments utilized and the portfolio holdings being hedged. Such an imperfect correlation may prevent the Fund from achieving the intended hedge or expose the Fund to risk of loss. The Investment Manager may not hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge or because it does not foresee the occurrence of the risk. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of the Fund's portfolio holdings.

The Investment Manager uses stress tests on major model input variables and macroeconomic variables that drive borrower behavior to derive a distribution of likely outcomes. Stress tests are also used as a tool to quantify portfolio concentration and they play a key role in the portfolio construction process. The Investment Manager believes that different sectors of the interest rate market will have different reaction functions to macroeconomic outcomes and uses scenario analysis to position and hedge the portfolio.

### Risks of Investment

The following is a general description of the principal risks involved in Round Table's Macroeconomic Strategy and Interest Rate Strategy (collectively "Strategies"). This discussion of risks presents a brief summary of the risks involved. For a complete discussion of the risks, investors are urged to consult the appropriate Fund's offering documents. Not all of these risks will be equally relevant to each Fund or client account at any given time.

- **Risk of Partial and Total Loss.** An investor should be aware that it may lose all or part of its investment in the Strategies run by Round Table. All investments involve the risk of loss of capital. No guarantee or representation is made that any Strategies utilized by Round Table will be successful. The Strategies may utilize investment techniques that can increase the adverse impact to a portfolio.
- **Non to Limited Diversification.** Round Table will attempt to diversify its investments in the normal course of executing its Strategies. However, a Strategy could become significantly concentrated in any one issuer, industry, sector, strategy, country, geographic region, or number and type of financial instrument, and such concentration of risk may increase the losses suffered by the portfolio.

In addition, the Fund is not required to maintain any specific level of diversification among types of investments, geographic areas and issuers. Accordingly, the Fund's portfolio may be subject to more rapid changes in value than would be the case if the Investment Manager were required to maintain a wider diversification among types of investments, geographic areas and issues.

- **Limited Liquidity.** The Strategies may invest a portion of its assets in financial instruments that are not publicly traded. Round Table may not be able to readily dispose of such non-publicly traded financial instruments for various reasons. The withdrawal rights of an investor in the Funds may also be suspended. An investment in the Funds is suitable only for sophisticated investors who do not require immediate liquidity for their investment.
- **Relative Value.** The success of a relative value investment strategy depends on Round Table's ability to identify and exploit perceived inefficiencies in the pricing of securities, financial products, or markets. There can be no assurance that Round Table will be able to locate investment opportunities or exploit pricing inefficiencies in the securities markets. In the event that perceived mispricings in underlying positions were to fail to correspond to the relationships expected by Round Table, the investments may incur losses. Relative value investment strategies may result in high portfolio turnover and, consequently, high transaction costs.
- **Fixed Income Securities.** The Strategies may invest in bonds or other fixed income securities of U.S. and non-U.S. issuers, including, without limitation, bonds, notes and debentures issued by corporations; debt securities issued or guaranteed by a sovereign government or one of its agencies or instrumentalities; and commercial paper. Fixed income securities pay fixed, variable or floating rates of interest. The value of fixed income securities in which Strategies invests will change in

response to fluctuations in interest rates. In addition, the value of certain fixed income securities can fluctuate in response to perceptions of credit worthiness, political stability or soundness of economic policies.

