



Item 1. Cover Page

DISCLOSURE BROCHURE

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This brochure provides information about the qualifications and business practices of RCG Longview Management, LLC. If you have any questions about the contents of this brochure, please contact us at (212) 356-9200. 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 RCG Longview Management, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

RCG Longview Management, LLC is an investment adviser registered with the SEC. Registration with the SEC does not imply a certain level of skill or training.

Item 2: Material Changes

Item 4: Updated to reflect the addition of a new Client

Item 5: Updated to reflect fees charged to new Client

Item 13: Updated review of accounts to reflect procedures applicable to new Client

Item 16: Updated description of investment discretion to accommodate new Client

Item 3. Table of Contents

RCG Longview Management, LLC
March 2014

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Item 4. Advisory Business

RCG Longview Management, LLC (the "Registrant") is a Delaware limited liability company formed on July 23, 2012 pursuant to a limited liability company agreement to manage the day-to-day operations of RCG Longview Debt Fund V, L.P. ("Client A") and RCG Longview Principal Partners, L.P. ("Client B") together the ("Client"), are pooled investment vehicles, that invest in real estate and real estate-related assets, including debt and debt-like securities. The principal owner of the Registrant is RCG RE Manager, LLC, a wholly owned subsidiary of Ramius LLC, which is a wholly owned subsidiary of Cowen Group, Inc., a publicly traded company. The Registrant provides portfolio management and administrative services to the Client, including, but not limited to, investigating, analyzing, structuring, and negotiating potential investments, actively managing and monitoring the performance of the Client's portfolio investments and advising the Client as to disposition opportunities. The Registrant acts as the agent for both RCG Longview Debt Fund V Partners, LLC, the General Partner of RCG Longview Debt Fund V, L.P. ("General Partner A"), as well as RCG LPP GP, LLC, the General Partner of Longview Principal Partners, L.P. ("General Partner B"), and any determinations, decisions, consents or other duties or actions to be described in the Client's Limited Partnership Agreement, (the "LPA") as being the determinations, decisions, consents, duties or actions of the General Partner may be performed by the Registrant in such capacity. As of March 2014, the Registrant's regulatory assets under management were \$315.5 million, representing the Generally Accepted Accounting Principal ("GAAP") Fair Value of the Client's gross assets plus uncalled commitments as of that date. The Registrant's investment advice is tailored for the Client's needs but not those of any individual investor in the Client. This advice is limited to the types of real estate assets in which the Client seeks to invest, namely debt and debt-like securities and equity interests or equity-oriented interests. These securities are represented by, but not limited to, short term senior mortgage loans, junior mortgage loans and mezzanine loans, preferred equity investments and participating loans, interests, direct or indirect, in or relating to single or multiple real estate properties or assets, pools or portfolios of real estate properties or assets, joint ventures or other partial interests or rights in real estate properties or assets, all as more fully described in the LPA. Investment restrictions on the management of the Client's account are stated in the LPA and the Client's Offering Memorandum.

Item 5: Fees and Compensation

Client A has agreed to pay the Registrant, quarterly in arrears, with respect to each calendar quarter (or portion thereof) a management fee equal to the following:

- i. For each quarterly period during the investment period (the period during which real assets are obtained), 1.5% per annum of the aggregate capital commitments received with respect to such quarterly period: and
- ii. For each quarterly period thereafter (the holding period during which active asset management will be carried out and real estate assets will be realized), 1.5% per annum of the invested commitments with respect to such quarterly period.

The management fee is established pursuant to Client A's LPA.

Client B has agreed to pay the Registrant an investment management fee, which shall accrue in arrears in quarterly installments on the first day of each calendar quarter equal to the following:

- i. For each calendar quarter during the commitment period, .75% of the aggregate amount of all capital commitments as of the beginning of such calendar quarter.
- ii. For each calendar quarter after the expiration or termination of the commitment period, .75% of the net equity invested.

The management fee is established pursuant to Client B's LPA.

