

Item 1. Cover Page

**Brochure of
Colchis Capital Management, L.P.**

**One Maritime Plaza, Suite 1975
San Francisco, California 94111
Telephone: (415) 400-8600
Email: apeters@colchiscapital.com**

www.colchiscapital.com

June 30, 2014

This brochure provides information about the qualifications and business practices of Colchis Capital Management, L.P. (“Colchis”). If you have any questions about the contents of this brochure, please contact Andrea Peters at (415) 400-8600 or apeters@colchiscapital.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

Item 2. Material Changes

Not applicable.

Item 3. Table of Contents

	Page
Item 1. Cover Page.....	1
Item 2. Material Changes.....	1
Item 3. Table of Contents	2
Item 4. Advisory Business	3
Item 5. Fees and Compensation.....	4
Item 6. Performance-Based Fees and Side-By-Side Management	4
Item 7. Types of Clients	5
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss.....	5
Item 9. Disciplinary Information.....	9
Item 10. Other Financial Industry Activities and Affiliations.....	10
Item 11. Code of Ethics, Participation or Interest In Client Transactions and Personal Trading	10
Item 12. Brokerage Practices	11
Item 13. Review of Accounts	13
Item 14. Client Referrals and Other Compensation.....	13
Item 15. Custody	13
Item 16. Investment Discretion.....	13
Item 17. Voting Client Securities.....	14
Item 18. Financial Information.....	14
Privacy Policy	14
Trade Error Policy.....	15

Item 4. Advisory Business

Colchis is a Delaware limited partnership that has been in business since March 2012. It serves as the investment adviser to several investment funds (each referred to herein as a “fund” and collectively as the “funds”). Colchis’s controlling owners are Robert J. Conrads and Edward M. Conrads. As of April 30, 2014, Colchis had total discretionary net assets under management of approximately \$514,211,549. Colchis only manages assets on a discretionary basis.

P2P Funds

Colchis manages Colchis P2P Income Fund, L.P., a Delaware limited partnership, and Colchis P2P Income Fund, Ltd., a Cayman Islands company, each of which invests substantially all of its assets in Colchis P2P Income Offshore Master Fund, L.P., a Cayman Islands limited partnership (“P2P Master,” and collectively with the other funds, the “P2P Funds”). In turn, Colchis currently invests substantially all of P2P Master’s assets in Colchis/Prosper Income Offshore Master Fund, L.P. (“Prosper Master”) and Colchis/LC Income Offshore Master Fund, L.P. (“LC Master”), each a Cayman Islands limited partnership. Colchis manages LC Master, which invests principally, but not solely, in trust certificates (“Certificates”) that derive their underlying value from loans issued to borrowers through the lending platform of LendingClub Corporation, a Delaware corporation (“LendingClub”). Colchis may in the future, but does not currently intend to, invest in member payment dependent notes issued by LendingClub.

Colchis manages Prosper Master, which invests principally, but not solely, in notes (“Notes”) that derive their underlying value from loans issued to borrowers through the lending platform of Prosper Marketplace, Inc., a Delaware corporation (“Prosper”).

In the future, Colchis may invest P2P Master’s assets through other peer-to-peer lending platforms that emerge in the U.S. and internationally, as well as in a variety of other income-generating investment products.

Marlette Funds

Colchis manages Colchis/Marlette Income Fund, L.P. and Colchis/Marlette Income Fund, Ltd. (collectively, the “Marlette Funds”), each of which invests principally, but not solely, in trust certificates (“Marlette Certificates”) issued by Marlette Funding Trust, a Delaware business trust (the “Trust”). The Certificates derive their value from loans purchased by the Trust from Marlette Funding, LLC (“Marlette”). Colchis’s principals indirectly own controlling interests in Marlette, and thus have an incentive to cause the Marlette Funds to invest in the Marlette Certificates.

General Matters

The investors in the funds that Colchis manages have no opportunity to select or evaluate any fund investments or strategies. Colchis selects all fund investments and strategies. Colchis may maintain idle cash or other short-term investments and is authorized to enter into any type of investment transaction that it deems appropriate under the terms of the funds’ governing documents.

Colchis does not participate in wrap fee programs.