- **Prepayment Risk.** The frequency at which prepayments occur on bonds and loans will be affected by a variety of factors including the prevailing level of interest rates and spreads as well as economic, demographic, tax, social, legal and other factors. The adverse effects of prepayments may impact the Strategies' portfolio in two ways: (1) particular investments may experience outright losses; (2) particular investments may underperform relative to any hedges that Round Table constructed for these investments, resulting in a loss to the Strategies' overall portfolio.
- **Zero-Coupon and Deferred Interest Bonds.** The Strategies may invest in zero coupon bonds and deferred interest bonds, which are debt obligations issued at a significant discount from face value. Such investments experience greater volatility in market value due to changes in interest rates than debt obligations that provide for regular payments of interest.
- **American Depositary Receipts and Global Depositary Receipts.** American Depositary Receipts ("ADRs") are receipts issued by a U.S. bank or trust company evidencing ownership of underlying securities issued by foreign issuers. ADRs may be listed on a national securities exchange or may be traded in the over-the-counter market. Global Depositary Receipts ("GDRs") are receipts issued by either a U.S. or non-U.S. banking institution representing ownership in a non-U.S. company's publicly traded securities that are traded on foreign stock exchanges or foreign over-the-counter markets. Holders of unsponsored ADRs or GDRs generally bear all the costs of such facilities. The depository of an unsponsored facility frequently is under no obligation to distribute investor communications received from the issuer of the deposited security or to pass through voting rights to the holders of depositary receipts in respect of the deposited securities. Investments in ADRs and GDRs pose, to the extent not hedged, currency exchange risks (including blockage, devaluation and non-exchangeability), as well as a range of other potential risks relating to the underlying shares. Such risks may have a material adverse effect on the performance of such investments and could result in substantial losses.
- **Preferred Stock.** Preferred stock generally has a preference as to dividends and upon the event of liquidation over an issuer's common stock, but it ranks junior to debt securities in an issuer's capital structure. Preferred stock generally pays dividends in cash (or additional shares of preferred stock) at a defined rate, but unlike interest payments on debt securities, preferred stock dividends are payable only if declared by the issuer's board of directors. Dividends on preferred stock may be cumulative, meaning that, in the event the issuer fails to make one or more dividend payments on the preferred stock, no dividends may be paid on the issuer's common stock until all unpaid preferred stock dividends have been paid. Preferred stock may also be subject to optional or mandatory redemption provisions.
- **Exchange Traded Funds.** The Strategies may invest in ETFs, which are shares of publicly-traded unit investment trusts, open-end funds, or depository receipts that seek to track the performance and dividend yield of specific indexes or companies in related industries. ETF shareholders are generally subject to the same risk as holders of the underlying securities that they are designed to track. ETFs are also subject to certain additional risks, including, without limitation, the risk that their prices may not correlate perfectly with changes in the prices of the underlying securities they are designed to track, and the risk of halted trading of an ETF due to market conditions or other reasons, based on the policies of the exchange upon which the ETF trades. In addition, the Strategies may bear, along with other shareholders of an ETF, its *pro rata* portion of the ETF's

expenses, including management fees.

- **Investments in Emerging Markets.** Investing in emerging markets involves additional risks and special considerations not typically associated with investing in other more established economies or markets. These additional risks may include (1) increased risk of nationalization or expropriation of assets or confiscatory taxation; (2) greater social, economic and political uncertainty, including war; (3) higher dependence on exports and the corresponding importance of international trade; (4) greater volatility, less liquidity and smaller capitalization of markets; (5) greater volatility in currency exchange rates; (6) greater risk of inflation; (7) greater controls on foreign investment and limitations on realization of investments, repatriation of invested capital and on the ability to exchange local currencies for U.S. dollars; (8) increased likelihood of governmental involvement in and control over the economy; (9) governmental decisions to cease support of economic reform programs or to impose centrally planned economies; (10) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (11) less extensive regulation of the markets; (12) longer settlement periods for transactions and less reliable clearance and custody arrangements; (13) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; and (14) certain considerations regarding the maintenance of the Macro Strategy's investments with non U.S. brokers and securities depositories.
- **Legal Risk.** Many of the laws that govern private and foreign investment, securities transactions, creditors' rights and other contractual relationships in non-U.S. countries, particularly in developing countries, are new and largely untested. As a result, the Strategies may be subject to a number of unusual risks in this area.
- **Risk of Errors and Omissions in Information.** Companies in emerging countries are generally subject to less stringent and less uniform accounting, auditing and financial reporting standards, practices and disclosure requirements than those applicable to U.S. companies.
- **Government Involvement in the Private Sector.** Government involvement in the private sector varies in degrees among the emerging countries in which the Strategies may invest. Such involvement may include government ownership, wage and price controls or imposition of trade barriers or other protectionist measures.
- **Trading in Currencies.** A principal risk in trading currencies is the rapid fluctuation in the market prices of currency contracts. Prices of currency contracts traded by the Strategies are affected generally by relative interest rates, which in turn are influenced by a wide variety of complex and difficult to predict factors such as money supply and demand, balance of payments, inflation levels, fiscal policy, and political and economic events. In addition, governments from time to time intervene, directly and by regulation, in these markets, with the specific effect, or intention, of influencing prices which may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations.
- **Non-U.S. Investments and Non-Dollar Investing.** A portion of the Strategies' investments may be in both dollar-denominated and non-dollar-denominated securities and assets, issued by non-U.S. governments, corporations, and other entities. To the extent the Strategies make investments in obligations of borrowers organized or domiciled outside the United States, investors may be subject to additional risks beyond those of investing in the United States. These include (1) lack of public disclosure; (2) risks related to governmental regulation and oversight; and (3) difficulties associated with enforcement of contractual obligations.