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

Although the Registrant does not directly charge performance-based fees, General Partner A, its affiliate, is entitled to, with respect to each investor in the Client A, a carried interest generally equal to 20% of the cash distributions of the Client A's net proceeds, after Client A has returned invested capital to each such investor (to the extent not previously returned) plus a preferred return thereon at a cumulative annual compounded rate of return of 8%, subject to a 50%/50% catch-up. The carried interest is subject to a clawback obligation, measured on an aggregate basis taking into account all distributions made by Client A.

Investment managers, generally, may be incentivized to dedicate increased resources and allocate more profitable investment opportunities to clients who are charged a carried interest. The existence of the carried interest may create an incentive for the Registrant to make more speculative investments on behalf of Client A than it might otherwise make in the absence of such performance-based compensation. The terms of the carried interest could also give the Registrant an incentive to make decisions regarding the timing and structure of realization transactions that may not be in the best interests of investors. Client A's LPA, however, provides for a clawback, as described above.

The carried interest is established pursuant to Client A's LPA.

Item 7: Types of Clients

The Registrant provides investment advice solely to its Client, which are pooled investment vehicles that invest in real estate and real-estate related investments as described in Item 4.

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

Methods of Analysis and Investment Strategies

The Registrant utilizes the experience, relationships and operating capabilities of its members to identify opportunities involving properties that are not currently favored by the market generally, but are expected to maintain or grow in value over the longer term. The Registrant seeks opportunities where timing or unique circumstances limit the availability of capital to borrowers. Members of the Registrant have an average of 30 years of experience in the real estate business, and have significant experience underwriting transactions. The Registrant believes that the experience of its members as owners and operators of real estate can help its Client avoid many

of the short-lived trends in market preferences for certain asset classes and allow such members to become more effective when assessing asset classes where they deem that risk/return levels are acceptable.

For debt and debt like investments, the Registrant will make or purchase a loan where it believes that, in a downside scenario, it would be acceptable for the Client to own the property that collateralizes the investment. Though the Registrant will not recommend lending with a predisposition to foreclosure, the Registrant's underwriting analysis should result in a conclusion that ownership of the collateral is an acceptable scenario. Debt and debt like investments include, but are not limited to shorter-term senior mortgage loans, B-notes, junior mortgages and mezzanine financing, preferred equity and mortgage purchase financing.

For equity type investments, the registrant intends on behalf of its Client to purchase outright, or interests in, value-add, opportunistic and development-oriented investments, typically involving multi-family residential, office, and less-often, retail assets, in markets where the Registrant has relevant expertise or knowledge.

Risk of Loss

An investment in the Client entails a significant degree of risk and, therefore, should be undertaken only by investors capable of evaluating the risks of the Client. Prospective investors should have the financial ability and willingness to accept the risks (including, among other things, the risk of loss of their entire investment and lack of liquidity) that are characteristic of an investment in the Client and should consult their advisors regarding the appropriateness of making an investment in the Client. The investments to be made by the Client are speculative in nature and the possibility of partial or total loss of capital will exist. Prospective investors should not subscribe to or invest in the Client unless they can readily bear the consequences of such loss. Set forth below is a non-exhaustive list of such risks; however, prospective investors are advised to review the applicable offering materials for a more extensive description of the risks of investing in the Client:

Ability to Originate Transactions on Advantageous Terms; Competition and Supply

The Client's success will depend, in significant part, on the Client's ability to originate transactions on advantageous terms. In originating and purchasing loans or making other investments, the Client will compete with a broad spectrum of lenders and investors, many of which have substantially greater financial resources and are more well known than the Client. Increased competition for, or a diminishment in the available supply of, qualifying transactions could result in lower yields on such loans, or the returns on such other investments, which could reduce returns to investors.