Item 5. Fees and Compensation

Colchis is an SEC-registered adviser that delivers this brochure only to qualified purchasers as defined in section 2(a)(51)(A) of the Investment Company Act of 1940, as amended. Therefore, information on how Colchis is compensated for its advisory services and its fee schedule are not included here.

Colchis deducts management fees and performance allocations directly from the applicable investment funds.

Colchis complies with Rule 205-3 under the Investment Advisers Act of 1940, as amended, to the extent required by applicable law. Colchis believes that its fees are competitive with fees charged by other investment advisers for comparable services. Comparable services may be available, however, from other sources for lower fees.

The disclosure in this Item 5, together with the disclosure in Item 12, allow a plan that is subject to the Employee Retirement Income Security Act of 1974 and that invests in an investment fund of which Colchis or one of its affiliates is general partner, to use the “alternative reporting option” to report Colchis’s and its affiliates’ compensation as “eligible indirect compensation” on the Schedule C of the plan’s Form 5500 Annual Return/Report of Employee Benefit Plan.

Relationships with Colchis’s investment funds are terminable on specified prior written notice.

In all cases, expenses and the performance allocation through the date of termination are charged to the applicable investor. An investor who withdraws from a fund on a date other than the last day of a quarter does not receive a refund of the management fee previously paid.

Each fund is responsible for its own costs and expenses, including trading costs and expenses (such as brokerage commissions, expenses related to short sales, and clearing and settlement charges), ongoing legal, accounting and bookkeeping fees and expenses, and the fees and expenses charged by any fund administrator for its accounting, bookkeeping and other services. Colchis bears its own operating, general, administrative and overhead costs and expenses, other than the expenses described above. All or part of these costs and expenses may be paid, however, by securities brokerage firms and futures commission merchants that execute clients’ securities trades, as discussed in Item 12 below.

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

Colchis currently manages investment funds (the P2P Funds) that charge performance-based profit allocations and other investment funds (the Marlette Funds) that do not charge performance-based profit allocations or performance-based fees. The P2P Funds and Marlette Funds currently invest in different securities and therefore the conflict of interest that arises due to Colchis’ management of certain funds that pay performance-based allocations and those that do not has been mitigated.

Item 7. Types of Clients

Colchis provides investment advice to investment funds. Investors must invest a minimum of at least \$500,000 to invest in the P2P Funds, and must make capital commitments of at least \$1,000,000 to invest in the Marlette Funds, but Colchis may waive these minimums.

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

Investment Strategies

Colchis is the investment adviser to several investment funds that follow different investment strategies, although some funds may follow the same strategy as another fund and may invest collectively through a master-feeder structure. Colchis provides to every prospective investor a copy of the applicable fund's offering documents containing a complete description of its investment strategy.

The investment strategies summarized in the applicable offering documents represent Colchis's intentions as of the date of such documents, are general in nature and are not exhaustive. There are no limits on the types of securities in which Colchis may take positions on behalf of the funds, the types of positions that it may take, the concentration of its investments or the amount of leverage that it may use. Colchis may use any trading or investment techniques, whether or not contemplated by the expected investment strategies described in its offering documents. In addition, there are limitations in describing any investment strategy due to its complexity, confidentiality and indefinite nature. Depending on conditions and trends in securities and commodities markets and the economy generally, Colchis may pursue any objectives or use any techniques that it considers appropriate and in the funds' interests. A potential investor should discuss with Colchis's representatives any questions that such person may have before investing in a fund.

Risk Factors

Investing in securities involves risk of loss that investors should be prepared to bear. Below are some of the risks that investors should consider before investing in any fund that Colchis manages. Any or all of such risks could materially and adversely affect investment performance, the value of any fund or any security held in a fund, and could cause investors to lose substantial amounts of money. Below is only a brief summary of some of the risks that an investor may encounter. Potential investors in a fund should review such fund's offering circular or private offering memorandum carefully and in its entirety, and consult with their professional advisers before deciding whether to invest.

Risks Specific to the P2P and Marlette Funds

- The funds may be concentrated in certificates and notes related to underlying debt obligations. Those funds may be subject to more risk than would be the case in a diversified securities portfolio. Markets for such certificates and notes fluctuate and the market value of any particular certificate or note may vary substantially over time.