- **Commodities and Derivative Investments.** The prices of commodities contracts and derivative instruments, including futures and options, are highly volatile. Payments made pursuant to swap agreements may also be highly volatile. The value of futures, options and swap agreements depends upon the price of the commodities, securities or other instruments underlying them. In addition, the Strategies' assets are also subject to the risk of the failure of any of the exchanges on which its positions trade or of its clearinghouses or counterparties.

Swaps and certain options and other custom instruments are subject to the risk of non-performance by the swap counterparty, including risks relating to the creditworthiness of the swap counterparty, market risk, liquidity risk and operations risk. Swap transactions dependent upon credit events are priced incorporating many variables including the pricing and volatility of the common stock, and potential loss upon default, among other factors. The value of these investments is closely tied to the absolute levels of such rates or indices, or the market's perception of anticipated changes in those rates or indices. The movements in specific indices or interest rates may be difficult or impossible to hedge.

- **Valuation.** Securities that Round Table believes are fundamentally undervalued or overvalued may not ultimately be valued in the capital markets at prices and/or within the time frame Round Table anticipates. In particular, purchasing securities at prices that Round Table believes to be distressed or below fair value is no guarantee that the price of such securities will not decline even further.
- **Leverage and Financing Risk.** The Strategies may employ a substantial amount of leverage. The Strategies may pledge their assets and enter into unsecured credit agreements in order to borrow additional funds for investment purposes. The Strategies may also leverage their investment returns with options, short sales, swaps, forwards and other derivative instruments. The amount of borrowings which the Strategies may have outstanding at any time may be substantial in relation to its capital. An inability of the Strategies to obtain a desired amount of leverage may limit the Strategies' overall investment exposure, thereby reducing its performance.

Funds borrowed for leveraging will be subject to interest, transaction, and other costs and other types of leverage also involve transaction and other costs. Any such costs may not be recovered by the return on the Strategies' portfolio. The use of leverage will decrease the investment return if the Strategies fail to recover the cost of such leverage. While leverage presents opportunities for increasing the Strategies' total return, it has the effect of potentially increasing losses as well. Accordingly, any event that adversely affects the value of an investment by the Strategies would be magnified to the extent it is leveraged.

In general, the anticipated use of short-term margin borrowings results in certain additional risks to the Strategies. The use of repurchase and reverse repurchase agreements by the Strategies involves certain risks including that the seller under a reverse repurchase agreement defaults on its obligation to repurchase the underlying securities. Disposing of the security in such case may involve costs to the Strategies.

- **Short Selling.** Short selling involves selling or taking derivative positions in securities that may or may not be owned, borrowing the same securities for delivery to the purchaser, or entering into an offsetting position, with an obligation to replace the borrowed securities or unwind the position at a later date. Short selling allows the investor to profit from declines in market prices to the extent such declines exceed the transaction costs and the costs of borrowing the securities.

A short sale creates the risk of unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost of buying those securities to cover the short position. There can be no assurance that the securities necessary to cover a short position will be available for purchase or that derivative positions can be offset or unwound. Purchasing securities to close out the short position can cause the price of the securities to rise further, increasing the loss.

- **Forward Trading.** Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and “cash” trading is substantially unregulated and there are no limitations on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. Disruptions can occur in any market traded by the Strategies due to unusual trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit such forward trading to less than that which Round Table would otherwise recommend, to the possible detriment of the Strategies. Market illiquidity or disruption could result in major losses to the Strategies.
- **Hedging Transactions.** The Strategies may utilize financial instruments, both for investment and risk management purposes, in order to (1) protect against possible changes in the market value of its investment portfolio resulting from fluctuations in the securities markets and changes in interest rates; (2) protect its unrealized gains in the value of its investment portfolio; (3) facilitate the sale of any such investments; (4) enhance or preserve returns, spreads or gains on any investment in its portfolio; (5) hedge the interest rate or currency exchange rate on any of its liabilities or assets; (6) protect against any increase in the price of any securities it anticipates purchasing at a later date or; (7) for any other reason that Round Table deems appropriate.

The success of the Strategies' hedging strategy will depend, in part, upon Round Table's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged. While Round Table may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Strategies than if they had not engaged in such hedging transactions. Additionally, Round Table may not seek to establish a perfect correlation between the hedging instruments utilized and the portfolio holdings being hedged. Such an imperfect correlation may prevent the Strategies from achieving the intended hedge or expose the Strategies to risk of loss.

