

**Maplelane Capital, LLC**

**March 28, 2014**

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This brochure provides information about the qualifications and business practices of Maplelane Capital, LLC (the “Adviser”), an investment adviser registered with the United States Securities and Exchange Commission (the “SEC”). If you have any questions about the contents of this brochure, please contact our Chief Compliance Officer, Debra Wisdom, at [debra.wisdom@maplelanecapital.com](mailto:debra.wisdom@maplelanecapital.com) or (212) 583-8658. This information has not been approved or verified by the SEC or by any state securities authority.

Additional information about the Adviser is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

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

The Adviser is an investment adviser with its principal place of business in New York, New York. The Adviser commenced operations as an investment adviser in 2010. Leon Shaulov and Rob Crespi are the managing members of the Adviser and manage the business affairs of the Adviser. Leon Shaulov maintains the majority interest in the Adviser and makes all investment decisions on behalf of the clients.

The Adviser provides investment supervisory services on a discretionary basis to a privately offered investment vehicle (the "Fund"), which is offered to sophisticated investors and institutional investors (the "Investors"). The Fund is exempt from registration under Section 3(c)(7) of the Investment Company Act of 1940 and primarily invests in equity securities.

The Adviser provides advice to the Fund based on specific investment objectives and strategies set forth in the Fund's offering memorandum. The Adviser does not tailor advisory services to the individual needs of Investors. Investors may not impose restrictions on investing in certain securities and other financial instruments or certain types of securities and other financial instruments.

As of December 31, 2013, the Adviser had approximately \$1,684,795,732 discretionary client regulatory assets under management.

#### **Item 5. Fees and Compensation**

##### Asset-Based Compensation

The Fund pays the Adviser a quarterly management fee for advisory services, which is based upon net assets of the Fund in an amount equal to 0.25% (i.e., approximately 1.0% per annum) (the "Fixed Fee"). The Fixed Fee will be paid in advance as of the first business day of each calendar quarter and will be calculated based on the net assets as of the first day of the quarter. For any period less than a full quarter, the Fixed Fee will be prorated. The managing member of the Fund, Net Return Asset Management, LLC ("NRAM"), also receives a 1.0% per annum management fee for non-advisory services from the Fund (the "Additional Fixed Fee"), which is paid in the same manner as the Fixed Fee (i.e., quarterly in advance).

While it is highly unlikely that an Investor will withdraw mid-quarter, any prepaid but unearned Fixed Fee will be refunded to an Investor that withdraws mid-quarter. The Adviser generally determines the amount of the relevant refund on a pro rata basis, based upon the portion of the relevant period during which it provided services.

The Adviser (or, in the case of the Additional Fixed Fee, NRAM) may waive or reduce the Fixed Fee (or Additional Fixed Fee) for Investors that are members, principals, employees or affiliates of the Adviser and NRAM, relatives of such persons and for certain large or strategic investors.

##### Performance-Based Compensation

The Adviser or its affiliate also receives performance-based compensation which is based on a share of capital gains on or capital appreciation of the assets of the Fund (the "Incentive Allocation").

The Incentive Allocation is an amount equal to 30% of each Investor's share of net profits and is subject to a "loss carryforward" provision. The Adviser may waive or reduce the Incentive Allocation for Investors that are members, principals, employees or affiliates of the Adviser and NRAM, relatives of such persons and for certain large or strategic investors.

After calculating the Fixed Fees and the Incentive Allocation, and confirming such amounts with the Adviser, the administrator for the Fund deducts the Fixed Fee or Incentive Allocation from the Investors' capital accounts.

