

FORM ADV, PART 2A

FIRM BROCHURE

NORTHERN PINES HENDERSON CAPITAL, LLC

470 ATLANTIC AVE, 12TH FLOOR

BOSTON, MA 02210

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This brochure provides information about the qualifications and business practices of Northern Pines Henderson Capital, LLC. If you have any questions about the content of this brochure, please contact us at (617)-936-2728 or Nicole@npclp.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Northern Pines Henderson Capital, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

Northern Pines Henderson Capital, LLC is registered with the SEC as an investment adviser. Being a “registered investment adviser” or describing ourselves as being “registered” does not imply a certain level of skill or training.

Item 2. Material Changes

There have been no material changes to this brochure since its adoption and filing with the SEC in November 2013.

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Item 4. Advisory Business

Northern Pines Henderson Capital, LLC (“Northern Pines” or “we”) is a Delaware limited liability company formed in May of 2009. We provide investment management services to privately offered pooled investment funds and to an open-ended collective investment vehicle offered solely outside of the U.S. (collectively, the “Funds”). The primary focus of Northern Pines is to invest the assets of the Funds in long and short positions in public equity securities listed on U.S. and established foreign exchanges. For a further description of the Funds and their applicable investment strategies, please see Items 7 and 8 below.

Patrick Dunn and Daniel Schiff (the “Principals”) are the founders of Northern Pines and are responsible for the management of the Funds’ portfolio. They are also the founders of Northern Pines Henderson Capital GP, LLC (the “General Partner”), a Delaware limited liability company that is an affiliate of Northern Pines and serves as the general partner to certain of the Funds. The Principals and Henderson Global Investors NPC Holdings, LLC (“Henderson Holdings”) are the principal owners of each of Northern Pines and the General Partner. Henderson Group plc (“Henderson Group”) is the indirect owner, through its subsidiaries, of Henderson Holdings. Henderson Group is the holding company of the investment management group Henderson Global Investors, a London-based global investment management firm (referred to herein as “Henderson”).

Northern Pines’ only clients are the Funds. We provide investment advice to each Fund in a manner that is consistent with the investment objectives and strategies of each Fund, which are set forth in the applicable offering document of each Fund. The Funds generally do not impose upon us restrictions on investing in certain securities or types of securities.

We manage the Funds’ assets on a discretionary basis. As of December 31, 2013, the aggregate net asset value of the Funds was approximately \$174,600,296.

Item 5. Fees and Compensation

Northern Pines receives compensation in the form of management fees (the “Management Fee”) and the General Partner receives compensation in the form of performance-based allocations or fees (the “Performance Allocation”). The Offshore Fund and the Domestic Fund (as each is defined in Item 7 below, and together, the “Feeder Funds”) each invests substantially all of its assets in the Master Fund (as defined in Item 7). All Management Fees and Performance Allocations with respect to the Feeder Funds are paid to Northern Pines or made to the General Partner, as applicable, at the level of the Master Fund. The Feeder Funds are not subject to any additional Management Fees or Performance Allocations at the level of any Feeder Fund.

Management Fee: In consideration for the investment management services provided by Northern Pines, the Master Fund pays to Northern Pines a monthly Management Fee pursuant to an investment management agreement between the Master Fund and Northern Pines. Each Feeder Fund, as a limited partner of the Master Fund, will be charged its pro rata share of such Management Fee, and each limited partner in the Domestic Fund and shareholder in the Offshore Fund, as applicable, will be charged its pro rata share thereof. The Management Fee will be payable monthly in arrears and calculated based on (i) the balance in each limited partner’s capital account maintained in the Domestic Fund (and its corresponding sub-account at the Master Fund level) and (ii) the net asset value of each series of shares (and corresponding sub-account at the Master Fund level), in each case, as of the end of each calendar month, in an amount equal to (a) 0.125% monthly (approximately 1.50% per annum) of (A) the balance in each limited partner’s capital account maintained for Class A limited partnership interests in the Domestic Fund or (B) the net asset value of each series of Class A shares of the Offshore Fund, and (b) 0.0833% monthly (approximately 1.00% per annum) of (A) the balance in each limited partner’s capital account maintained for Class B limited partnership interests in the Domestic Fund or (B) the net asset value of each series of Class B shares of the Offshore Fund. The Management Fee will be computed in each case prior to the accrual of any Performance Allocation during a calendar year. A pro rata Management Fee also will be assessed on any subscription (including any additional subscription from an existing investor) that is accepted by a Feeder Fund as of any date other than the first business day of a calendar month.

Performance Allocation: Pursuant to the partnership agreement governing the Master Fund, at the end of each fiscal year of the Master Fund, the General Partner will have reallocated to its capital account in the Master Fund a Performance Allocation equal to a percentage of the aggregate net profits for such fiscal year that are attributable to each sub-account maintained by the Master Fund with respect to (i) each limited partner in the Domestic Fund and (ii) each series of shares in the Offshore Fund, subject in each case to the “high watermark” provision described below. The Performance Allocation percentage applicable to any sub-account in the Master Fund maintained for a Feeder Fund investor holding Class A limited partnership interests in the Domestic Fund or a series Class A shares of the Offshore Fund (each, a “Class A sub-account”, and any corresponding Feeder Fund interests or shares, the “Class A interests/shares”) shall be equal to fifteen percent (15%) of the aggregate net profits allocated to such sub-account during a fiscal year (or other applicable portion thereof). The Performance Allocation percentage shall be increased to twenty percent (20%) with respect to any fiscal year in which the aggregate net profits allocated to a Class A sub-account during such fiscal year is in excess of ten percent (10%) of the balance in such Class A sub-account at the beginning of the fiscal year (the “Profits Threshold”), in which case a 20% Performance Allocation will be applied to all such net profits allocated to such Class A sub-account for such fiscal year. The Performance Allocation percentage applicable to any sub-account in the Master Fund maintained for a limited partner holding Class B limited partnership interests in the Domestic Fund or a series of Class B shares of the Offshore Fund (each, a “Class B sub-account”, and any corresponding Feeder Fund interests or shares, the “Class B interests/shares”) shall be ten percent (10%) of the aggregate net profits allocated to such Class B sub-account during a fiscal year (or other applicable portion thereof), and the Performance Allocation applicable to any Class B sub-account shall not be subject to any applicable Profits Threshold.

If an investor in any Feeder Fund is permitted or required to withdraw or redeem capital from a Feeder Fund other than at the end of a fiscal year, the Performance Allocation with respect to the portion being withdrawn or redeemed will be determined through the applicable withdrawal or redemption date, and (with respect to Class A interests/shares only) the Profits Threshold with respect to the portion being withdrawn or redeemed will be reduced proportionately based on the length of the applicable calculation period in comparison to the complete fiscal year. If an investor subscribes for Class A

interests/shares as of any date other than the first day of any fiscal year, then the Profits Threshold shall be reduced proportionately based on the length of the applicable calculation period in comparison to the complete fiscal year.