- **Highly Volatile Markets.** The prices of financial instruments in which the Strategies may invest can be highly volatile. Price movements of forward and other derivative contracts in which the Strategies' assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The Strategies are subject to the risk of failure of any of the exchanges on which its positions trade or of its clearinghouses.
- **Counterparty Risk.** Some of the markets in which the Strategies may effect transactions are “over-the-counter” or “interdealer” markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of “exchange-based” markets.

This exposes the Strategies to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not *bona fide*) or because of a credit or liquidity problem, thus causing the Strategies to suffer a loss. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Strategies have concentrated its transactions with a single or small group of counterparties. The lack of a complete and “foolproof” evaluation of the financial capabilities of the Strategies' counterparties and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Strategies.

- **Counterparty Default.** The stability and liquidity of repurchase agreements, swap transactions, forward transactions and other over-the-counter derivative transactions depend in large part on the creditworthiness of the parties to the transactions. If there is a default by the counterparty to such a transaction, the Strategies will under most normal circumstances have contractual remedies pursuant to the agreements related to the transaction. However, exercising such contractual rights may involve delays or costs that could result in the net asset value of the Strategies being less than if it had not entered into the transaction.

Furthermore, there is a risk that any of such counterparties, including any prime broker or custodian of the Strategies holding the Strategies' assets, could become insolvent. If one or more of the Strategies' counterparties were to become insolvent or the subject of insolvency proceedings, there exists the risk that the recovery of the Strategies' securities and other assets from such counterparty will be delayed or be of a value less than the value of the securities or assets originally entrusted to such counterparty. In addition, the Strategies may use counterparties located in various jurisdictions around the world. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a counterparty, it is impossible to generalize about the effect of their insolvency on the Strategies and their assets. Investors should assume that the insolvency of any counterparty would result in a loss to the Strategies, which could be material.

- **Tax Risks.** Round Table does not provide tax advice to clients. Investment decisions are based primarily on financial considerations and could result in adverse tax consequences for clients. Clients and investors in the Funds may be subject to U.S. federal, state and local income tax as a result of their investments. Clients and Fund investors also may be subject to tax in certain jurisdictions outside the United States, including through the application of withholding taxes. Each prospective client or prospective investor in a Fund should consult with and must depend on their own tax advisors regarding the tax consequences of investing.
- **Indemnification.** The Fund's offering documents provide that they shall, to the fullest extent permitted by law, indemnify and hold harmless certain related persons ("Indemnified Parties") from and against any and all loss, cost or expense suffered or sustained by an Indemnified Party by reason of the fact that it, he or she is or was an Indemnified Party. This includes, without limitation, any judgment, settlement, reasonable attorneys' fees and other costs or expenses incurred in connection with the defense of any actual or threatened action, suit or proceeding, provided that such liability, damage loss, cost or expense resulted from a mistake of judgment on the part of an Indemnified Party or from action or inaction that did not constitute gross negligence, willful misconduct, fraud or bad faith or from the negligence, dishonesty or bad faith of a broker or other agent of an Indemnified Party, provided that such broker or agent was selected, engaged or retained by the Indemnified Party in accordance with the standard of care set forth above. The Funds' also may advance to any Indemnified Party reasonable attorneys' fees and other costs and expenses incurred in connection with the defense of any action, suit or proceeding that arises out of such conduct.

The Funds' offering documents do not provide for the indemnification of any Indemnified Party for any liability (including liability under federal securities laws which, under certain circumstances, impose liability even on persons that act in good faith), to the extent (but only to the extent) that such liability may not be waived, modified or limited under applicable law, but shall be construed so as to effectuate the above provisions to the fullest extent permitted by law. Investors should read the relevant Fund's governing documents carefully and consult their professional advisors about these and other provisions before investing. The terms of any managed account agreements also may contain provisions limiting Round Table's liability for losses incurred by such clients in a similar manner. Such clients should consult professional advisors regarding any such contractual provisions.

- **Residential Mortgage-Backed Securities.** RMBS represent interests in pools of residential mortgage loans secured by one to four family residential mortgage loans. Such loans may be prepaid at any time. Residential mortgage loans are obligations of the borrowers thereunder only and are not typically insured or guaranteed by the government or any other entity. Many of the RMBS securities that the Strategies will invest in will be distressed securities. The rate of defaults and losses on residential mortgage loans will be affected by a number of factors, including general economic conditions and those in the geographic area where the related mortgaged property is located, the terms of the loan, the borrower's "equity" in the mortgaged property and the financial circumstances of the borrower. If a residential mortgage loan is in default, foreclosure of such residential mortgage loan may be a lengthy and difficult process and may involve significant expenses. Furthermore, the market for defaulted residential mortgage loans or foreclosed properties may be very limited.