In addition to paying the Fixed Fees and, if applicable, the Incentive Allocation or other compensation, Investors will also be subject to other expenses such as legal, accounting, auditing and other professional expenses, research expenses, administration fees and expenses, certain investment expenses such as commissions, interest on margin accounts and other indebtedness, custodial fees, bank service fees and other reasonable expenses related to the purchase, sale or transmittal of Fund assets. In addition, the Fund pays the Adviser's office expenses, including rent and supplies, secretarial and administrative support, stationery and charges for furniture and fixtures. Fund assets may also be invested in money market mutual funds, ETFs or other registered investment companies. In these cases, the Fund will bear its pro rata share of the investment management fee and other fees of the fund which are in addition to the Fixed Fee and the Additional Fixed Fee. In addition, the Fund will incur brokerage and other transaction costs. Please refer to Item 12 for a discussion of the Adviser's brokerage practices.

#### **Item 6. Performance-Based Fees and Side-by-Side Management**

Currently, the Adviser and its investment personnel provide investment management services to one client, the Fund. The Adviser (or its affiliate) receives performance-based compensation (i.e., the Incentive Allocation) from the Fund.

#### **Item 7. Types of Clients**

The Adviser's client is the Fund, a privately offered investment vehicle.

Any initial and additional subscription minimums are disclosed in the offering memorandum for the Fund.

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

##### **Investment Strategies and Method of Analysis**

The Adviser seeks attractive returns by utilizing a short-term approach to equity investing across all market sectors. In addition, while the portfolio will generally be characterized as having a short-term holding period, there may be several positions that are held for a much longer holding period. It is anticipated that the Adviser will use significant amounts of leverage for the Fund. The Adviser actively uses options trades to express views on the market and on individual stocks. The portfolio may have a significant short net exposure to equity markets, although at times, it may be relatively market neutral or have a significant long net exposure to equity markets.

Securities that may be traded by the Adviser on behalf of the Fund include, but are not limited to, equities, equity options, exchange-traded funds, warrants, corporate bonds, futures, options on futures, swaps and other derivatives. The Adviser believes that equity markets and, more specifically, individual stocks are subject to short-term moves driven by events, announcements of fundamental data and market sentiment.

The Adviser's research process looks for fundamental information that may cause a stock to move in one direction or another, attempting to take positions quickly before and after events. Likewise, the Adviser looks for changes in market sentiment and biases that may cause a stock to move in one direction or another and attempts to take positions quickly around these changes in market sentiment. Through the fundamental research process and trading, the Adviser expects to obtain a strong fundamental understanding of the forces that can potentially move a stock in one direction or another.

The Adviser is not currently subject to any restrictions on its investments by the Fund. The Adviser intends to implement a very aggressive style and strategy.

There can be no assurances that the Adviser will be able to achieve the investment objective.

## **Risks of Loss**

### **Market Risks**

Profitability depends, to a great extent, upon correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that the Adviser will be able to predict accurately these price movements.

### **Nature of Investments**

The Adviser has broad discretion in making investments decisions on behalf of the Fund. Investments will generally consist of securities and other assets that may be affected by business, financial market or legal uncertainties. There can be no assurance that the Adviser will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investments. Prices of investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Fund's activities and the value of their investments. No guarantee or representation is made that the investment objectives will be achieved.

### **Use of Leverage**

The Adviser utilizes leverage on behalf of the Fund resulting in the Fund's portfolios controlling substantially more assets than the Fund has equity. Leverage increases returns if a greater return is earned on investments purchased with borrowed funds than the cost of borrowing such funds. However, the use of leverage exposes the Fund to additional levels of risk, including (i) greater losses from investments than would otherwise have been the case had the Fund not borrowed funds to make the investments, (ii) margin calls or interim margin requirements which may force premature liquidations of investment positions and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the Fund's cost of borrowing such funds. In the event of a sudden, precipitous drop in value of the Fund's assets, the Fund might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying its losses. In an unsettled credit environment, the Adviser may find it difficult or impossible to obtain leverage for the Fund. In such event, the Adviser could find it difficult to fully implement its strategy on behalf of the Fund. In addition, any leverage obtained, if terminated on short notice by the lender, could result in the Adviser being forced to unwind the Fund's positions quickly and at prices below what the Adviser deems to be fair value for such positions.