The Master Fund will maintain a memorandum loss recovery account (sometimes called a “high watermark”) for each of its limited partners (i.e., the Domestic Fund and the Offshore Fund), and a memorandum loss recovery sub-account (a “Loss Recovery Sub-Account”) that corresponds to the sub-account of each limited partner in the Domestic Fund and each shareholder in the Offshore Fund (with respect to each series of shares it holds in the Offshore Fund). For each fiscal year, each limited partner’s or series’ Loss Recovery Sub-Account will be credited with the aggregate net losses, if any, allocated to such limited partner’s or series’ sub-account for such fiscal year. The balance in each limited partner’s or series’ Loss Recovery Sub-Account will subsequently be reduced (but not below zero) by any net profits allocated to such limited partner’s or series’ sub-account (before any Performance Allocation). The General Partner will not be allocated any Performance Allocation with respect to a sub-account until such sub-account has recovered any net losses credited to its corresponding Loss Recovery Sub-Account. The amount in a Loss Recovery Sub-Account shall be reduced on a pro rata basis for any withdrawals or redemptions of capital by the corresponding limited partner in the Domestic Fund or shareholder of the Offshore Fund, as applicable.

If a Feeder Fund investor holding Class A interests/shares has a positive balance in its Loss Recovery Sub-Account at the beginning of a year and the aggregate net profits allocated to the corresponding sub-account during such year is in excess of the balance in the Loss Recovery Sub-Account (the “Excess Net Profits”), then in order to determine whether the Profits Threshold has been achieved, the amount of the Excess Net Profits will be divided by such sub-account’s Prior High Account Balance (as defined below). If the resulting percentage is greater than the Profits Threshold, a 20% Performance Allocation shall be applied to any Excess Net Profits. “Prior High Account Balance” means the amount of a sub-account’s balance at the beginning of the most recent fiscal year when such Loss Recovery Sub-Account balance as of such date was zero (the “Specified Date”), provided that (i) if withdrawals or redemptions by a limited partner or shareholder, as the case may be, are made after the Specified Date, the Prior High Account Balance shall be reduced proportionately by a fraction equal to the amount of such withdrawn capital or redeemed

shares divided by the applicable limited partner's capital account balance or the net asset value of such shares immediately prior to such withdrawal or redemption, as the case may be.

Northern Pines and/or the General Partner, as applicable, may reduce, waive or otherwise modify the Management Fee and/or the Performance Allocation with respect to certain investors, including, without limitation, affiliates of Northern Pines and/or the General Partner; provided, however, that no such reduction, waiver or modification will adversely impact any other investor in a Fund or cause them to bear a higher portion of the Management Fee or the Performance Allocation, as applicable, than they would bear absent such reduction, waiver or modification.

In consideration for the services provided by Northern Pines to the UCIT (as defined below), Northern Pines is also paid management fees and performance fees similar to those fees and allocations described above by the investment manager of the UCITS.

Except as described below with respect to the UCITS, Northern Pines does not bill the investors in the Funds for Management Fees or Performance Allocations. Rather, Management Fees are deducted from the assets of the Master Fund on a monthly basis, in arrears. Each Feeder Fund is responsible for its pro rata portion of the Management Fee and in turn charges its applicable Management Fee to the capital accounts or shares, as applicable, of each investor in such Feeder Fund accordingly. Similarly, the Performance Allocations are made within the Master Fund generally at the end of each year, or sooner with respect to any investor who withdraws or redeems from a Feeder Fund at any time other than at the end of a fiscal year. The investment manager of the UCITS pays to Northern Pines management fees on a monthly basis, in arrears and the performance fees generally at the end of each year.

In addition to the Management Fee and Performance Allocations described above, each Fund (and, indirectly, the investors therein) will pay certain additional expenses. Each Feeder Fund bears all costs and expenses related to its investments and operations, which shall generally include (i) consulting, legal and other professional fees relating to particular investments, expenses of professionals providing services to the Funds, including legal, audit, accounting, tax and administration, organizational expenses, costs of any liability insurance obtained on behalf of the Funds, regulatory costs, regulatory filing and license fees, directors' fees (in the case of the Offshore Fund), costs of reporting and providing information to investors, and (ii) all transaction costs relating to the Funds' investments (including, without limitation, brokerage commissions and other transaction costs, clearing and settlement charges, custodial fees, margin and

interest expenses and commitment fees on debit balances or borrowings, borrowing charges on securities sold short, and any issue or transfer taxes chargeable in connection with any securities transactions), Management Fees, any entity level taxes, costs of any litigation or investigation involving the Funds' activities, indemnification expenses, any extraordinary expenses, and all other costs and expenses related to the Funds' business and operations. It is anticipated that most investment related expenses and certain other expenses, including without limitation, the Management Fee, will be incurred by the Master Fund, and each Feeder Fund will be responsible for its pro rata portion of such expenses. A portion of the Feeder Funds' and the Master Fund's operating expenses may be shared with other investment entities or accounts managed by Northern Pines, the General Partner or any of their respective affiliates on an equitable basis.

The Funds generally incur brokerage and other transaction costs as described above. See Item 12 for further information regarding brokerage.

Northern Pines and its supervised persons do not accept any compensation for the sale of securities or other investment products, including any interests in the Funds.

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

The General Partner is entitled to receive the Performance Allocation from the Master Fund, as disclosed in further detail in Item 5 above. The Performance Allocation, while charged at the level of the Master Fund, is applicable to all of the assets invested therein by each of the Feeder Funds, subject to the right of the General Partner to reduce, waive or otherwise modify the Performance Allocation with respect to investors in any Feeder Fund (as also described in Item 5 above). Northern Pines is also paid performance fees similar to the performance allocations described above by the investment manager of the UCITS.

Item 7. Types of Clients

Northern Pines currently provides investment advice to the following Funds:

- Northern Pines Capital Master Fund, L.P., a Cayman Islands exempted limited partnership (the “Master Fund”)
- Northern Pines Capital, L.P., a Delaware limited partnership (the “Domestic Fund”)
- The Alphagen Northern Pines Fund, Ltd., a Cayman Islands exempted company (the “Offshore Fund”, and together with the Domestic Fund, the “Feeder Funds”)
- Henderson US Equity Long/Short Fund, a sub-fund of the Henderson Strategic Investment Funds OEIC, a UK constituted open-ended umbrella investment company (the “UCITS”)

The investors in the Funds include trusts, fund of funds and high net worth individuals. Investors in the Domestic Fund and U.S. investors in the Offshore Fund must each be (i) an “accredited investor,” as that term is defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended, and (ii) a “qualified purchaser,” as that term is defined in Section 2(a)(51)(A) of the Investment Company Act of 1940, as amended.

The required minimum initial investment in each Feeder Fund, which can be waived for any prospective investor by the General Partner of the Domestic Fund, or, as applicable, the Board of Directors of the Offshore Fund, is \$100,000.

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

The investment objective of the Funds is to provide superior risk-adjusted returns, with an emphasis on capital protection. Northern Pines will seek to achieve this by utilizing a fundamental due diligence approach with a market sentiment overlay. The Funds will invest primarily in long and short positions in public equity securities listed on U.S. and established foreign exchanges. In addition, it is expected that the Funds' portfolio will generally be long-biased under normal market conditions. Northern Pines expects to invest in securities for the Funds that it believes present asymmetric reward-to-risk opportunities with ample liquidity. The Funds shall not invest in fixed income securities (except for money market instruments) or securities that are not publicly offered at the time of investment (e.g., private equity or venture capital investments of any kind).