Prepayments could reduce the yield received on the related issue of RMBS. RMBS typically are backed by non-conforming mortgage loans, which are mortgage loans that do not qualify for purchase by government-sponsored agencies, such as Fannie Mae and Freddie Mac, because of credit characteristics and size that do not satisfy Fannie Mae and Freddie Mac guidelines. Accordingly, non-conforming mortgage loans are likely to experience rates of delinquency, foreclosure and loss that are higher, and that may be substantially higher, than mortgage loans originated in accordance with Fannie Mae or Freddie Mac underwriting guidelines.

The mortgage loans underlying certain of the RMBS may be structured with negative amortization features. Negative amortization arises when the mortgage payment in respect of a loan is smaller than the interest due on such loan. On any such mortgage loans, if the monthly payments are not enough to cover both the interest and principal payments on the loan, the shortfall is added to the principal balance, causing the loan balance to increase rather than decrease over time. If the pool of mortgage loans underlying any RMBS owned in the Global Macro and Interest Rate Strategies were to contain loans with negative amortization features, the yield on such RMBS could be adversely affected.

- **Subprime Mortgage Lending.** Recently, delinquencies, defaults and foreclosures on residential mortgage loans have increased and may continue to increase, which may affect the performance of RMBS, in particular mortgage securities that are backed by subprime mortgage loans. Subprime mortgage loans are generally made to borrowers with lower credit scores and have higher loan-to-value ratios. These loans are more sensitive to economic factors that could affect the ability of borrowers to pay their obligations under the mortgage loans backing these securities, consequently the rate of default may be higher for these loans, adversely impacting investment returns.
- **General Real Estate Risks.** Real estate investments generally will be subject to the risks incident



to the ownership and operation of real estate and real estate-related assets and/or risks incident to the making of nonrecourse mortgage loans secured by real estate. The Strategies may incur the burdens of ownership of real property, which include the paying of expenses and taxes, maintaining such property and any improvements thereon, and ultimately disposing of such property. In addition, an investment in real estate may subject the Firm to taxation and tax return filings with respect to such investment in the state in which such real estate is located.

The Strategies may invest in a real estate asset on a passive basis, giving a third-party operating partner and/or property manager a large degree of authority and responsibility for daily management of the assets and, therefore, will in large part be dependent on the ability of third parties to successfully operate the underlying real estate assets. In addition, Round Table will be unable to exercise sole decision-making authority and will be subject to the risk that a joint venturer or partner will act negligently or in a manner contrary to the Strategies' best interest. There is no assurance that there will be a ready market for resale of investments because investments in real estate generally are not liquid; holding periods accordingly are difficult to predict, particularly as business plans may be revised to adapt to changing economic, business and financial conditions.

- **Uncertain Exit Strategies.** Due to the illiquid nature of many of the positions which the Strategies may acquire, Round Table is unable to predict with confidence what the exit strategy will ultimately be for any given core position, or that one will definitely be available. Exit strategies that appear viable when an investment is initiated may not be applicable when Round Table wishes to realize the investment due to economic, legal, political or other factors.
- **Cross-Account Contamination.** The Fund maintains separate accounts for the overall portfolio of the Fund and each existing Special Investment, and the assets and liabilities attributable to each are generally kept in separate accounts. The Fund will allocate any liability, including liability to any creditor, to the overall portfolio account of the Fund or an Existing Special Investment Account (or any number thereof) to which, in the Fund's opinion, it relates, or, if in the Fund's opinion it does not relate to any particular account, between accounts at the Fund's discretion in such manner as it considers fair and reasonable in all the circumstances. Because the separate accounts do not constitute separate legal entities, however, the accounts are subject to a cross account liability, so that if, as a result of a creditor claim, a negative net asset value of a particular account occurs, the segregation and separate accounting for another account does not have the legal effect of preventing the assets representing such other account being available to meet the liabilities attributable to any other account.

#### **Item 9      Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding certain legal or disciplinary events that would be material to your evaluation of the investment adviser or the integrity of its management. Round Table has no such legal or disciplinary events/information to disclose.

#### **Item 10      Other Financial Industry Activities and Affiliations**

Ian G. Banwell is a former member, and a past Chairman, of the Treasury Borrowing Advisory Committee. Neither Round Table nor any of its management persons is, plans, or has a pending application to be registered as a broker-dealer, a representative of a broker-dealer, a futures commission merchant, a commodity pool operator, a commodity trading advisor, or any associated person of any of the foregoing.