### **Short Sales**

Short selling, or the sale of securities not owned by the Fund, necessarily involves certain additional risks. Such transactions expose the Fund to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed by the Fund in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, wherein the Fund might be compelled, at the most disadvantageous time, to replace borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

### **Options**

The purchase or sale of an option involves the payment or receipt of a premium by the investor and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security, commodity or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses its premium. Selling options involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received (which could result in a potentially unlimited loss). Over-the-counter options also involve counterparty solvency risk.

**Equity-Related Instruments in General**

The Adviser may use equity-related instruments in its investment program. Certain options and other equity-related instruments may be subject to various types of risks, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk. In addition, equity-related instruments can involve significant economic leverage and may, in some cases, involve significant risks of loss.

**Portfolio Turnover; Expenses**

The Adviser actively trades the Fund's portfolios, and as a result, turnover and brokerage commission expenses may exceed those of other investment entities of comparable size. Moreover, the fixed fee and incentive allocation structure of the Fund is 2% and 30% respectively. Therefore, the overall expenses of the Fund may exceed those of other similar investment entities.

**Lack of Diversification; Concentration**

The Fund's portfolio may not be widely diversified among sectors, industries, geographic areas or types of securities. Further, the portfolio may not necessarily be diversified among a wide range of issuers and in fact may be highly concentrated in its highest conviction investments (i.e., the top five positions could be 100% or more of the portfolio and a single position could be 50% or more of the portfolio). Accordingly, the Fund may be subject to more rapid change in value than would be the case if they were required to maintain a wide diversification.

**Special Situations**

The Adviser may invest the Fund's assets in companies involved in (or the target of) acquisition attempts or tender offers or in companies involved in or undergoing work-outs, liquidations, spin-offs, reorganizations bankruptcies or other catalytic changes or similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Fund of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Fund may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which the Fund may invest, there is a potential risk of loss by the Fund of its entire investment in such companies.

**Small to Medium Capitalization Companies**

The Adviser may invest the Fund's assets in the stocks of companies with small-to medium-sized market capitalizations. While the Adviser believes these investments often provide significant potential for appreciation, those stocks, particularly smaller-capitalization stocks, involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of such stocks are often more volatile than prices of large-capitalization stocks. In addition, due to thin trading in some such stocks, an investment in these stocks may be more illiquid than that of larger capitalization stocks.

**Non-U.S. Securities**

Though the Adviser invests the Fund's assets primarily in U.S. securities, it may also invest in non-U.S. securities. Investing in securities of non-U.S. governments and companies that are generally denominated in non-U.S. currencies and utilization of options on non-U.S. securities involves certain considerations comprising both risks and opportunities not typically associated with investing in securities of the United States government or United States companies. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, foreign government restrictions, less government supervision of exchanges, brokers and issuers, greater risks associated with counterparties and settlement, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

**Currency Risks**

Investments that are denominated in a foreign currency are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. The Adviser may attempt to hedge such risks on behalf of the Fund.

**Interest Rate Risk**

Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed income securities tends to increase. This risk will be greater for long-term securities than for short-term securities. The Adviser may attempt to minimize the exposure of the portfolios to interest rate changes through the use of interest rate swaps, interest rate futures and/or interest rate options. However, there can be no guarantee that the Adviser will be successful in fully mitigating the impact of interest rate changes.

**Futures Contracts**

Trading in futures contracts are highly specialized activities that may entail greater than ordinary investment risks. Futures markets (including financial futures) are highly volatile and are influenced by factors such as changing supply and demand relationships, governmental programs and policies, national and international political and economic events and changes in interest rates. In addition, because of the low margin of deposit normally required in futures trading, a high degree of leverage is typical of a futures trading account. Consequently, a relatively small price movement in a futures contract may result in substantial losses to the trader. Futures trading may also be illiquid. Certain commodity exchanges do not permit trading in a particular type of future beyond certain set limits. If prices fluctuate during a single day's trading beyond those limits – which conditions have in the past sometimes lasted for several days in certain contracts – the Fund could be prevented from promptly liquidating unfavorable positions and thus be subject to substantial losses.