- The certificates and notes in which the funds invest generally represent only the right to receive payments received with respect to the loans corresponding to those certificates and notes. They are not obligations of the underlying borrowers, the applicable lending platform, the banks involved in the transactions or any other party. None of the certificates, the notes or the underlying loans is (a) secured by any collateral or (b) guaranteed or insured by any governmental agency or instrumentality or any third party. The funds must rely on the applicable lending platform and its designated third-party collection agency to pursue collection against any borrower.
- Colchis's investment decisions rely on proprietary technology that may be adversely affected by technological errors and intellectual property infringement, whether by or against Colchis. Colchis's technology may also be found to infringe a third party's intellectual property.
- Colchis relies on receiving information directly from the lending platform providers. Any disruption in the flow of information or inaccuracies may adversely affect Colchis's ability to make investment decisions.
- In the event of a lending platform provider's bankruptcy, various legal and administrative restrictions may limit or entirely prohibit Colchis from receiving funds invested in that provider's underlying certificates, which may cause the funds and their investors to lose some or all of their investments.
- Colchis's ability to select attractive certificates related to underlying debt obligations depends on its competition for such securities. Colchis will be competing with institutional investors, investment managers, industrial groups and merchant banks owned by larger and well-capitalized investors, and may not be able to select attractive investments.

Risks Specific to the Marlette Funds

- Robert J. Conrads and Edward M. Conrads, who control Colchis, also indirectly control, and indirectly hold significant equity interests in, Marlette. As a result, they have a substantial economic interest in Marlette. Marlette receives loan servicing fees from the Marlette Trust with respect to the loans that it sells to the Marlette Trust. Such fees generally equal 1% of the outstanding principal amount of each such loan. As a result of such arrangement, Colchis's principals expect to receive significant compensation from the operation of Marlette, which benefits from the activities of the Marlette Funds.
- Marlette serves as the administrator of the Marlette Trust (although a new administrator may be appointed at any time). As such, Marlette determines the terms on which it sells loans to the Trust and is responsible for servicing those loans after they are sold to the Trust. Marlette's management team determines the terms and conditions on which Marlette sells loans to the Marlette Trust and on which the Marlette Trust issues Marlette Certificates to the Marlette Funds. Because Marlette currently is indirectly controlled by Robert J. Conrads and Edward M. Conrads, there may be a substantial conflict of interest in the operations of Marlette and the Marlette Funds and the negotiation, administration

and enforcement of the loans, the Marlette Certificates and the agreements between Marlette Funds and the Marlette Trust or the Marlette Trust and Marlette.

- Conflicts could arise if the Marlette Trust defaults on any obligation to the Marlette Funds. For example, the timing or election of certain remedies by the Marlette Funds in the event of default could be affected by considerations other than the best interests of the investors. In addition, certain circumstances about the loans underlying the Marlette Certificates could exist which could violate the terms of the Marlette Certificates, but Colchis and its affiliates may decide that such circumstances do not warrant any action by the Marlette Funds on the grounds that similar circumstances on loans made by unaffiliated third-party lenders do not generally result in any default notice or enforcement activity. The Marlette Funds intend to comply with industry standards for enforcement of the Marlette Certificates.

Other Material Risks

- Colchis may use leverage by borrowing on margin and otherwise, selling securities short and trading derivatives, which increases volatility and risk of loss. These instruments can be difficult to value. An incorrect valuation could result in losses.
- Colchis may engage in hedging, which may reduce profits, increase expenses and cause losses. Price movement in a hedging instrument and the security hedged do not always correlate, resulting in losses on both the hedged security and the hedging instrument. Colchis is not obligated to hedge a fund's portfolio positions, and it frequently may not do so.
- Changes in economic conditions can adversely affect investment performance. At times, economic conditions in the U.S. and elsewhere have deteriorated significantly, resulting in volatile securities markets and large investment losses. Government actions responding to these conditions could lead to inflation and other negative consequences to investors.
- Counterparties such as brokers, dealers, futures commission merchants, custodians and administrators with which Colchis does business on behalf of the funds may default on their obligations. For example, a fund may lose its assets on deposit with a broker if the broker, its clearing broker or an exchange clearing house becomes bankrupt.
- The funds' investments are illiquid and are difficult or impossible to sell at prices comparable to the market prices of similar publicly-traded securities and may never become publicly traded.
- The funds may not achieve their investment objectives. A strategy may not be successful and investors may lose some or all of their investment.
- Colchis and the investment funds it manages have only a limited operating history on which prospective investors may evaluate their performance.