General Credit Risks

While loans originated by the Client are intended to be collateralized, the Client may be exposed to losses resulting from default and foreclosure. Therefore, the value of the underlying collateral, the creditworthiness of the borrower and the priority of the lien are each of great importance. The Client cannot guarantee the adequacy of the protection of the Client's interests,

including the validity or enforceability of the loan and the maintenance of the anticipated priority and perfection of the applicable security interests. Furthermore, the Client cannot assure that claims may not be asserted that might interfere with enforcement of the Client's rights. In the event of a foreclosure, the Client or an affiliate of the Client may assume direct ownership of the underlying asset. The liquidation proceeds upon sale of such asset may not satisfy the entire outstanding balance of principal and interest on the loan, resulting in a loss to the Client. Any costs or delays involved in the effectuation of a foreclosure of the loan or a liquidation of the underlying property will further reduce the proceeds and thus increase the loss.

General Real Estate Risk

The value of the real estate that underlies mortgage transactions is subject to market conditions. Changes in the real estate market may adversely affect the value of the collateral and thereby lower the value to be derived from liquidation. In addition, adverse changes in the real estate market increase the probability of default, because the incentive of the borrower to retain equity in the property declines. Furthermore, many of the properties that will secure loans originated or purchased by the Client may be suffering varying degrees of financial distress or may be located in economically distressed areas. Loans may become non-performing for a wide variety of reasons, including, without limitation, because the mortgaged property is too highly leveraged (and, therefore, the property is unable to generate sufficient income to meet its debt service payments), the property is poorly managed or because the mortgaged property has a high vacancy rate, has not been fully completed or is in need of rehabilitation. Such non-performing loans may require a substantial amount of workout negotiations and/or restructuring, which may entail, among other things, a substantial reduction in the interest rate, capitalization of interest payments and a substantial write-down of the principal of the loan. However, even if such restructuring were successfully accomplished, a risk exists that upon maturity of such mortgage loan, replacement "take-out" financing will not be available.

It is likely that the Client may find it necessary or desirable to foreclose on at least some of the loans. The foreclosure process is often lengthy and expensive. Borrowers may resist mortgage foreclosure actions by asserting numerous claims, counterclaims and defenses against the Client, including, without limitation, numerous lender liability claims and defenses, even when such assertions may have no basis in fact, in an effort to prolong the foreclosure action and force the lender into a modification of the loan or a buy-out of the borrower's position that is more favorable to the buyer. In some states, foreclosure actions can sometimes take several years or more to litigate. At any time prior to or during the foreclosure proceedings the borrower may file for bankruptcy, which would have the effect of staying the foreclosure actions and further delaying the foreclosure process. Foreclosure litigation tends to create a negative public image of the mortgaged property and may result in disrupting the ongoing leasing, management and operation of the property.

Lender Liability Considerations; Equitable Subordination

In recent years, a number of judicial decisions in the U.S. have upheld the right of borrowers to sue lenders or bondholders on the basis of various evolving legal theories (collectively, termed "lender liability"). Generally, lender liability is founded upon the premise that an institutional lender or bondholder has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or issuer or has assumed a degree of control over the borrower or

issuer resulting in the creation of a fiduciary duty owed to the borrower or issuer or its other creditors or shareholders. Although the Client does not intend to engage in conduct that it expects would form the basis for a successful cause of action based upon lender liability, the potential for such a cause of action exists.

In addition, under common law principles that in some cases form the basis for lender liability claims, if a lender or bondholder (i) intentionally takes an action that results in the undercapitalization of a borrower to the detriment of other creditors of such borrower, (ii) engages in other inequitable conduct to the detriment of such other creditors, (iii) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (iv) uses its influence to dominate or control a borrower to the detriment of other creditors of such borrower, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors, a remedy called "equitable subordination." Although the Client does not intend to engage in conduct that would form the basis for a successful cause of action based upon the equitable subordination doctrine, the potential for such a cause of action exists.