The experience and insight of the Principals, individually and combined, spans a variety of old and new economy sectors, time-frames and conditions. This experience is expected to provide Northern Pines with an understanding of targeted-industry dynamics and fundamentals as well as investor psychology considerations that form the basis of its research universe and trading strategies. The foundation of Northern Pines' investment philosophy for the Funds is an adherence to a 3:1 (or better) return-to-risk ratio. Investments will only be made for the Funds if Northern Pines believes, based on its own analysis, that the upside relative to the current valuation (or the reward) exceeds the downside relative to the current valuation (or the risk) by at least threefold (e.g., \$3 or more of expected upside for every \$1 of expected downside for longs and the inverse for shorts).

The Funds will use varying degrees of leverage through margin and other debt in order to increase the amount of capital available for investment. The amount of leverage will be determined from time to time by Northern Pines taking into consideration certain factors, which may include Northern Pines' risk management guidelines, the terms of leverage that may be available and other factors deemed relevant by Northern Pines. Consistent with their objective, the Funds may actively trade securities for purposes of seeking short-term profits.

Material Risks

Investment in each Fund presents potentially significant risks and is not intended as a complete investment program. Investing in securities involves risk of loss that investors should be prepared to bear. The following material risks relate generally to the investment strategies and methods of analysis for each of the Funds.

Investment and Trading Risks. An investment in the Funds involves a high degree of risk, including the risk that the entire amount invested may be lost. No guarantee or representation is made that the Funds' investment program will be successful. Northern Pines will be investing substantially all of the Funds' assets in securities, some of which may be particularly sensitive to economic, market, industry, regulatory and other variable conditions. The markets in which the Funds expect to invest have recently experienced and continue to experience significant volatility and losses. No assurance can be given as to when or whether adverse events might occur that could cause immediate and significant losses to the Funds.

Equity Securities. The Funds will invest primarily in long and short positions in public equity securities listed on U.S. and established foreign exchanges. Certain of the equity securities that the Funds will invest in may be considered by Northern Pines to be "cyclical" companies, which historically have exhibited greater sensitivity to market movements in keeping with their more volatile cash flow profiles. Northern Pines may choose to invest in stocks it views as "growth" companies (e.g., have potential for capital appreciation significantly greater than that of the market averages). Growth stocks are generally more sensitive to market movements than other types of stocks, primarily because their stock prices are based heavily on future expectations. The Funds' investment strategy also focuses on investing in companies that Northern Pines believes are undervalued. Opportunities in undervalued equity securities often arise from market inefficiencies or because of a lack of wide recognition of the potential impact (positive or negative) that specific events or trends may have on the value of a security. The foundation of Northern Pines' investment philosophy for the Funds is an adherence to a 3:1 (or better) return-to-risk ratio. Such ratio will be determined by Northern Pines based on its own determination of the potential for upside reward and downside risk. There is no assurance that Northern Pines will accurately determine such potential reward and risk and the downside could be substantially greater than the upside. The identification of investment opportunities in equity securities is a difficult task, and there is no assurance that such opportunities will be successfully recognized or acquired. While investments in cyclical stocks, growth companies and undervalued securities offer opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses.

Short Sales. Although it is expected that the Funds' portfolio will generally be long-biased under normal market conditions, a portion of the Funds' investment program is expected to include short selling. Short sales are sales of securities the Funds borrow but do not actually own, usually made

with the anticipation that the prices of the securities will decrease and the Funds will be able to make a profit by purchasing the securities at a later date at the lower prices. The Funds will incur a potentially unlimited loss on a short sale if the price of the security increases prior to the time it purchases the security to replace the borrowed security. A short sale presents greater risk than purchasing a security outright since there is no ceiling on the possible cost of replacing the borrowed security, whereas the risk of loss on a “long” position is limited to the purchase price of the security. Closing out a short position may cause the security to rise further in value creating a greater loss.

Short sale transactions have been subject to increased regulatory scrutiny in response to recent market events, including the imposition of restrictions on short selling certain securities and reporting requirements. The Funds’ ability to execute a short selling strategy may be materially adversely impacted by temporary and/or new permanent rules, interpretations, prohibitions, and restrictions adopted in response to these adverse market events. Temporary restrictions and/or prohibitions on short selling activity may be imposed by regulatory authorities with little or no advance notice and may impact prior trading activities of the Funds. Additionally, the SEC, its foreign counterparts, other governmental authorities and/or self-regulatory organizations may at any time promulgate permanent rules or interpretations consistent with such temporary restrictions or that impose additional or different permanent or temporary limitations or prohibitions. The SEC might impose different limitations and/or prohibitions on short selling from those imposed by various non-U.S. regulatory authorities. These different regulations, rules or interpretations might have different effective periods.

Regulatory authorities may impose restrictions that adversely affect the Funds’ ability to borrow certain securities in connection with short sale transactions. In addition, traditional lenders of securities might be less likely to lend securities under certain market conditions. As a result, the Funds may not be able to effectively pursue a short selling strategy due to a limited supply of securities available for borrowing. The Funds may also incur additional costs in connection with short sale transactions, including in the event that it is required to enter into a borrowing arrangement in advance of any short sales. Moreover, the ability to continue to borrow a security is not guaranteed and the Funds are subject to strict delivery requirements. The inability of the Funds to deliver securities within the required time frame may subject the Funds to mandatory close out by the executing broker-dealer. A mandatory close out may subject the Funds to unintended costs and losses. Certain action or inaction by third-parties, such as executing broker-dealers or

clearing broker-dealers, may materially impact the Funds' ability to effect short sale transactions. Such action or inaction may include a failure to deliver securities in a timely manner in connection with a short sale effected by a third-party unrelated to the Funds.

Use of Leverage. Northern Pines may leverage the Funds' portfolio through margin and other debt in order to increase the amount of capital available for investments. Although leverage increases returns to the investors if the Funds earn a greater return on the incremental investments purchased with borrowed funds than they pay for such funds, the use of leverage decreases returns to the investors if the Funds fail to earn as much on such incremental investments as they pay for such funds. In the event that the Funds leverage their portfolio, fluctuations in the market value of the Funds' portfolio will have a significant effect in relation to the Funds' capital and the risk of loss and the possibility of gain will be increased. In addition, when the Funds utilize leverage, the level of interest rates generally, and the rates at which the Funds can borrow in particular, will be an expense of the Funds and therefore affect the operating results of the Funds. Leverage increases the risk of substantial losses (including the risk of a total loss of capital) and leverage can significantly magnify the volatility of the Funds' portfolio.

The Funds may use short-term margin borrowing in purchasing securities positions. Such borrowing, if made, may result in certain additional risks to the Funds. For example, should the securities pledged to brokers to secure the Funds' margin accounts decline in value, the Funds could be subject to a "margin call," pursuant to which the Funds would be required to either deposit additional funds with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden, precipitous drop in value of the Funds' assets, the Funds might not be able to liquidate assets quickly enough to pay off its margin debt.