- Investor sentiment on the market, an industry or an individual stock, fixed income or other security is not predictable and can adversely affect a fund's investments.
- The funds will invest in restricted securities that are subject to long holding periods or that are not traded in public markets.
- Colchis determines the value of securities and commodities held in client accounts, whether or not a public market exists for such instruments. If Colchis's valuation is inaccurate, it might receive more compensation than that to which it is entitled, a new investor in a fund might receive an interest that is worth less than the investor paid and an investor that is withdrawing assets might receive more than the amount to which the investor is entitled, to the detriment of other investors.
- Each fund and not Colchis is responsible for any trade errors that Colchis makes in a fund, even when the error hurts the fund.
- Subject to limited exceptions, Colchis and its affiliates and agents generally are not responsible to any investor for losses incurred in a fund.
- A fund may not be able to generate cash necessary to satisfy investor withdrawals and redemptions. Substantial withdrawals and redemptions in a short period could force Colchis to liquidate investments too rapidly, and may so reduce the size of a fund that it cannot generate returns or reduce losses.
- A fund may limit or suspend withdrawals or redemptions of an investor's assets from the fund.
- A fund may establish a reserve for contingencies if Colchis considers it appropriate. Investors may not withdraw or redeem assets covered by that reserve until it is lifted.
- If the assets that Colchis and its affiliates manage grow too large, it may adversely affect performance, because it is more difficult for Colchis to find attractive investments as the amount of assets that it must invest increases.
- No fund or investor has been represented by separate counsel. The attorneys who represent Colchis do not represent the funds or the investors. Investors should hire their own counsel for legal advice and representation.
- A fund may dissolve or expel any investor at any time, even if such actions adversely affect one or more investors.
- Colchis, an administrator or any government agency may freeze assets that any of them believes a funds holds in violation of anti-money laundering laws or rules or on behalf of a suspected terrorist, and may transfer such assets to a government agency. None of Colchis, a fund or an administrator will be liable for losses related to actions taken in an effort to comply with anti-money laundering regulations.

- Federal, state and international governments may increase regulation of investment advisers, private investment funds and derivative securities, which may increase the time and resources that Colchis must devote to regulatory compliance, to the detriment of investment activities.
- Colchis is not registered with the SEC as a broker-dealer or with the Commodity Futures Trading Commission as a commodity pool operator, although Colchis has applied to become registered with the SEC as an investment adviser. The equity interests in the funds are not registered under the Securities Act of 1933, and the funds are not registered investment companies under the Investment Company Act of 1940. Colchis believes that none of these registrations is required because exemptions are available under applicable law. If a regulatory authority deems that any of these registrations is required, Colchis and any fund could be subject to expensive legal action and potential termination. In addition, investors in the funds do not have certain regulatory protection that they would have if these registrations were in place.
- Colchis's activities could cause adverse tax consequences to the funds and investors, including liability for interest and penalties.
- Colchis's activities may cause a fund that is subject to the Employee Retirement Income Security Act of 1974 to engage in a prohibited transaction under that Act.
- If a fund becomes insolvent, investors may be required to return with interest any distributions and forfeit any undistributed profits.
- Colchis and its affiliates may spend time on activities that compete with a fund without accountability to investors, including investing for other clients and their own accounts. If Colchis receives better compensation and other benefits from managing other assets or client accounts compared to managing a fund, it has incentive to allocate more time to those other activities. These factors could influence Colchis not to make investments on a fund's behalf even if such investments would benefit the fund.
- Colchis may provide certain investors or clients more frequent or detailed reports, special compensation arrangements and withdrawal or redemption rights that it does not provide to other investors or clients.

The above is only a brief summary of some of the important risks that an investor may encounter. Before deciding to invest in a fund that Colchis manages, you should consider carefully all of the risk factors and other information in the applicable fund's offering circular or private offering memorandum.

Item 9. Disciplinary Information

Not applicable.