The preceding discussion is based upon principles of U.S. federal and state laws. Insofar as subsidiaries of the Client or investments are formed under the laws of foreign jurisdictions, the laws of such foreign jurisdictions may impose liability upon lenders or bondholders under factual circumstances similar to those described above, with consequences that may or may not be analogous to those described above under U.S. federal and state laws.

Lower Credit Quality Transactions

The Client will not be restricted in its ability to make loans or investments in preferred equity transactions. Loans and investments made by the Client may be deemed to have substantial vulnerability to payment default. Certain of the loans and investments that the Client may make may have substantial uncertainties or major risk exposures to adverse conditions, and may be considered to be predominantly speculative. Generally, such transactions offer a higher return potential than investment in better quality loans or equity but involve greater volatility of price and greater risk of loss. The market values of certain of these investments also tend to be more sensitive to changes in economic conditions than better quality investments.

Liquidity and Valuation of Investments

The Client may fund loans or make other investments that are difficult to value and for which no liquid market exists. The market prices, if any, for such investments tend to be volatile and the Client may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. In addition, certain of the Client's investments may include interests that have not been registered under applicable securities laws, resulting in a prohibition against transfer, sale, pledge or other disposition of those securities except in a transaction that is exempt from the registration requirements of, or otherwise in compliance with, applicable laws. The sale of illiquid investments and/or the sale of investments in "bulk" often requires more time and results in higher selling expenses and lower prices than does the sale of single assets or assets eligible for trading on national securities exchanges or in the over the counter markets. Accordingly, the Client's ability to vary its portfolio in response to changes in economic and other conditions may be limited, which may result in losses to the Client.

Some investments made by the Client may (i) be almost entirely illiquid, (ii) not be traded on an exchange or in an established market, (iii) have no readily determinable value and/or (iv) have values determined by the Registrant in its sole judgment based on various factors. Such factors include, but are not limited to, dealer quotes or independent appraisals. Such valuations may not be indicative of what the actual fair market value of the investments made by the Client would be in an active, liquid or established market.

Interest Rate Risk

Fluctuations in the general level of interest rates could affect the Client's business by influencing the value of loans and other investments held by the Client, by increasing the Client's borrowing costs and by increasing the costs to borrowers, who may have restricted resources.

Lack of Liquidity of Investments

The investments to be made by the Client are likely to be illiquid. Illiquidity may result from the absence of an established market for the investments, as well as legal, contractual or other restrictions on their resale by the Client. Dispositions of investments may be subject to contractual and other limitations on transfer (including prepayment penalties with respect to property-level debt) or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms that could be obtained upon any disposition thereof. This inability to respond to changes in the performance of the Client's investments could adversely affect its ability to service debt and make distributions to the Client's investors.

Development Risks

The Client anticipates that it will acquire equity interests in real estate developments and/or in businesses that engage in real estate development. To the extent that the Client invests in such development activities, it will be subject to the risks normally associated with such activities. Such risks include, without limitation, risks relating to the availability and timely receipt of zoning and other regulatory approvals, the cost and timely completion of construction (including risks beyond the control of the Client, such as weather or labor conditions or material shortages) and the availability of both construction and permanent financing on favorable terms. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development activities once undertaken, any of which could have an adverse effect on the investment and on the amount of funds available for distribution to the Client's investors.

Speculative Nature of Investments

The investments to be made by the Client are speculative in nature and the possibility of partial or total loss of capital will exist. Investors should not subscribe to or invest in the Client unless they can readily bear the consequences of such loss.

Possible Lack of Diversification

There is no assurance as to the degree of diversification that will actually be achieved in the Client's investments either by geographic region, asset type or other risk exposure. The Client

may make loans or equity investments involving contemplated sales or refinancings that do not actually occur as expected, which could lead to increased risk as a result of the Client having an unintended long-term investment and reduced diversification. Additionally, the investment portfolio of the Client may be subject to more rapid change in value than would be the case if the Client were required to maintain a wide diversification among geographic region, asset type or other risk exposure. Unfavorable performance by any number of assets could substantially adversely affect the aggregate returns realized by the Client's investors, and the investment portfolio of the Client may be subject to more rapid change in value than would be the case if the Client were required to maintain a wide diversification among geographic region, asset type or other risk exposure.