The Funds will seek to use varying degrees of leverage to fund a portion of their investments. The amount of leverage will be determined by Northern Pines in its discretion, considering the nature of the investments, the terms of leverage that may be offered by sellers of investments and other factors it deems relevant. There is no assurance that leverage will be available to the Funds on acceptable terms, if at all.

Non-U.S. Securities. The Funds will invest in securities of non-U.S. issuers. The Funds' investments in securities and instruments in foreign markets involve substantial risks often not

typically associated with investing in U.S. securities. Investments in foreign securities may be adversely affected by changes in currency rates or exchange control regulations, changes in governmental administration or economic or monetary policy (in the United States and abroad) or changed circumstances in dealings between nations. Changes in foreign currency exchange rates relative to the U.S. dollar will affect the U.S. dollar value of the Funds' assets denominated in that currency and thereby will have an impact upon the Funds' total return on such assets. The Funds may utilize options and forward contracts to hedge against currency fluctuations but there can be no assurance that such hedging transactions will be effective.

Investments in foreign securities will also be subject to risks relating to political and economic developments abroad, including the possibility of expropriations or confiscatory taxation, limitations on the use or transfer of the Funds' assets and the effects of foreign social, economic or political instability. Foreign companies are not subject to the regulatory requirements of U.S. companies and, as such, there may be less publicly available information about such companies. Moreover, foreign companies are not subject to uniform accounting, auditing and financial reporting standards and requirements comparable to those applicable to U.S. companies.

Securities of foreign issuers may be less liquid than comparable securities of U.S. issuers and, as such, their price changes may be more volatile. Furthermore, foreign exchanges and broker-dealers are generally subject to less government and exchange scrutiny and regulation than their American counterparts. Brokerage commissions, dealer concessions and other transaction costs may be higher on foreign markets than in the U.S. In addition, differences in clearance and settlement procedures on foreign markets may occasion delays in settlements of the Funds' trades executed in such markets.

Repatriation of investment income, capital and the proceeds of sales by foreign investors may require governmental registration and/or approval. The Funds could be adversely affected by delays in or a refusal to grant any required governmental registration or approval for such repatriation or by withholding taxes imposed by the government of an emerging country.

Taxation of dividends, interest and capital gains received by non-residents varies among foreign countries and, in some cases, is comparatively high. In addition, some countries have tax laws and procedures that may permit retroactive taxation so that the Funds could in the future become subject to local tax liability that they had not reasonably anticipated in conducting their investment activities or valuing their assets.

Hedging Transactions. The Funds may utilize various financial instruments both for investment purposes and for risk management purposes in order to: (i) protect against possible changes in the market value of the Funds' investment portfolio resulting from fluctuations in the securities markets and/or changes in interest rates, (ii) protect the Funds' unrealized gains in the value of the Funds' investment portfolio, (iii) facilitate the sale of any such investments, (iv) enhance or preserve returns, spreads or gains on any investment in the Funds' portfolio, (v) hedge the interest rate or currency exchange rate on any of the Funds' liabilities or assets, (vi) protect against any increase in the price of any securities the Funds anticipate purchasing at a later date or (vii) for any other reason that Northern Pines deems appropriate.

The success of the Funds' hedging strategy will be subject to Northern Pines' ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Funds' hedging strategy will also be subject to Northern Pines' ability to continually recalculate, readjust, and execute hedges in an efficient and timely manner. While the Funds may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Funds than if they had not engaged in any such hedging transactions. For a variety of reasons, Northern Pines may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the Funds from achieving the intended hedge or expose the Funds to risk of loss. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of the Funds' portfolio holdings.

In certain transactions, the Funds may not be "hedged" against market fluctuations, or, in liquidation situations, may not accurately value the assets of the company being liquidated. This can result in losses, even if the proposed transaction is consummated. Northern Pines may not hedge a position in the Funds' portfolio because a hedge may not be available; it may be too costly in light of the likelihood of the possible risk actually occurring or the risk simply could not be reasonably anticipated.

Risks of Investments in Options. Investing in options can provide greater potential for profit or loss than an equivalent investment in the underlying asset. The value of an option may decline

because of a change in the value of the underlying asset relative to the strike price, the passage of time, changes in the market's perception as to the future price behavior of the underlying asset, or any combination thereof. In the case of the purchase of an option, the risk of loss of an investor's entire investment (*i.e.*, the premium paid plus transaction charges) reflects the nature of an option as a wasting asset that may become worthless when the option expires. Where an option is written or granted (*i.e.*, sold) uncovered, the seller may be liable to pay substantial additional margin, and the risk of loss is unlimited, as the seller will be obligated to deliver, or take delivery of, an asset at a predetermined price which may, upon exercise of the option, be significantly different from the market value. Over-the-counter options that the Funds may use in their investment strategies generally are not assignable except by agreement between the parties concerned, and no party or purchaser has any obligation to permit such assignments. The over-the-counter market for options is relatively illiquid, particularly for relatively small transactions.

Swap Transactions. The Funds may enter into swap agreements with respect to securities, indexes of securities, interest rates, currencies, commodities, indexes of commodities and other assets or other measures of risk or return (or components of any of them). The Funds may also enter into options on swap agreements ("swaptions"). Swap agreements are typically two-party contracts entered into primarily by institutional investors for periods ranging from a few weeks to many years. In a standard "swap" transaction, two parties agree to exchange the returns (or the differential in rates of return) earned or realized on particular predetermined investments, instruments, or indices. The gross returns to be exchanged or "swapped" between the parties are generally calculated with respect to a "notional amount". Types of interest rate swap agreements include interest rate caps, under which, in return for a premium, one party agrees to make payments to the other to the extent that interest rates exceed a specified rate, or "cap"; interest rate floors, under which, in return for a premium, one party agrees to make payments to the other to the extent that interest rates fall below a specified rate, or "floor"; and combinations of caps and floors, under which a party purchases or sells caps or floors or a combination thereof in an attempt to protect itself against interest rate movements inside or outside a specified range. A swaption is a contract that gives a party the right (but not the obligation) to enter into a new swap agreement or to shorten, extend, cancel, or otherwise modify an existing swap agreement, at some designated future time on specified terms. The Funds may write (sell) and purchase put and call swaptions.

Whether the Funds' use of swap agreements will be successful will depend on Northern Pines' ability to select appropriate transactions for the Funds. Swap and swaption transactions may be

highly illiquid. Moreover, the Funds bear the risk of loss of the amount expected to be received under a swap agreement or swaption in the event of the default or insolvency of their counterparty. Many swap markets are relatively new and still developing. It is possible that developments in the swap markets, including potential government regulation, could adversely affect the Funds' ability to terminate existing swap transactions or to realize amounts to be received under such transactions. Swaps and certain 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.

Total return swaps are another form of swap transaction that the Funds may utilize in their investment program. A total return swap allows the total return receiver to receive the change in market value of an asset (whether a security, interest rate, form of debt, currency or other asset) from the total return payer in return for paying a floating or fixed interest-rate on a predetermined amount. The total return payer is synthetically short and the total return receiver is synthetically long. Thus, total return swap agreements may effectively add leverage to the Funds' portfolio because, in addition, to their total net assets, the Funds would be subject to investment exposure on the notional amount of the swap agreement. Total return swaps may create a highly leveraged exposure to the underlying asset.