Item 10. Other Financial Industry Activities and Affiliations

One of Colchis' controlling persons, Robert J. Conrads, also controls Colchis Capital Management, LLC and Colchis Capital Advisors, LP, investment advisory firms that he founded in 2005 and which have managed several different investment funds from 2005 through the present. Mr. Conrads and Edward M. Conrads also wholly own (i) Colchis Income Advisors I, LLC, which is the general partner of Colchis P2P Income Fund, L.P., P2P Master, Prosper Master and LC Master, and (ii) Colchis Income Advisors II, LLC, which is the general partner of Colchis/Marlette Income Fund, L.P.

Robert J. Conrads and Edward M. Conrads currently are directors of Colchis P2P Income Offshore Fund, Ltd. and Colchis/Marlette Income Fund, Ltd. Colchis's principals also indirectly own controlling interests in Marlette, and thus have an incentive to cause the Marlette Funds to invest in the Marlette Certificates. Colchis's principals attempt to address the conflicts in these relationships by adhering to their fiduciary duties as directors of the funds mentioned above and causing Colchis to adhere to its fiduciary duties to the Marlette Funds.

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

Colchis has adopted a Code of Ethics in compliance with Rule 204A-1 under the Investment Advisers Act of 1940, that establishes standards of conduct for Colchis's supervised persons. The Code of Ethics includes general requirements that Colchis's supervised persons comply with their fiduciary obligations to the funds that Colchis manages and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It requires supervised persons to comply with the personal trading restrictions described below and periodically to report their personal securities transactions and holdings to Andrea Peters, Colchis's Chief Compliance Officer (the "CCO"), and requires the CCO to review those reports. It also requires supervised persons to report any violations of the Code of Ethics promptly to the CCO. Each supervised person of Colchis receives a copy of the Code of Ethics and any amendments to it and must acknowledge in writing having received those materials. Quarterly, each supervised person must certify that he or she complied with the Code of Ethics during the preceding year. Clients and prospective clients may obtain a copy of Colchis's Code of Ethics by contacting Andrea Peters at apeters@colchiscapital.com.

Under Colchis's Code of Ethics, except in specified limited circumstances, Colchis and its partners, officers and employees generally may not invest in securities in which the funds have invested that are issued or sold by so-called "peer-to-peer" lending companies (such as Prosper or LendingClub). Colchis and its partners, officers and employees may buy or sell other types of securities for their own accounts based on personal investment considerations that do not meet the funds' respective investment strategies.

Because Colchis manages more than one fund, there may be conflicts of interest over its time devoted to managing any one fund and allocating investment opportunities among all funds that it manages. For example, Colchis selects investments for each fund based solely on that fund's investment strategy. Different clients may have differing investment strategies and expected

levels of trading. Colchis may buy or sell a security for one type of fund but not for another, or may buy (or sell) a security for one type of fund while simultaneously selling (or buying) the same security for another type of fund. Colchis attempts to resolve all such conflicts in a manner that is generally fair to all of the funds. Colchis may give advice to, and take action on behalf of, any fund that differs from the advice that it gives or the timing or nature of action that it takes on behalf of any other fund so long as it is Colchis's policy, to the extent practicable, to allocate investment opportunities among the funds fairly and equitably over time. Colchis is not obligated to acquire for any fund any security that Colchis or its partners, officers or employees may acquire for its or their own accounts or for any other fund, if in Colchis's absolute discretion, it is not practical or desirable to acquire a position in such security for that fund.

Item 12. Brokerage Practices

Prosper Master, LC Master and the Marlette Funds invest directly in Notes, Certificates and Marlette Certificates. Potential investors in the P2P and Marlette Funds should review the applicable offering documents for brokerage practices that relate to the applicable fund.

While Colchis does not expect generally to use brokers (which term includes futures commission merchants), if Colchis chooses to do so, Colchis has complete discretion in selecting the broker that it uses for fund transactions and the commission rates that funds pay such brokers. In selecting a broker for any transaction or series of transactions, Colchis may consider a number of factors, including, for example:

- net price, clearance, settlement and reputation;
- financial strength and stability;
- efficiency of execution and error resolution;
- block trading and block positioning capabilities;
- willingness to execute related or unrelated difficult transactions in the future;
- special execution capabilities;
- order of call;
- offering to Colchis on-line access to computerized data regarding clients' accounts;
- computer trading systems; and
- the availability of stocks to borrow for short trades.