Leverage

The Client will typically lever its investments with debt financing. Leverage also may be present at the property or operating company level. Although the use of leverage may enhance returns and increase the number of investments that can be made, it also may substantially increase the risk of loss of principal. Accordingly, any event that adversely affects the value of an investment by the Client would be magnified to the extent leverage is used. The cumulative effect of the use of leverage by the Client in a market that moves adversely to the Client's investments could result in a loss to the Client that would be greater than if leverage had not been used, including loss of the entire investment and also the possibility of loss exceeding the original amount of a particular investment. There are also financing costs associated with leverage, and each leveraged investment will involve interest rate risk. Certain tax-exempt investors may be subject to unrelated business taxable income because of the Client's use of leverage.

Controlling Person Liability

The Client may have controlling interests in some of its investments in real estate companies. The exercise of control over an entity can impose additional risks of liability for environmental damage, failure to supervise management, violation of government regulations (including securities laws) or other types of liability in which the limited liability characteristic of business ownership may be ignored. If these liabilities were to arise, the Client might suffer a significant loss.

Lack of Operating Control of Underlying Investments

The day-to-day operations of the real estate companies and properties underlying the investments in which the Client invests will be the responsibility of the owners and developers of such companies and properties. Although the Registrant will be responsible for monitoring the performance of each investment and intends to invest in investments with underlying real estate companies and properties that are operated by strong management, there can be no assurance that the owners and developers will be able to operate the underlying companies or properties in accordance with their business plans or the expectations of the Client.

Control Issues

In certain situations, the Client may acquire only a minority interest in a company or other asset in which it invests, may rely on independent third-party management or strategic partners with respect to the operation of the company or other asset in which it invests or may only acquire a participation in an asset underlying an investment, and therefore may not be able to exercise control over the management of such company or investment.

Risks of Multi-Step Acquisitions

In the event the Client chooses to effect a transaction by means of a multi-step acquisition, there can be no assurance that the subsequent steps can be completed successfully. This could result in the Client having only partial control over the investment or partial access to its cash flow to service debt incurred in connection with the acquisition.

Risks Associated with Loans to and Investments in Companies in Distressed Situations

As part of its lending and investment activities, the Client may originate loans to or make equity investments in companies that are experiencing significant financial or business difficulties, including companies involved in bankruptcy or other reorganization and liquidation proceedings. Although the terms of such transactions may result in significant financial returns to the Client, they involve a substantial degree of risk. Any one or all of the transactions in which the Client may invest may be unsuccessful or not show any return for a considerable period of time. The level of analytical sophistication, both financial and legal, necessary for successful financing to or equity investments in companies experiencing significant business and financial difficulties is unusually high. There can be no assurance that the Client will correctly evaluate the value of the assets collateralizing the Client's transactions or the prospects for a successful reorganization or similar action. Regardless of where the Client's position is in any transaction, in any reorganization or liquidation proceeding relating to a company in which the Client invests, the Client may lose all or part of the amounts it has loaned or invested or may be required to accept collateral with a value less than the amount it has loaned or invested.

Troubled company investments require active monitoring and may, at times, require participation in business strategy or reorganization proceedings by the General Partner. To the extent that the General Partner becomes involved in such proceedings, the Client may have a more active participation in the affairs of the borrower's reorganization proceedings, which could result in the imposition of restrictions limiting the Client's ability to liquidate its position in the issuer.

Investment in Distressed Assets

The Client may make investments in underperforming or other distressed assets utilizing leveraged capital structures. By their nature, these investments will involve a high degree of financial risk, and there can be no assurance that the Client's rate of return objectives will be realized or that there will be any return of capital. Furthermore, investments in properties operating in workout modes or under Chapter 11 of the United States Bankruptcy Code are, in certain circumstances, subject to certain additional potential liabilities that may exceed the value of the Client's original investment. In addition, under certain circumstances, payments to the Client and distributions by the Client to its Investors may be reclaimed if such payments or

distributions are later determined to have been fraudulent conveyances or preferential payments. Numerous other risks also arise in the workout and bankruptcy contexts.