**Lack of Liquidity of Investments**

Fund assets may, at any given time, include securities and other financial instruments or obligations that are thinly-traded or for which no market exists and/or which are restricted as to their transferability under applicable securities laws. The sale of any such investments may be possible only at substantial discounts, and it may be extremely difficult to accurately value any such investments.

**Illiquidity and In Kind Distributions**

Inasmuch as there are substantial restrictions on withdrawals and membership interests are not tradable, an investment in the Fund is a relatively illiquid investment. Further, if a substantial number of members were to withdraw membership interests and the Fund did not have a sufficient amount of cash or liquid securities, the Fund might have to meet such withdrawals through distributions of thinly-traded or illiquid securities. In light of the foregoing, investment in the Fund should be considered only by persons financially able to maintain their investment for a substantial period of time and who can afford a loss of a substantial part of their investment.

**Item 9. Disciplinary Information**

This Item is not applicable.

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

NRAM, the managing member of the Fund and an investment adviser that is separately registered with the SEC, appointed the Adviser as the investment manager of the Fund. Neil Crespi, a managing member of NRAM, is also a principal of Monness, Crespi, Hardt & Co., Inc. a FINRA-registered broker-dealer (the "Broker Dealer") that provides brokerage services to a large number of hedge funds. The Adviser executes a significant portion of the Fund's securities transactions through the Broker Dealer and

it is anticipated that it will continue to do so. While the Adviser is wholly owned by Leon Shaulov and Robert Crespi and is not an affiliate of NRAM, the Adviser currently rents office space from the Broker Dealer (which relationship the Broker Dealer can terminate at any time) and more significantly, NRAM, acting on behalf of the Fund, can terminate the Adviser as investment manager to the Fund at any time. Given that a termination of the Adviser by NRAM or termination of the Adviser's current office space arrangement would be very disruptive to the Adviser's business, the Adviser is faced with a conflict of interest in determining whether and/or to what extent to use the Broker Dealer for the Fund's securities transactions. To mitigate the conflict, prior to making an investment in the Fund, Investors will be provided with disclosure regarding the Broker Dealer's affiliation with NRAM and the Fund's use of the Broker Dealer to execute a portion of the Fund's securities transactions. Further, the Adviser pays the Broker Dealer bi-annual rent at what is intended to be the current market rate for the use of office space, furniture, equipment and support. Accordingly, none of the commissions paid by the Fund to the Broker Dealer are intended, either directly or indirectly, to compensate the Broker Dealer for the use by the Adviser of the office space; although, in any event, the expense of that office space is disclosed to Investors as a Fund expense to ensure that to the extent the rent paid is deemed to be discounted, Investors are aware that portions of the commissions generated by the Fund may be compensating the Broker Dealer for the Adviser's use of the office space.

Robert Crespi was formally an employee of the Broker Dealer, however, as a managing member of the Adviser, he abides by the policy and procedures of the Adviser particularly with regard to brokerage practices and best execution.

It should also be noted that the Adviser and NRAM both share the same Chief Compliance Officer and therefore the Chief Compliance Officer may have conflicts in allocating time between the Adviser and NRAM. However, the Chief Compliance Officer will devote such adequate business time and effort, as reasonably required to perform her obligations to the Adviser and NRAM.

The Fund has and may in the future enter into agreements, or "side letters," with certain prospective or existing Investors whereby such Investors may be subject to terms and conditions that are more advantageous than those set forth in the Fund's offering memorandum. For example, such terms and conditions may provide for preferential terms that may relate to, without limitation, lock up/commitment periods, notice periods, Fixed Fees and Incentive Allocation and information rights. The modifications are solely at the discretion of the Adviser and may, among other things, be based on the size of the Investor's investment in the Fund or affiliated investment entity, an agreement by an Investor to maintain such investment in the Fund for a significant period of time, or other similar commitment by an Investor.