Futures Contracts. The value of futures depends upon the price of the securities, commodities, instruments, indices or other financial measures underlying them. The prices of futures are highly volatile, and price movements of futures contracts can be influenced by, among other things, interest rates, inflation, foreign exchange 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. In addition, investments in futures are also subject to the risk of the failure of any of the exchanges on which the Funds' positions trade or of their clearinghouses or futures commission merchants. Futures positions may be illiquid because certain exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in that contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent the Funds from promptly liquidating unfavorable positions and subject the Funds to substantial losses or could prevent the Funds from entering into desired trades. In extraordinary circumstances, a futures exchange, the Commodity

Futures Trading Commission (the “CFTC”) or another similar non-U.S. regulatory body or agency could suspend trading in a particular futures contract, or order liquidation or settlement of all open positions in such contract.

Other Derivative Investments. Derivative instruments or “derivatives” include futures, options, structured securities and other instruments and contracts that are derived from, or the value of which is related to, one or more underlying securities, financial benchmarks, currencies or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark currency or index at a fraction of the cost of investing in the underlying asset. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives are leveraged, and thus provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement may expose the Funds to the possibility of a loss exceeding the original amount invested. Derivatives may also expose investors to liquidity risk, as there may not be a liquid market within which to close or dispose of outstanding derivatives contracts. 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.

Repurchase Agreements. The Funds may enter into repurchase agreements with counterparties. In the event of a bankruptcy or other default of a transferor of securities in a repurchase agreement, the Funds as transferee could experience both delays in liquidating the underlying securities and losses, including: (a) a possible decline in the value of the collateral during the period in which the Funds seek to enforce their rights thereto; (b) possible subnormal levels of income and lack of access to income during this period; and (c) expenses of enforcing their rights. In the case of default by the transferee of securities in a repurchase agreement, the Funds as transferors run the risk that the transferee may not deliver the securities when required.

Forward Trading. The Funds may enter into forward contracts with counterparties. 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; there

is no limitation 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 and commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market traded by the Funds due to unusually high trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit such forward (and futures) trading to less than that which Northern Pines would otherwise recommend, to the possible detriment of the Funds. Market illiquidity or disruption could result in major losses to the Funds.

Foreign Exchange. Spot and forward prices are highly volatile. Price movements for spot and forward contracts may be influenced by, among other things, changing supply and demand relationships, trade, fiscal, monetary, and exchange control programs and policies of governments, domestic and foreign political and economic events, changes in domestic and foreign interest rates and rates of inflation, currency devaluations and revaluations and emotions of the marketplace. In addition, governments from time to time intervene directly and by regulation in certain markets, particularly those currencies in gold. Such intervention is often intended to influence prices directly. None of these factors can be controlled by Northern Pines, and no assurance can be given that Northern Pines' advice will result in profitable trades for the Funds or that the Funds will not incur substantial losses. Spot and forward contracts are not traded on exchanges. Rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Neither the CFTC nor banking authorities currently regulate trading in forward contracts on currencies, nor is there a limitation on the daily price movements of forward contracts. Speculative position limits are not applicable to forward trading. The Funds will be subject to the risk of the inability or refusal to perform on the part of the principals or agents or through whom such forward contracts are traded.

Counterparty Risk. Some of the markets in which the Funds 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 Funds 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 Funds to suffer a loss. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Funds have concentrated their transactions with a single or small group of counterparties. The Funds are not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty.

Loans of Portfolio Securities. The Funds may lend their portfolio securities on terms customary in the securities industry, enter into reverse repurchase agreements or enter into other transactions constituting a loan of the Funds’ assets. By doing so, the Funds attempt to increase their income through the receipt of interest on the loan. In the event of a default or the bankruptcy of the other party to a securities loan, the Funds could experience delays in recovering the securities they lent and there is no assurance that the securities will be recovered. To the extent that the value of the securities the Funds lent has increased, the Funds could experience a loss if such securities are not recovered.

Money Market Instruments. Northern Pines may invest, for defensive purposes or otherwise, all or a portion of the Funds’ assets in money-market instruments and foreign money-market mutual funds, or hold cash or cash equivalents in such amounts as Northern Pines deems appropriate under the circumstances. Money market instruments are high quality, short-term fixed-income obligations, which generally have remaining maturities of one year or less, and may include U.S. Government securities, commercial paper, certificates of deposit and bankers’ acceptances issued by domestic branches of United States banks that are members of the Federal Deposit Insurance Corporation, and repurchase agreements. However, there can be no assurances that such investments will not be subject to significant risks.

Exchange Traded Funds. The Funds may invest in and sell short shares of exchange traded funds (“ETFs”) and other similar instruments. These transactions may be used to adjust the Funds’ exposure to the general market or industry sectors and to manage the Funds’ risk exposure. ETFs and other similar instruments involve risks generally associated with investments in a broadly based portfolio of common stocks, including the risk that the general level of stock prices, or that the prices of stocks within a particular sector, may increase or decrease, thereby affecting the value of the shares of the ETF or other instruments.

Smaller Cap Issuers. A portion of the Funds' assets may be invested in issuers with smaller market capitalizations. While, in Northern Pines' opinion, the securities of smaller-cap issuers may offer the potential for greater capital appreciation than investment in securities of larger-cap issuers, securities of smaller-cap issuers also present greater risks. For example, some smaller-cap issuers have limited product lines, markets, or financial resources and may be dependent for management on one or a few key persons. In addition, such issuers may be subject to high volatility in revenues, expenses and earnings. Their securities may be thinly traded, may be followed by fewer investment analysts and may be subject to wider price swings and thus may create a greater chance of loss than when investing in securities of larger-cap issuers. The market prices of securities of smaller-cap issuers generally are more sensitive to changes in earnings expectations, corporate developments, and market rumors than are the market prices of larger-cap issuers. Transaction costs in securities of smaller-cap issuers may be higher than in those of large-cap issuers.

Purchasing Securities of Initial Public Offerings. From time to time the Funds may purchase securities that are part of initial public offerings. The prices of these securities may be very volatile. The issuers of these securities may be undercapitalized, have a limited operating history, and lack revenues or operating income without any prospects of achieving them in the near future. Some of these issuers may only make available a limited number of shares for trading and therefore it may be difficult for the Funds to trade these securities without unfavorably impacting their prices. In addition, investors may lack extensive knowledge of the issuers of these securities.

Concentration. Subject to Northern Pines' risk framework, in the normal course of making investments on behalf of the Funds, Northern Pines may select investments for the Funds that potentially could be concentrated, for example, in a limited number or type of securities or in any one issuer, industry, sector, strategy or geographic region. Market conditions may create opportunities within certain investment strategies, which cause Northern Pines to increase the concentration of certain investment strategies. Such concentration of risk may expose the Funds to losses disproportionate to those incurred by the market in general if the areas in which the Funds' investments are concentrated are disproportionately adversely affected by price movements.