Preferred Equity Investments

The Client may invest in preferred equity investments, which involve a higher degree of risk than traditional debt financing due to a variety of factors, including that such investments are subordinate to other loans and are not secured by property underlying the investment. Accordingly, if the issuer of any such preferred equity investment defaults on its obligation to pay dividends to the Client, the Client may rank as one of the issuer's general unsecured creditors. Moreover, if any such issuer enters into bankruptcy, the Client will rank junior to the issuer's lenders, possibly resulting in losses to the Client on such investment.

Subordination of Investments

Many of the Client's investments are expected to be in short-term senior mortgage loans secured by first liens on various classes of real estate assets; junior mortgage loans and mezzanine loans; preferred equity investments; participating loans; and equity interests in companies that own, control, service, manage or finance assets of such types of interests. These investments will be subordinated to the senior obligations of the property or issuer, either contractually or inherently due to the nature of equity securities. Greater credit risks are usually attached to these subordinated investments than to a borrower's first mortgage or other senior obligations. In addition, these securities may not be protected by financial or other covenants and may have limited liquidity. Adverse changes in the borrower's financial condition and/or in general economic conditions may impair the ability of the borrower to make payments on the subordinated securities and cause it to default more quickly with respect to such securities than with respect to the borrower's senior obligations. In many cases, the Client's management of its investments and its remedies with respect thereto, including the ability to foreclose on any collateral securing such investments, will be subject to the rights of the more senior lenders and contractual intercreditor provisions.

Mezzanine Investments

The mezzanine investments in which the Client may invest may include loans secured by one or more direct or indirect ownership interests in a company, partnership, or other entity owning, operating or controlling, directly or through subsidiaries or affiliates one or more commercial properties. It is expected that the commercial properties owned by such entities are or will be subject to existing mortgage loans and other indebtedness. Repayment of the loans underlying the mezzanine investments is dependent on the successful operation of the underlying commercial properties. Mezzanine investments are not secured by interests in the underlying commercial properties. The ownership interests securing the mezzanine investments may represent only partial interests in the related real estate company and may not control either the related real estate company or the underlying commercial property. As a result, the effective realization on the collateral securing a mezzanine investment in the event of default may be limited. Mezzanine investments may also involve certain additional considerations and risks. For example, the terms of mezzanine investments may restrict transfer of the interests securing such loans (including an involuntary transfer upon foreclosure) or may require the consent of the senior lender or other members or partners of or equity holders in the related real estate

company, or may otherwise prohibit a change of control of the related real estate company. These and other limitations on realization on the collateral securing a mezzanine investment or the practical limitations on the availability and effectiveness of such a remedy may affect the likelihood of repayment in the event of a default.

Varying Collateral Risks

The Client's investments may not be secured by mortgages, but may instead be secured by partnership interests or other collateral that may provide weaker rights than a mortgage. In the event of default, the Client's source of repayment will be limited to the value of the collateral and may be subordinate to other lienholders. The collateral value of an underlying property may be less than the outstanding amount of the Client's investment. In cases in which the Client's collateral consists of partnership or similar interests, the Client's rights and level of security may be less than if it held a mortgage loan.