NRAM may have conflicts in negotiating side letters between the Fund and clients of NRAM that invest in the Fund. NRAM or its affiliate is responsible for negotiating side letters on behalf of the Fund and on behalf of such clients of NRAM that invest in the Fund. To the extent the Fund and one of NRAM's clients enter into a side letter, NRAM intends to negotiate the terms of any such agreement in the best interest of the Fund and such client.

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

The Adviser has adopted a Code of Ethics (the "Code") that obligates the Adviser and its related persons to put the interests of the Fund before their own interests and to act honestly and fairly in all respects in their dealings with the Fund. All of the Adviser's personnel are also required to comply with applicable federal securities laws. Investors or prospective Investors may obtain a copy of the Code by contacting Debra Wisdom (Chief Compliance Officer) by email at [debra.wisdom@maplelanecapital.com](mailto:debra.wisdom@maplelanecapital.com), or by telephone at (212) 583-8658. See below for a further description of the provisions of the Code as they relate to the preclearing and reporting of securities transactions by related persons.

The Adviser, in the course of its investment management and other activities, may come into possession of confidential or material nonpublic information about issuers, including issuers in which the Adviser or its related persons have invested or seek to invest on behalf of the Fund. The Adviser is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person,



regardless of whether such other person is the Fund. The Adviser maintains and enforces written policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and to ensure that the Adviser is meeting its obligations to the Fund and remains in compliance with applicable law. In certain circumstances, the Adviser may possess certain confidential or material, nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security, but the Adviser will be prohibited from communicating such information to the Fund or using such information for the Fund's benefit. In such circumstances, the Adviser will have no responsibility or liability to the Fund for not disclosing such information to the Fund (or the fact that the Adviser possesses such information), or not using such information for the Fund's benefit, as a result of following the Adviser's policies and procedures designed to provide reasonable assurances that it is complying with applicable law.

The Adviser or its related persons may invest in the same securities (or related securities, e.g., warrants, options or futures) that the Adviser or a related person recommends to the Fund. Such practices present a conflict where, because of the information an Adviser has, the Adviser or its related person are in a position to trade in a manner that could adversely affect the Fund (e.g., place their own trades before or after Fund trades are executed in order to benefit from any price movements due to the Fund's trades). In addition to affecting the Adviser's or its related person's objectivity, these practices by the Adviser or its related persons may also harm the Fund by adversely affecting the price at which the Fund's trades are executed. The Adviser has adopted the following procedures in an effort to minimize such conflicts: The Adviser requires its access persons to preclear all transactions in their personal accounts with the Chief Compliance Officer, who may deny permission to execute the transaction if such transaction will have any adverse economic impact on the Fund. All of the Adviser's access persons are required to disclose their securities transactions on a quarterly basis and holdings on an annual basis. All the Adviser's related persons are also required to provide broker confirmations of each transaction in which they engage and a certification of such transactions. Trading in employee accounts will be reviewed by the Chief Compliance Officer and compared with transactions for the Fund.

If the Adviser or a related person from time to time recommends securities to the Fund, or buys or sells securities for the Fund, at or about the same time that the Adviser or related person buys or sells the same securities for its own account, it shall do so in accordance with the procedures described above, in order to minimize the conflicts stemming from situations where the contemporaneous trading results in an economic benefit for the Adviser or its related person to the detriment of the Fund.

## **Item 12. Brokerage Practices**

The Adviser considers a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation. Such factors include net price, reputation, financial strength and stability, efficiency of execution and error resolution, and offering to the Adviser on-line access to computerized data regarding a client's accounts. In selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not the Adviser's practice to negotiate "execution only" commission rates, thus the Fund may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate. The Adviser's Chief Compliance Officer, traders and a managing member meet periodically to evaluate the broker-dealers used by the Adviser to execute Fund trades using the foregoing factors.