General Economic and Market Conditions. The success of the Funds' activities will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Funds' investments), trade barriers, currency exchange controls, and national and

international political circumstances (including wars, terrorist acts or security operations). These factors may affect, among other things, the level and volatility of securities' prices, the liquidity of the Funds' investments and the availability of certain securities and investments. Volatility or illiquidity could impair the Funds' profitability or result in losses. The Funds may maintain substantial trading positions that can be materially adversely affected by the level of volatility in the financial markets — the larger the positions, the greater the potential for loss.

In recent years, global markets experienced unprecedented volatility and illiquidity. The effects thereof are continuing and there can be no assurance that the Funds will not be materially adversely affected. These conditions have led to extensive governmental interventions. Such interventions have in certain cases been implemented on an “emergency” basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition – as one would expect given the complexities of the financial markets and the limited time frame within which governments have felt compelled to take action – these interventions have typically been unclear in scope and application, resulting in confusion and uncertainty. It is impossible to predict what additional interim or permanent governmental restrictions may be imposed on the markets and/or the effect of such restrictions on Northern Pines' strategies.

Broker Risk. The Funds' assets may be held in one or more accounts maintained for the Funds by their prime brokers or at other brokers or custodian banks, which may be located in various jurisdictions, including emerging market jurisdictions. The prime brokers, other brokers (including those acting as sub-custodians) and custodian banks are subject to various laws and regulations in the relevant jurisdictions that are designed to protect their customers in the event of their insolvency. Accordingly, the practical effect of the laws protecting customers in the event of insolvency and their application to the Funds' assets may be subject to substantial variations, limitations and uncertainties. For instance, in certain jurisdictions brokers could have title to the Funds' assets or not segregate customer assets. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a prime broker, another broker or a clearing corporation, it is impossible further to generalize about the effect of the insolvency of any of them on the Funds and their assets. Investors should assume that the insolvency of any of the prime brokers, local brokers, custodian banks or clearing corporations may result in the loss of all or a substantial portion of the Funds' assets or in a significant delay in the Funds having access to those assets.

Exchange Rate Fluctuations; Currency Considerations. Although the functional currency of the Master Fund is U.S. dollars, the Master Fund's assets may be invested in securities denominated in other currencies and any income or capital received by the Master Fund will be denominated in the local currency of investment. Accordingly, changes in currency exchange rates (to the extent unhedged) will affect the value of the Master Fund's portfolio and the unrealized appreciation or depreciation of investments. Furthermore, the Master Fund may incur costs in connection with conversions between various currencies. Currency exchange dealers realize a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer normally will offer to sell currency to the Master Fund at one rate, while offering a lesser rate of exchange should the Master Fund desire immediately to resell that currency to the dealer. The Master Fund will conduct its currency exchange transactions either on a spot (i.e., cash) basis at the spot rate prevailing in the currency exchange market, or through entering into forward or options contracts to purchase or sell non-US dollar currencies.

In addition, certain shares of the Offshore Fund, which are payable and redeemable in currencies other than U.S. dollars, may be affected favorably or unfavorably by currency fluctuations between such currencies, respectively, and the U.S. dollar, which is the functional currency of the Master Fund. Northern Pines may, in its discretion, seek to hedge the currency exposure of any class of shares of the Offshore Fund denominated in a currency other than U.S. dollars. Even in the event that Northern Pines does try to hedge any currency exposure, there can be no assurance that such currency hedging will be successful. The costs and fiscal results of such currency hedging, if any, will be solely for the account of the relevant classes of shares of the Offshore Fund.

Item 9. Disciplinary Information

Northern Pines is not aware of any legal or disciplinary events that are material to a client's or prospective client's evaluation of Northern Pines advisory business or the integrity of Northern Pines' management.

Item 10. Other Financial Industry Activities and Affiliations

Northern Pines currently provides investment advice to the Funds listed in Item 7 above. In addition, Northern Pines Henderson Capital GP, LLC, an affiliate of Northern Pines, serves as the General Partner to the Domestic Fund and the Master Fund.

Northern Pines, the General Partner and their respective affiliates, including Henderson Holdings, and each of their respective members, partners, principals, shareholders, managers, affiliates and employees (collectively, the “Management Affiliates”) may engage in other activities, including providing investment management and advisory services to other funds and accounts, and shall not be required to refrain from any activity to disgorge profits from any such activity or to devote all or any particular amount of time or effort to a Fund and its affairs. The Management Affiliates are not restricted from forming managed accounts or other investment partnerships or funds, from entering into other investment advisory relationships, or from engaging in other business activities, even though such activities may be in competition with a Fund and/or may involve substantial time and resources of one or more of the Management Affiliates. These activities could be viewed as creating a conflict of interest in that the time and effort of the Management Affiliates will not be devoted exclusively to the business of the Funds, but will be allocated between the business of the Funds and other business activities of the Management Affiliates. In addition, the Management Affiliates may have a conflict of interest in rendering advice to a client because the financial benefit from managing some other client’s account may be greater (e.g., because such client account generates higher fees or allocations tied to either higher percentages earned or larger amounts of capital investment by Northern Pines or any Management Affiliates), which may provide an incentive to favor the other client.

Northern Pines and any of the Management Affiliates may give advice or take action with respect to any of the other accounts (including those that have investment objectives and/or investment strategies similar to the Funds’) which may be the same as or differ from the advice given or the timing or nature of any action taken with respect to investments of the Funds. Allocation of investment opportunities among the Funds any such other accounts will generally be made on a basis that Northern Pines determines in good faith to be fair and reasonable taking into account considerations that it deems relevant, such as the investment objectives and investment portfolio of the Funds and such other accounts; provided, however, that Northern Pines will not be entitled to make any allocation determinations or have any investment discretion with respect to any such accounts or funds managed by Henderson. In addition, although Northern Pines will seek to allocate investment opportunities in accordance with the preceding sentence and will place trade

orders on such basis, Northern Pines has outsourced trade execution to Henderson, and as a result, the allocation of investment opportunities to Northern Pines' clients will also be subject to Henderson's allocation and trading practices, and related conflicts, as further described in Item 12. It is also expected that Henderson will provide certain other ongoing management and operational support to Northern Pines and the General Partner.

Northern Pines is an indirect, partly owned subsidiary of Henderson Group. Henderson Group and its affiliates provide a full spectrum of investment products and services to institutions (including investment companies) and individuals globally. Northern Pines' advisory personnel may, now or in the future, communicate with research personnel of its affiliates in order to request information, to obtain their views on economic factors or to confer on the interpretation of research material.

Paul Graham, who serves on the board of managers of Northern Pines (as do the Principals), is registered with the U.S. Commodity Futures Trading Commission as an associated person of another Henderson Group affiliate that is registered as a commodity pool operator.

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

Northern Pines has adopted a code of ethics (the “Code”), which includes policies and procedures governing, among other subjects, personal trading activities of its employees (as well as certain of their close relatives, spouses, partners and other accounts in which such persons may have a beneficial interest), gifts and benefits, and outside activities of Northern Pines personnel.