Third Party Involvement

The Client may co-invest with third parties through joint ventures or other entities. Such investments may involve risks not present in investments where a third party is not involved, including the possibility that: (i) the Client and such third-party partner may reach an impasse on a major decision that requires the approval of both parties; (ii) a third-party partner may at any time have economic or business interests or goals that are inconsistent with those of the Client; (iii) the third-party partner may encounter liquidity or insolvency issues or may become bankrupt; (iv) the third-party partner may be in a position to take action contrary to the Client's investment objective; (v) the third-party partner may take actions that subject the property to liabilities in excess of, or other than, those contemplated; or (vi) in certain circumstances the Client may be liable for actions of its third-party partners. In addition, the Client may rely upon the abilities and management expertise of a third-party partner. It may also be more difficult for the Client to sell its interest in any joint venture, partnership or entity with other owners than to sell its interest in other types of investments. The Client may grant third-party partners joint approval rights with respect to major decisions concerning the management and disposition of the investment, which would increase the risk of deadlocks. A deadlock could delay the execution of the business plan for the investment or require the Client to engage in a buy-sell of the venture with the third-party partner or conduct the forced sale of such investment. As a result of these risks, the Client may be unable to fully realize its expected return on any such investment.

Contingent Liabilities on Disposition of Investments

In connection with the disposition of an investment, the Client may be required to make representations about such investment. The Client also may be required to indemnify the purchaser of such investment to the extent that any such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities for which the General Partner may establish reserves or escrow accounts. In that regard, investors may be required to return amounts distributed to them to fund obligations of the Client, including indemnity obligations. Furthermore, under the Delaware Revised Uniform Limited Partnership Act, each investor that receives a distribution in violation of such Act will, under certain circumstances, be obligated to recontribute such distribution to the Client.

Market Dislocation

Recent events in the sub-prime mortgage market and other areas of the fixed income markets have caused significant dislocations, illiquidity and volatility in the structured credit, leveraged loan and high yield bond markets, as well as in the wider global financial markets. While this has already had an adverse impact on the availability of credit to businesses generally, to the extent that such marketplace events are not temporary and continue (or even worsen), this may have an even more significant adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. Any resulting economic downturn could adversely affect the financial resources available to borrowers or result in the inability of such borrowers to make principal and interest payments on, or refinance, outstanding debt when due. In the event of such defaults, the Client may suffer a partial or total loss of capital invested in such borrowers, which would, in turn, have an adverse effect on the Client's returns. Moreover, the dislocation in the European markets could also affect the credit markets in the U.S. Such marketplace events also may restrict the ability of the Client to sell or liquidate investments at favorable times or for favorable prices. There can be no assurance as to the duration of the current market dislocation.

Environmental Hazards

In the event that the Client owns or becomes the owner of real estate, through purchase, foreclosure, or otherwise, the Client may be exposed to risk of loss from environmental claims arising with respect to such real estate. Under environmental laws enacted by Federal and state governments, owners of property may be liable for the cleanup and removal of hazardous substances even where the owner was not responsible for placing the hazardous substances on the property or where the property was contaminated prior to the time the owner took title. The kinds of hazardous substances for which liability may be incurred include, inter alia, chemicals and other materials commonly used by small businesses and manufacturing operations. The costs of removal and clean-up of hazardous substances and wastes can be extremely expensive and, in some cases, can exceed the value of a property. If any property acquired by the Client subsequently were found to have an environmental problem, such acquiring entity could incur substantial costs and suffer a complete loss of its investment in such property as well as of other assets. The presence of such substances, or the failure to properly remediate contamination from such substances, may adversely affect the owner's ability to sell the real estate or to borrow funds using such property as collateral, which could have an adverse effect on the Client's return from such investment. Similarly, real estate is subject to loss due to so-called "Special Hazards" (e.g., floods, earthquakes and hurricanes). It may be impractical or impossible to fully insure against such events and, should such an event occur, the Client could incur substantial costs and suffer a complete loss of its investment in such property. If the Client ever becomes subject to significant environmental liabilities, the Client's business, financial condition, liquidity and results of operations could be materially and adversely affected. Finally, changes in environmental laws or in the environmental condition of an asset may create liabilities that did not exist at the time of acquisition and that could not have been foreseen.

Item 9: Disciplinary Information

Not applicable.