The Adviser receives research or other products or services other than execution from a broker-dealer and/or third parties in connection with the Fund's securities transactions. This is known as a "soft dollar" relationship. Except for services that would be a Fund expense or as otherwise described below, the Adviser will limit the use of "soft dollars" to obtain research and brokerage services to services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)"). Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance

at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations. The use of commissions arising from the Fund's investment transactions for services other than research and brokerage will be limited to services that would otherwise be a Fund expense. The use of commissions to obtain such other services would be outside the parameters of Section 28(e).

When the Adviser uses Fund commissions to obtain Section 28(e) eligible research and brokerage products and services and when determining whether to direct Fund brokerage transactions to particular broker-dealers, the Adviser's Chief Compliance Officer, a managing member meet periodically to review and evaluate its soft dollar practices and to determine in good faith whether, with respect to any research or other products or services received from a broker-dealer, the commissions used to obtain those products and services were reasonable in relation to the value of the brokerage, research or other products or services provided by the broker-dealer. This determination will be viewed in terms of either the specific transaction or the Adviser's overall responsibilities to the accounts or portfolios over which the Adviser exercises investment discretion.

The use of Fund commissions (or markups or markdowns) to obtain research and brokerage products and services raises conflicts of interest. For example, the Adviser will not have to pay for the products and services itself. This creates an incentive for the Adviser to select or recommend a broker-dealer based on its interest in receiving those products and services.

The Adviser may cause the Fund to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), resulting in higher transaction costs for the Fund.

During the Adviser's last fiscal year, as a result of the Fund's brokerage commissions (or markups or markdowns), the Adviser and/or its related persons acquired, directly or through third party soft dollar service providers, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; certain proxy services; services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations.

The Adviser has entered into "client commission arrangements" with the Broker Dealer pursuant to which the Adviser may execute transactions through the Broker Dealer (soft dollar broker) and request that the Broker Dealer allocate a portion of the commissions or commission credits to another firm that provides research and other products to the Adviser. The Adviser excludes from use under these arrangements those products and services that are not eligible under Section 28(e) and applicable regulatory interpretations.

In some instances, the Adviser may obtain a product or service that is used, in part, by the Adviser for Section 28(e) eligible purposes and, in part, for other purposes. In such instances, the Adviser will make a good faith effort to determine the relative proportion of the product or service used to assist the Adviser in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e). Such determination will be made based on the actual use of the product or service by the Adviser's personnel. The proportion of the product or service attributable to assisting the Adviser in carrying out its investment decision-making responsibilities will be paid through brokerage commissions generated by Fund transactions and the proportion attributable to administrative or other purposes outside Section 28(e) will be paid for by the Adviser from its own resources. The determination of the appropriate allocation of "mixed use" products and services creates a potential conflict of interest between the Adviser and the Fund.

In selecting or recommending broker-dealers, the Adviser may consider whether the Adviser or a related person receives Investor referrals from a broker-dealer or third party, including the Broker Dealer. The Adviser may have an incentive to select or recommend a broker-dealer based on its interests to receive Investor referrals rather than on the Fund's interests to receive most favorable execution. To address this conflict of interest, the Adviser will execute Fund trades through broker-dealers that refer Investors to the Adviser only if it is determined by the Chief Compliance Officer and a managing member of the Adviser that Fund trades with such broker-dealers are otherwise consistent with seeking best execution.

From time to time the Adviser may participate in capital introduction programs arranged by broker-dealers, including firms that serve as prime brokers to the Fund or recommend the Fund as an investment to Investors, including the Broker Dealer. The Adviser may place Fund portfolio transactions with firms who have made such recommendations or provided capital introduction opportunities, if the Adviser determines that it is otherwise consistent with seeking best execution. In no event will the Adviser select a broker-dealer as a means of remuneration for recommending the Adviser or any other product managed by the Adviser (or an affiliate) or affording the Adviser with the opportunity to participate in capital introduction programs.

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

The Fund's portfolio is reviewed by the portfolio manager on at least a weekly basis to determine whether securities positions should be maintained in view of current market conditions. Matters reviewed include specific securities held, adherence to investment guidelines and the performance of the Fund.