The Code is intended to help ensure that each employee of Northern Pines conducts his or her affairs, including personal securities transactions, in such a manner as to avoid serving his or her own personal interests ahead of the interests of one or more Funds and to avoid conflicts of interest. Subject to certain limited exceptions set forth in the Code, the Code imposes significant limitations on the personal securities transactions of any Northern Pines “Access Person” (as further defined in the Code), so as to ensure that such persons are prohibited from profiting in their personal securities transactions from the securities activities of Northern Pines’ clients in a manner that is harmful to those clients, or in a manner that serves their personal interests ahead of the interests of Northern Pines’ clients. The Code also requires the periodic reporting of personal securities transactions and holdings, consistent with applicable law.

The Code also includes policies regarding employee service on outside boards and other outside activities, political contributions, restrictions relating to use of confidential information and expert networks, and conflicts of interests.

Northern Pines will provide a copy of the Code to any client or prospective client upon request.

Northern Pines and its personnel, managers and members may invest in the Funds, subject to applicable law and the Code, and to the investor eligibility requirements applicable to the Funds.

In addition, the Feeder Funds each invest substantially all of their assets in the Master Fund. None of the Feeder Funds pay Management Fees or any Performance Allocations to Northern Pines or the General Partner directly. Rather, all Management Fees and Performance Allocations are paid at the level of the Master Fund. As described in Item 10, the General Partner, which is an affiliate of Northern Pines, may receive the Performance Allocation from the Master Fund, as described in Item 5.

Allocation of investment opportunities among the Funds and any other accounts and funds managed by Northern Pines and other Management Affiliates will generally be made as described in Item 10, provided,

however, that Northern Pines has outsourced trade execution to Henderson, and as a result, the allocation of investment opportunities to Northern Pines' clients will also be subject to Henderson's allocation and trading practices, and related conflicts, as further described in Item 12.

From time to time, Northern Pines may, on behalf of the Funds, for liquidity or other reasons, purchase investments from, sell investments to or enter into agreements with other accounts managed by Northern Pines or other Management Affiliates (i.e., "cross transactions"). Any such cross transactions will only be undertaken if permitted by applicable law and then only in a manner consistent with Henderson's policies on cross-trading, which are intended to ensure that such cross transactions are only executed in a manner that is fair to both parties to the transaction. Northern Pines will receive no special fees or other compensation in connection with cross transactions.

Item 12. Brokerage Practices

Although all trades for the Funds are originated by Northern Pines, which has responsibility for the Funds' portfolio management, Northern Pines has outsourced all of its trade execution for the Funds to Henderson. As a result, the selection of broker-dealers who will effectuate transactions for Northern Pines' clients is subject to a significant extent to Henderson's brokerage practices and related conflicts.

When executing transactions on behalf of its clients, or for the Funds, Henderson's objective will be to obtain best execution with respect to each transaction. Consequently, Henderson selects brokers primarily based on their execution capabilities and trading expertise.

Where Henderson aggregates customer orders, it will not give unfair preference to any of those for whom it dealt. Allocations will be made in a manner that is fair among Henderson's customers, is reasonable in the interests of all; and does not conflict with any relevant customer's instructions or the provisions of any applicable customer agreement. Each aggregated transaction shall be allocated at the price paid per unit allocated (taking into account all relevant fees and commissions); but if it is one of a series of transactions, then a uniform price may be attributed to each unit, that price being calculated as the weighted average of the prices paid in all of those transactions in the series effected during the same allocation period, or during the allocation period in which the relevant transaction was effected.

A record will be made of the intended basis of allocation either before or as soon as practicable after the transaction. A record will be made of how the allocation will actually be made. If there is no difference, one record will suffice. It should be noted that if a deal order cannot be fully executed immediately, the central dealers may complete the order by means of a series of smaller transactions. Partially completed deals should be allocated pro-rata to the intended basis. However, if this would result in an allocation that is too small to be of significance to the larger fund, that fund may be removed from allocation. Materiality will be determined by the fund manager (i.e., by Northern Pines, in the case of the Funds) and reasons for withdrawal will be documented and must be signed off by Henderson's compliance group. If an error is discovered in the intended basis of allocation or in the actual allocation, this may be corrected provided a written record of the reason for the reallocation is made at the time of reallocation.

While Henderson will select brokers primarily on the basis of their execution capabilities, the direction of transactions to brokers may also be based on the quality and amount of research and research related

services that they may provide to Henderson. When reviewing various brokerages, Henderson considers the commissions to be charged and the rendering of investment services, including statistical, research, and counseling services by brokerage firms.

Henderson does not have any obligation to deal with any broker or group of brokers in the execution of portfolio transactions. Henderson may select brokers on the basis of the research, statistical and pricing services they provide. Information and research received from such brokers will be in addition to, and not in lieu of, the services required to be performed by Henderson under its respective agreements. A commission paid to such brokers may be higher than that which another qualified broker may have charged for execution only, provided that Henderson determines in good faith that such commission is reasonable in terms either of the transaction or the overall responsibility of Henderson to its clients and that the total commissions paid will be reasonable in relation to the benefits over the long-term. Henderson or its affiliates may enter into commission sharing arrangements with key brokers, which may allow for the receipt of both proprietary and third party research.

Northern Pines may from time to time notify Henderson of one or more broker-dealers with whom Northern Pines would like to place transactions for the Funds, and Henderson generally will seek to accommodate such selections when possible, although it is not required to do so. In making such selections, Northern Pines' primary consideration is to obtain execution in the most effective manner possible. Northern Pines also takes into account a variety of other factors, including the financial strength, integrity and stability of the broker-dealer and the commissions to be paid. Northern Pines may also consider the quality, comprehensiveness and frequency of available research and other products and services considered to be of value. The products and services furnished by broker-dealers may include, among other things, written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; statistics and pricing or appraisal services, discussion with research personnel, special execution capabilities, order of call and the availability of stocks to borrow for short trades.

Northern Pines is authorized to cause or permit the Funds to pay higher prices for the purchase of securities from, or accept lower prices for the sale of securities to, brokerage firms that provide it with such research-related products and services or to pay higher commissions to such firms if Northern Pines determines such prices or commissions are reasonable in relation to the overall services provided. Accordingly, the Feeder Funds and the Master Fund may be deemed to be paying for certain research related and other products and services with "soft" or commission dollars. These products and services would otherwise only be available

to Northern Pines for a cash payment. To the extent that Northern Pines uses brokerage commissions (or markups or markdowns) to obtain research or other products or services that would otherwise be an expense of Northern Pines, such use of commissions could be viewed as additional compensation to Northern Pines, and Northern Pines receives a benefit because we do not have to produce or pay for such research or other products or services. This may create a potential conflict of interest between Northern Pines' fiduciary duty to operate the Funds in the best interest of the Funds and Northern Pines' desire to receive or direct these "soft-dollar" benefits. As a result of receiving such products or services, Northern Pines has an incentive to select and recommend, and to use and continue to use, such brokers and dealers to effect transactions for the Funds so long as such brokers and dealers continue to provide such soft dollar credits to Northern Pines, rather than based on the Funds' interest in receiving most favorable execution of their securities transactions. As a result, Northern Pines may cause the Funds to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers, or to accept lower prices for the sale of securities, in return for soft dollar benefits (known as paying-up), and Northern Pines is authorized to do so if Northern Pines determines that such commissions (or markups or markdowns) are reasonable in relation to the overall services provided. However, in selecting brokers to recommend to Henderson for any specific Fund portfolio transaction, Northern Pines will use its best judgment to choose the broker-dealers most capable of providing "best execution" on an overall basis.