Except for the fact that the certain affiliates of Round Table, such as the general partners of the Onshore Funds, could be viewed as the sponsors of the Funds, neither Round Table nor any of its management persons has any relationship or arrangement that is material to its advisory business or its clients with any related person that is a broker-dealer, municipal securities dealer, or government securities dealer or

broker; an investment company or other pooled investment vehicle; another investment adviser or financial planner; a futures commission merchant, commodity pool operator, or commodity trading advisor; a banking or thrift institution; an accountant or accounting firm; a lawyer or law firm; an insurance company or agency; a pension consultant; a real estate broker or dealer; or a sponsor or syndicator of limited partnerships. Round Table does not view its relationship with these affiliates that might be deemed sponsors of the Funds as giving rise to any conflicts of interest at all, and does not view its relationship with the Funds as giving rise to any material conflicts of interest, except as previously discussed at the end of Item 6 - Performance-Based Fees and Side-by-Side Management.

Round Table does not recommend or select other investment advisers for any of its clients and, therefore, it does not directly or indirectly receive compensation from or maintain business relationships with any such persons.

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

Round Table has developed a Code of Ethics pursuant to Rule 204A-1 under the Investment Advisor's Act to help avoid insider trading and otherwise help ensure that Round Table and its employees act in an ethical manner and in accordance with applicable securities laws. Round Table's Code of Ethics addresses issues such as the following:

- Standards of conduct required of employees, reflecting the fiduciary duties owed by Round Table and its employees to clients.
- Compliance with applicable securities laws.
- Reporting by certain of Round Table's employees of (and pre-clearance with respect to certain types of) personal securities holdings and transactions.
- The reporting of violations of the Code of Ethics.
- Educating employees about the Code of Ethics.

Each of Round Table's employees has been furnished with a copy of, and acknowledged his or her understanding of, its Code of Ethics, and a copy of the Code of Ethics is available to all current and/or prospective clients upon request.

While neither Round Table, nor any of its members, partners, officers or employees (collectively, its "Management"), buys or sells securities directly from or to any Fund or separately managed account, Round Table may advise the Funds or private investment clients to buy or sell securities in which Round Table's Management have a material financial interest. Additionally, while Round Table does not buy or sell securities for its own account, members of its Management are permitted to, and may occasionally, buy or sell the same securities for their personal or family accounts that are bought or sold for the Funds or private investment clients. Such transactions by Round Table's Management may be conducted before, at or about the same time, or after such client transactions. Activity by Funds or separately managed accounts in securities held by Round Table's Management and these types of personal securities transactions by Management may raise potential conflicts of interest, so Round Table has adopted policies and procedures intended to address these potential conflicts of interest. These policies and procedures require, among other things:

- **Trade Pre-Approval.** Each employee must obtain approval from the Chief Compliance Officer before acquiring any covered security for a personal account;

- **Blackout Period.** If Round Table placed a trade during the current business day or during the business day immediately preceding the day upon which the trade was requested and the security in question has a total market capitalization of US \$10 billion or less, the trade request will be denied and the employee must request the trade at a later date;
- **Holding Period.** All acquisitions of covered securities by employees for personal accounts are subject to a minimum holding period of 30 days.

## Item 12 Brokerage Practices

Round Table allocates transactions to brokers and dealers on the basis of best execution and in consideration of a variety of relevant factors, including price quotes; the size of the transaction; the nature of the market for the security; the timing of the transaction; difficulty of execution; the broker-dealer's expertise in the specific security or sector; the extent to which the broker-dealer makes a market in the security involved or has access to such markets; availability of accurate information regarding the market for the security; the broker-dealer's skill in positioning the securities involved; the broker-dealer's promptness of execution; the broker-dealer's financial stability; adequacy of the broker-dealer's trading infrastructure, technology and capital; the broker-dealer's reputation for diligence, fairness and integrity; quality of service rendered by the broker-dealer in other transactions for Round Table; confidentiality considerations; the quality and usefulness of research services and investment ideas presented by the broker-dealer; the broker-dealer's ability and willingness to correct errors; the broker-dealer's ability to accommodate any special execution or order handling requirements that may surround the particular transaction; and other factors deemed appropriate by Round Table.

Round Table does not necessarily solicit competitive bids and does not have an obligation to seek the lowest available commission cost or spread. The Funds' investment programs and strategies emphasizes active management of their portfolios. These portfolio turnover and brokerage commission expenses may exceed those of other investment entities of comparable size.