If Colchis chooses to use a broker for fund transactions in the future, Colchis may also purchase from a broker or allow a broker to pay for the following (each a "soft dollar" relationship):

- research reports, services and conferences, including third-party research fees;
- technical data;
- periodical subscription fees;
- consultations;
- performance measurement data;
- on-line pricing;
- news wire and data processing charges; and
- quotation services.

Colchis may receive soft dollar credits based on principal, as well as agency, securities transactions with brokers or direct a broker that executes transactions to share some of its commissions with a broker that provides soft dollar benefits to Colchis.

Section 28(e) of the Securities Exchange Act of 1934 provides a “safe harbor” to investment advisers who use commission dollars of their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to the adviser in performing investment decision-making responsibilities. Conduct outside of the safe harbor of section 28(e) is subject to the traditional standards of fiduciary duty under state and federal law. If Colchis uses commission dollars to pay for products or services that provide administrative or other nonresearch assistance to itself or its affiliates, such payments may not fall within the section 28(e) safe harbor.

If Colchis chooses to use a broker for fund transactions in the future, Colchis may pay to a broker commissions and mark-ups that exceed those that another broker might charge for effecting the same transaction because of the value of the brokerage, research, other services and soft dollar relationships that such broker provides. Colchis determines in good faith that such compensation is reasonable in relation to the value of such brokerage, research, other services and soft dollar relationships, in terms of either the specific transaction or Colchis’s overall fiduciary duty to the funds. A fund may, however, pay higher commissions and mark-ups than are otherwise available or may pay more commissions or mark-ups based on account trading activity. The research and other benefits resulting from Colchis’s brokerage relationships benefit Colchis’s operations as a whole and all funds that it manages, including those that do not generate the soft dollars that pay for such research and other benefits. Colchis does not allocate soft dollar benefits to funds proportionately to the soft dollar credits that the funds generate.

If Colchis chooses to use a broker for fund transactions in the future, Colchis’s relationships with any such broker that provides soft dollar services influence Colchis’s judgment and create conflicts of interest in allocating brokerage business between firms that provide soft dollar services and firms that do not. Colchis will have an incentive to select or recommend a broker based on Colchis’s interest in receiving soft dollar services rather than clients’ interest in receiving the most favorable execution. These conflicts of interest are particularly influential to the extent that Colchis uses soft dollars to pay expenses it would otherwise be required to pay itself.

Colchis will address any such conflicts of interest by annually evaluating the trade execution services that Colchis receives, if any, from the brokers that it uses to execute trades for the funds. Such evaluation will include comparing those services to the services available from other brokers. Colchis will consider, among other things, alternative market makers and market centers, the quality of execution services, the value of continuing with various soft dollar services and adding or removing brokers, increasing or decreasing targets for each broker and the appropriate level of commission rates.

Colchis may aggregate orders for one fund with similar orders being made contemporaneously for other funds that Colchis manages or with accounts of its affiliates. In such event, Colchis may charge or credit a fund the average transaction price of all securities purchased or sold in

such transactions. As a result, however, the price may be less favorable to the fund than it would be if Colchis were not executing similar transactions concurrently for other funds. Colchis may also cause a fund to buy or sell securities directly from or to another fund, if such a cross-transaction is in the interests of both funds.

Colchis may direct a certain amount of brokerage to a broker in return for the broker's referral of prospective clients or investors. Directing brokerage in exchange for client or investor referrals creates a conflict of interest in that Colchis has an incentive to refer its clients' brokerage business to brokers to which it might not otherwise direct transactions. During its last fiscal year, Colchis did not direct client transactions to a particular broker in return for client referrals. Colchis has policies and procedures to review its brokerage practices regularly, including its use of brokers from which Colchis receives client or investor introductions.

Item 13. Review of Accounts

Each fund that Colchis manages receives ongoing and continuous investment management and will be overseen by Robert J. Conrads, Colchis's Chief Investment Officer. Matters generally reviewed include adherence to guidelines established by Colchis relating to specific securities held. Investors receive a monthly statement with the applicable fund's performance and the investor's capital account balance or the net asset value of the investor's shares, as applicable.

Item 14. Client Referrals and Other Compensation

Colchis engages solicitors to whom it pays cash or a portion of the advisory fees paid by investors referred to it by those solicitors. In such cases, this practice is disclosed in writing to the investor and Colchis complies with the other requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940, to the extent required by applicable law.