Significant market events affecting the prices of one or more securities in the Fund or changes in the investment objectives or guidelines of the Fund may trigger reviews on other than a periodic basis.

Investors receive reports from the Fund pursuant to the terms of the Fund's offering memorandum or as otherwise described in the offering document of the Fund.

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

The Adviser receives certain research or other products or services from broker-dealers through "soft-dollar" arrangements. These "soft-dollar" arrangements create an incentive for the Adviser to select or recommend broker-dealers based on the Adviser's interest in receiving the research or other products or services and may result in the selection of a broker-dealer on the basis of considerations that are not limited to the lowest commission rates and may result in higher transaction costs than would otherwise be obtainable by the Adviser on behalf of the Fund. Please see Item 12 for further information on the Adviser's "soft-dollar" practices, including the Adviser's procedures for addressing conflicts of interest that arise from such practices.

Further, as discussed in Item 10 above, the Adviser pays the Broker Dealer bi-annual rent at what is intended to be the current market rate for the use of office space, furniture, equipment and support, and

accordingly, none of the commissions paid by the Fund to the Broker Dealer are intended, either directly or indirectly, to compensate the Broker Dealer for the use by the Adviser of the office space; although, in any event, the expense of that office space is disclosed to Investors as a Fund expense to ensure that to the extent the rent paid is deemed to be discounted, Investors are aware that portions of the commissions generated by the Fund may be compensating the Broker Dealer for the Adviser's use of the office space.

NRAM makes cash payments to third-party solicitors for Investor referrals, provided that, to the extent required, each such solicitor has entered into a written agreement with NRAM. Each prospective Investor who is referred by the solicitor will be provided with a copy of the Adviser's Form ADV Part 2A, and a disclosure document setting forth the terms of the solicitation arrangement, including the nature of the relationship between the solicitor and Adviser and any fees to be paid to the solicitor. Where applicable, cash payments for Investor solicitations will be structured to comply fully with the requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940 and related SEC staff interpretations.

#### **Item 15. Custody**

This Item is not applicable.

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

The Adviser provides investment advisory services on a discretionary basis to the Fund.

Prior to assuming full discretion in managing a client's assets, the Adviser sets forth the scope of the Adviser's discretion in writing.

The Adviser has the authority to determine: (i) the securities to be purchased and sold for the Fund (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines) and (ii) the amount of securities to be purchased or sold for the Fund.

Allocations will be made among Investors eligible to participate in initial public offerings (IPOs) and secondary offerings on a pro rata basis, except when a pro rata allocation is not permitted (e.g., when an Investor's status is a "restricted person" or "covered investor" under applicable regulations) or when an Investor's investment guidelines explicitly prohibit participation in IPOs or secondary offerings.

If it appears that a trade error has occurred, the Adviser will review the relevant facts and circumstances to determine an appropriate course of action. To the extent that trade errors and breaches of investment guidelines and restrictions occur, the Adviser's error correction procedure is to ensure that the Fund is treated fairly. The Adviser has discretion to resolve a particular error in any appropriate manner that is consistent with the above stated policy.

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

Because the Adviser has been delegated proxy voting authority on behalf of the Fund, the Adviser complies with its proxy voting policies and procedures that are designed to ensure that in cases where the Adviser votes proxies with respect to the Fund's securities, such proxies are voted in the best interests of the Fund.

If a material conflict of interest between the Adviser and the Fund exists, the Adviser will determine whether voting in accordance with the guidelines set forth in the proxy voting policies and procedures is in the best interests of the Fund or take some other appropriate action. The Adviser does not make any qualitative judgment regarding the Fund's investments.

Investors may obtain a copy of the Adviser's proxy voting policies and procedures and information about how the Adviser voted the Fund's proxies by contacting Debra Wisdom (Chief Compliance Officer) by email at [debra.wisdom@maplelanecapital.com](mailto:debra.wisdom@maplelanecapital.com) or by telephone at (212) 583-8658.