It is anticipated that Northern Pines' use of commissions or "soft dollars" to pay for research products or services will fall within the safe harbor created by Section 28(e) of the Securities Exchange Act of 1934, as amended. Under Section 28(e), research obtained with soft dollars generated by the Feeder Funds and the Master Fund may be used by Northern Pines to service accounts other than the Feeder Funds or the Master Fund. Where a product or service obtained with soft dollars provides both research and non-research assistance to Northern Pines, Northern Pines will make a reasonable allocation of the cost that may be paid for with soft dollars. Although Northern Pines believes that the Feeder Funds and the Master Fund benefit from many of the products and services obtained with soft dollars generated by the Feeder Funds' or the Master Fund's trades, the Feeder Funds or the Master Fund may not benefit exclusively or at all. Northern Pines generally expects to use soft dollar benefits to provide services to the Master Fund (and, indirectly, the Feeder Funds, which invest through the Master Fund). Northern Pines does not currently make any allocation of soft dollar benefits to any particular Funds, because to date all soft dollars benefits have been generated by and used for the Master Fund.

During Northern Pines' last fiscal year, Northern Pines used soft dollars generated by the Master Fund to pay for a number of research products and services generally related to broad global market and issuer

information, macroeconomic trends, and industry research, including printed and online materials that are generally available for purchase or subscription. Such research products and services consisted of access to databases of news and research and similar hosted services, as well as research and analysis, market data, securities filings, and other financial information. Certain providers of such services also make certain proprietary research tools available to their subscribers, including Northern Pines, to further facilitate research and analysis.

Representatives of Northern Pines may speak at conferences and programs for investors interested in investing in hedge funds that are sponsored by prime brokers and other brokers. These conferences and programs may provide opportunities by which Northern Pines is introduced to potential investors in the Funds and other investment vehicles it manages. Generally, the prime brokers are not compensated by Northern Pines, the Funds, or potential investors for providing such “capital introduction” opportunities. In addition, prime brokers and other brokers may provide financing and other services to the Funds and Northern Pines. Consequently, such additional services by a prime broker or other broker may influence Northern Pines in deciding whether to choose to request that Henderson utilize the services of such prime broker or other broker in connection with the brokerage activities of the Funds.

Item 13. Review of Accounts

The portfolios of the Funds are managed and reviewed regularly by the Principals. Positions and prices are checked daily by Northern Pines operations staff and by Henderson's Fund Control team. All of the Funds' trades are reviewed on a daily basis by Northern Pines' Director of Operations and are also sent to the Funds' administrator daily for entry into the administrator's accounting systems and to be reconciled with the Funds' prime brokerage account statements. Northern Pines' Director of Operations and Henderson's Fund Control team review detailed portfolio reports, position and price reports and a valuation report prepared by the Funds' administrator for completeness and accuracy as against the Funds' books and trading records, as well as the Funds' prime brokerage account statements.

After the end of each fiscal year of the Funds, audited financial statements are prepared for each Fund, and each Feeder Fund will send to each of its investors such Feeder Fund's audited financial statements. In addition, the Feeder Funds sends to their respective investors a monthly report of such Feeder Fund's performance for that month and year to date along with additional monthly portfolio information. Each Feeder Fund also sends out individual monthly capital statements to each of its underlying investors. Northern Pines may, from time to time and in its discretion, provide additional reports and information to certain investors, including (without limitation) with respect to valuation, profits, position size, gains and losses, and such information may be provided more frequently than monthly. In addition, investors receive letters from Northern Pines on a quarterly basis that discusses the investment performance of the Funds for the applicable period.

Item 14. Client Referrals and Other Compensation

Northern Pines does not receive economic benefit from anyone but our investors in the Funds for providing investment advice or other advisory services to our Funds. We do not, directly or indirectly, currently compensate any person (other than our supervised persons or supervised persons of certain of our Henderson affiliates) for client referrals.

The Funds, Northern Pines, the General Partner and/or their respective affiliates may enter into agreements with one or more third parties or affiliated entities providing for payments to such parties or entities of a fully disclosed sales charge, which may be borne by the investor and paid from the subscriptions of certain investors that agree thereto.

Item 15. Custody

The Master Fund's prime brokers will generally maintain custody of the Master Fund's securities and cash, although in certain instances other brokers that execute transactions for a Master Fund will maintain custody of such Master Fund's assets contract with third-party custodians and a prime broker to serve as custodian for the securities owned by the Funds, which generally are all publicly-traded. The Funds do not use a qualified custodian to send quarterly account statements directly to the investors in the Funds. Instead, each Fund expects to distribute to its investors annual financial statements as soon as practicable following the close of each fiscal year (generally within 90 days or as soon thereafter as is reasonably practicable).

Item 16. Investment Discretion

Northern Pines has discretionary authority to manage the assets of each Fund pursuant to an investment management agreement or sub-advisory agreement applicable to such Fund and to which Northern Pines is a party. These agreements include an explicit grant of discretionary authority to manage the applicable Fund's assets. There are no specific limitations placed on this authority, provided that we will exercise our discretionary authority in accordance with the investment objectives and strategy and applicable limitations, if any, set forth in the applicable offering documents of each Fund.

Item 17. Voting Client Securities

Northern Pines has adopted policies and procedures pursuant to SEC rule 206(4)-6 with respect to voting proxies on behalf of the Funds. Northern Pines' policy is to act in the best interest of the Funds when exercising its proxy voting authority. In order to seek to accomplish this, Northern Pines has delegated its responsibilities with respect to proxy voting to Henderson, which will vote such proxies in accordance with Henderson's North America Proxy Voting Policy (the "Henderson Proxy Voting Policy"). Northern Pines will coordinate with Henderson so as to monitor Henderson's voting of the Funds' proxies and to seek to ensure that all such proxies are being properly voted and the appropriate records are being retained.

If Northern Pines becomes aware of any potential conflict of interest arising with respect to a proxy voting matter, including with respect to any such matter referred to Northern Pines' attention by Henderson, then the Principals will review the relevant matters in advance to seek to ensure that Northern Pines' proposed votes are in the best interests of its Fund, and are not prompted by any conflict of interest.

Holders of any interests or shares in a Fund may obtain a full copy of our proxy voting policy, as well as information regarding how Northern Pines (or Henderson, on its behalf) voted proxies on behalf of a particular Fund in which the client is invested, by calling Nicole Lavoie, or by submitting a written request to her attention to the following address:

Northern Pines Henderson Capital, LLC
470 Atlantic Ave, 12th Floor
Boston, MA 02210
Attention: Nicole Lavoie

Item 18. Financial Information

Northern Pines believes that it has no financial condition that is reasonably likely to impair its ability to meet contractual commitments to its clients, and Northern Pines has not been the subject of any bankruptcy proceeding.

Item 19. Requirements for State-Registered Advisers

This item is not applicable to us.