Item 10: Other Financial Industry Activities and Affiliations

The Registrant is an affiliate of Cowen and Company, LLC ("Cowen and Company"), a registered broker-dealer and a publicly traded company. While certain personnel of the Registrant maintain registrations with Cowen and Company, none of these individuals function as a registered representative of Cowen and Company or are involved in the business and operations of Cowen and Company. The businesses of the Registrant and Cowen and Company are operated separately and the Registrant will not direct any business to Cowen and Company. Accordingly, we do not believe that this relationship creates any material conflicts of interest for the Registrant.

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

The Registrant has adopted a Code of Ethics that is applicable to all of its access persons and virtually all of its employees. The Code reflects the Registrant's belief in the absolute necessity to conduct all business, make all decisions and carry on all personal activities at the highest ethical and professional levels. Registrant's Executive Committee heartily endorses the ethical imperative implicit in the Code, and relies on its employees' personal behavior to embrace those same standards. All persons that are covered by the Code must avoid activities, interests and relationships that may interfere or appear to interfere with making decisions in the best interests of the Client. More specifically, the Code will seek to place the interests of the Client over the interests of any employee; impose standards of business conduct for all Registrant's employees; require employees to comply with the federal securities laws; regulate employee personal securities transactions, including requiring all covered persons to obtain pre-approval before investing in hedge fund or private placement investments; and require reporting and review of personal securities transactions. Registrant will provide a copy of the Code of Ethics to the Client upon request.

Item 12: Brokerage Practices

Due to the nature of the Client's investments the Registrant does not employ any broker-dealers.

Item 13: Review of Accounts

In accordance with the terms of Client A's LPA, the Registrant provides to investors in Client A the following:

- (i) Not later than forty-five (45) days after the end of each fiscal quarter, a report setting forth as of the end of such fiscal quarter a balance sheet, statement of income and partner's capital account summary, with details of each portfolio investment and a good faith estimate of fair value as of the last day of the fiscal quarter of Client A's assets.
- (ii) Not later than ninety (90) days after the end of each fiscal year audited financial statements for Client A prepared on a generally accepted accounting

principles ("GAAP") basis including a schedule of portfolio investments, Schedule K-1s, and an annual update on portfolio investments.

In accordance with the terms of Client B's LPA, the Registrant provides to investors in Client B the following:

- (iii) General Partner B shall send to each Limited Partner within ninety (90) days after the end of each of the three (3) quarters of each fiscal year, an unaudited balance sheet and an unaudited statement of operations as at such quarter end, including a quarterly report of Client B's business and activities, including a summary of acquisitions and dispositions of investments during the quarter.
- (iv) General Partner B shall prepare and send, within one hundred twenty (120) days after the end of each fiscal year to each Limited Partner audited financial statements prepared on a generally accepted accounting principles ("GAAP") basis including a schedule of distributions made to such Limited Partner for the fiscal year, along with a Partners' Capital Account balance and Schedule K-1.

Item 14: Client Referrals and Other Compensation

Not applicable.

Item 15: Custody

Where applicable, the Registrant maintains custody of Client's securities with a qualified custodian. The Client's financial statements will be audited annually by an independent public accountant that is registered with, and subject to regular inspection as of the commencement of the professional engagement period, and as of each calendar year-end, by, the Public Company Accounting Oversight Board in accordance with its rules. The Client will distribute its audited financial statements prepared in accordance with GAAP to all investors within 120 days of the end of its fiscal year.

Item 16: Investment Discretion

The Registrant's investment discretion and advice with respect to Client A's Account are established pursuant to, and are subject to the investment objectives and guidelines set forth in the Client A's LPA.

The Registrant's investment discretion and advice with respect to Client B's Account are established pursuant to, and are subject to the investment objectives and guidelines set forth in the Client B's LPA.

Item 17: Voting Client Securities

Not applicable. The Registrant does not exercise any proxy voting authority over the Client's securities as those securities do not carry voting rights.

Item 18: Financial Information

Not applicable.