From time to time, the Funds or private investment clients may pay a broker-dealer commissions (or markups or markdowns with respect to certain types of riskless principal transactions) for effecting transactions in excess of that which another broker-dealer might have charged for effecting the transaction in recognition of the value of the brokerage and research products or services other than execution ("soft dollar benefits") provided by such broker-dealer. Round Table will effect such transactions, and receive such brokerage and research services, only to the extent that they fall within the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended.

When Round Table uses brokerage commissions (or markups or markdowns) to obtain research or other products or services, it receives a benefit because it does not have to produce or pay for such research, products, or services. As such, Round Table may have an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services, rather than on the interest of the Fund or private investment client in receiving the most favorable execution. Round Table believes that such research, products and services provides its clients with benefits by supplementing the research otherwise available to us.

Research products or services obtained with "soft dollars" generated by one client may be used by Round Table to service one or more other clients. On a periodic basis, Round Table considers the benefits provided by the amount and nature of research products and services provided by broker-dealers, as well as the extent to which such services are relied upon by each client, and attempts to allocate a portion of the brokerage business of its clients on the basis of that consideration. Where a product or service obtained with soft dollars provides both research and non-research assistance to Round Table (*e.g.*, a

“mixed use” item), Round Table will make a reasonable allocation of the cost which may be paid for with soft dollars. Soft dollar benefits generated in respect of futures, currency and derivatives transactions (that are not riskless principal transactions) do not generally fall within the safe harbor created by Section 28(e) of the Securities Exchange Act of 1934, as amended, and will be utilized only with respect to research-related products and services for the benefit of the client account which generated them.

Over the last fiscal year, Round Table allocated total brokerage based on all of the considerations described above. While certain broker-dealers may suggest a level of business they would like to receive in return for the various products and services they provide, actual brokerage business directed by Round Table to any particular broker-dealer may be less than the suggested allocation (or exceed the suggested level) due to its allocation procedures. In no case will Round Table make binding commitments as to the level of brokerage commissions it will allocate to a broker-dealer nor will it commit to pay cash if any informal targets are not met. A broker is not excluded from receiving business because it has not been identified as providing research products or services.

Round Table does not receive direct client referrals from its brokers. However, certain of the prime brokers utilized by Round Table may, from time to time, organize “capital introduction” or similar events for potential investors interested in investing in hedge funds. Such events provide prospective clients with the opportunity to meet with Round Table and its members, partners, officers or employees and Round Table may be given the opportunity to present or otherwise speak at such events. Round Table does not compensate the prime brokers for organizing such events or for investments ultimately made by prospective investors attending such events. However, such events and other services (including, without limitation, capital introduction services) provided by a prime broker may influence us in deciding whether to use such prime broker in connection with brokerage, financing and other activities, rather than on the interest of the Fund or private investment client in receiving the most favorable execution.

Round Table selects and engages the brokers for its clients and does not permit any directed brokerage activities from its clients.

Under certain conditions Round Table may aggregate the purchase or sale of securities for its various client accounts, including under “average price” accounts with brokers. In an “average price” account, purchase and sale orders placed during a trading day on behalf of the Funds, private investment clients and/or affiliates of Round Table are combined, and securities bought and sold pursuant to such orders are allocated among such accounts on an average price basis. Occasionally market, pricing or other business conditions (for example certain clients restricting which brokers Round Table may utilize for their trades), may cause Round Table to not aggregate orders when it has the opportunity to do so. This may result in the costs of the transactions being larger than they would be if aggregated, as separate brokerage commissions and/or fees may be applied to multiple orders. In addition, the prices received for separate orders may vary, to the detriment of certain clients receiving less advantageous prices for a trade.

From time to time, Round Table may execute over-the-counter trades on an agency basis rather than on a principal basis. In these situations, the broker used by Round Table may acquire or dispose of a security through a market-maker (a practice known as “interpositioning”). The transaction may thus be subject to both a commission and a markup or markdown. Round Table believes that the use of a broker in such instances is consistent with its duty of obtaining best execution for its clients. The use of a broker can provide anonymity in connection with a transaction. In addition, a broker may, in certain cases, have greater expertise or greater capability in connection with both accessing the market and executing a transaction.

### **Item 13     Review of Accounts**

Ian G. Banwell and the portfolio managers review the strategy parameters, portfolio structure, and security selection on a daily basis. In addition, Round Table holds weekly investment committee meetings to review

strategy and portfolio allocations.

Fund investors receive (1) a monthly risk letter, risk report and estimate of the Fund's performance, (2) a monthly unaudited account statement and (3) an annual audited financial statement for the Fund within 120 days after the end of the Fund's fiscal year. For clients other than Fund investors, Round Table generally provides written reports containing information about the status of the account, the frequency and content of which is subject to agreement between Round Table and the client. Other information may be provided as agreed upon with the client.