Item 15. Custody

Not applicable.

Item 16. Investment Discretion

Colchis has discretionary authority to manage the investment funds pursuant to a grant of authority in each fund's investment adviser agreement. Except for Colchis's limited partnership clients, such discretion is limited by the requirement that clients advise Colchis of:

- the fund's investment objectives;
- any changes or modifications to those objectives; and
- any specific investment restrictions relating to the fund.

A client must promptly notify Colchis in writing if the client considers any investments recommended or made for the fund to violate such objectives or restrictions. A client may at any time direct Colchis to sell any securities or take such other lawful actions as the client may specify to cause the account to comply with the client's investment objectives. In addition, a

client may notify Colchis at any time not to invest any funds in the client's account in specific securities or specific categories of securities.

Item 17. Voting Client Securities

Colchis decides whether to vote proxies on behalf of each fund over which Colchis has proxy voting authority after considering whether the proposal will have a material effect on the fund's investment strategy. This analysis typically leads Colchis to not vote proxies. In determining whether a proposal serves a fund's best interests, Colchis considers a number of factors, including:

- the proposal's economic effect on shareholder value;
- the threat that the proposal poses to existing rights of shareholders;
- the dilution of existing shares that would result from the proposal;
- the effect of the proposal on management or director accountability to shareholders; and
- if the proposal is a shareholder initiative, whether it wastes time and resources of the company or reflects the grievance of one individual.

Colchis abstains from voting proxies when Colchis believes that it is appropriate to do so.

If a material conflict of interest over proxy voting arises between Colchis and a fund, Colchis will vote all proxies in accordance with the policy described above. If Colchis determines that this policy does not adequately address the conflict of interest, Colchis will notify the fund of the conflict and request that the fund consent to Colchis's intended response to the proxy solicitation. If the fund consents to Colchis's intended response or fails to respond to the notice within a reasonable time specified in the notice, Colchis will vote the proxy as described in the notice. If the fund objects in writing to Colchis's intended response, Colchis will vote the proxy as the fund directs.

An investor can obtain a copy of Colchis's proxy voting policy and a record of votes cast by Colchis on behalf of the applicable fund by contacting Colchis.

Item 18. Financial Information

This Item is not applicable, because Colchis is not required to report financial information.

Item 19. Requirements for State-Registered Advisers

Not applicable.

Privacy Policy

Colchis and its affiliates, and the investment funds which they advise (collectively for this Privacy Policy disclosure, "Colchis"), are committed to safeguarding the confidential information provided by their clients, investors in the funds, former clients and investors in the funds and persons who have applied to be clients and investors in the funds (together,

“Investors”). This notice provides information to you about the privacy policies and practices of Colchis.

Colchis collects nonpublic personal information about Investors from the following sources: interviews and other conversations between Investors and representatives of Colchis; subscription agreements, offering questionnaires and other documents provided by Investors; information about Investors’ transactions with a fund and others; and information that Colchis receives from consumer reporting agencies.

Colchis does not disclose any nonpublic personal information about any of their Investors to anyone, except as permitted by law. Disclosures that are permitted by law include disclosures that are necessary to effect, administer or enforce a transaction that a client requests or authorizes. Other examples of disclosures that are permitted by law are disclosures to Colchis’s accountants, auditors and lawyers, disclosures to regulators that examine Colchis’s business and disclosures that Investors specifically request.

Colchis does not provide personal information about Investors to mailing list vendors or solicitors for any purpose. Colchis restricts access to nonpublic personal information about Investors to those employees of Colchis who have a business or professional need to know such information. In addition, Colchis maintains a secure office and computer environment to ensure that the confidentiality of Investors’ information is not placed at unreasonable risk.

Trade Error Policy

Colchis places orders for the purchase and sale of securities with brokers on behalf of the funds. The trading process is complex and can vary for different types of securities. Moreover, Colchis may be required to break up orders, or may buy or sell the same security for more than one fund, further complicating the trading process. Colchis might make or cause errors in trading. Subject to the specific provisions in the applicable fund’s governing documents, each fund (not Colchis or its affiliates) is responsible for any such trade errors. Colchis and its affiliates will not be required to bear the cost of any trade error or reimburse a fund for resulting costs or losses.