#### **Item 14 Client Referrals and Other Compensation**

Round Table does not receive any economic benefit from anyone other than its clients for providing investment advice or other advisory services to its clients. However, Round Table has agreements with certain placement agents that provide for compensation to be paid to the placement agent for referring separately managed account clients and potential investors in the Funds to Round Table. Under this agreement, the placement agents may receive either a percentage of its Management Fee attributable to each prospective investor referred by the placement agent. In addition, there are potential indirect benefits provided by Round Table to brokers that arrange "capital introduction" events as described in detail in Item 12 - Brokerage Practices.

#### **Item 15 Custody**

Round Table or its affiliates enter into agreements with qualified custodians to maintain custody of the Funds' assets to the extent required by Rule 206(4)-2 under the Investment Advisor's Act. These qualified custodians generally include banks, registered broker dealers, registered commodity futures merchants and potentially certain foreign financial institutions. While Round Table does not take physical custody of any client assets, Round Table may be deemed to have custody because of its discretionary authority, and because of the automatic deductions for advisory fees. The Funds are responsible for all costs of such qualified custodians.

The security holdings of each Fund are reported to investors on a quarterly basis as part of the Fund's financial statement and such holdings are subject to audit confirmation on an annual basis by its independent auditors. As Round Table has arranged for delivery of audited financial statements to each Fund investor within 120 days of the end of each fiscal year, investors do not receive reports directly from the Funds' qualified custodians.

For private investment clients, the investor is generally responsible for selecting a qualified custodian and for incurring all costs and expenses related to such qualified custodian. The investor's qualified custodian is then responsible for providing account statements directly to the investor on at least a quarterly basis. All such statements should be reviewed carefully by the investor and Round Table urges such investors to compare the account statements they receive from such qualified custodian to any information that it provides.

#### **Item 16 Investment Discretion**

Round Table's investment advisory services are provided on a discretionary basis. We may exercise this discretion to determine what securities to trade on behalf of each Fund and private investment client, in what amount to trade such securities, and which executing brokers to use for such transactions. This discretion is subject to any guidelines or restrictions on the investment activities set out in the relevant Investment Management Agreement between Round Table and such Fund or as agreed in writing between Round Table and any private investment client.

#### **Item 17 Voting Client Securities**

Round Table has the authority to vote all securities held by the Funds, which it does pursuant to a proxy

voting policy adopted in accordance with Rule 206(4)-6 under the Investment Advisor's Act. Pursuant to its proxy voting policy, Round Table votes the Funds' securities in accordance with what it considers to be in the best interests of the Fund, taking into account such factors as it deems relevant under the circumstances. The Funds and investors in the Funds do not have the ability to direct how Round Table votes Fund securities.

In order to identify and manage any conflicts of interest, Round Table provides conflicts questionnaires designed to solicit any information relevant to potential conflicts of interest to its employees. Employees are also required to report any newly arising potential conflicts of interest to the Chief Compliance Officer ("CCO") immediately. In the event that a review of its records, the proxy voting conflict questionnaire distribution, or other records provided to the CCO indicate the presence or the potential presence of a material conflict of interest between the Firm and its clients or Funds managed by Round Table, a Shareholder's Representative, elected by vote of the Fund's in the case of a Fund or the client itself in the case of an individual client, will be consulted in order to opine upon the appropriateness of the Firm's vote on behalf of the client or the Fund.

The client or Shareholder's Representative may be informed of the opinion of the Firm related to the vote and must also be informed of any potential conflict of interest in great detail, providing any and all information related to the conflict that is necessary to understand the nature of such conflict. Additionally, any further information requested by the Shareholder's Representative or the client related to the vote or the Firm's conflict of interest must be provided directly to the Shareholder's Representative or the client directly by the CCO.

All of Round Table's clients or investors are able to obtain a copy of its written proxy voting policies and procedures, as well as information regarding how Round Table has voted securities held by the applicable Fund or separately managed account, upon request by contacting the CCO as follows: Patric Klein, (704) 208-3693 or [patric.klein@round-tableimc.com](mailto:patric.klein@round-tableimc.com).

#### **Item 18 Financial Information**

Round Table does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual obligations to its clients and has not been the subject of a bankruptcy petition. As such, Item 18 is not applicable.

#### **Item 19 Requirements for State-Registered Advisers**

Round Table is not registered or required to be registered as an investment adviser in any state. Therefore, Item 19 is not applicable.