

EMSO PARTNERS LIMITED EMSO PARTNERS US LLC

**FORM ADV PART 2A – DISCLOSURE BROCHURE
March 31, 2014**

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This brochure provides information about the qualifications and business practices of EMSO Partners Limited and EMSO Partners US LLC. If you have any questions about the contents of this brochure, please contact us at +44-20-7150-3700. 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 EMSO Partners Limited and EMSO Partners US LLC will also be available on the SEC's website at www.adviserinfo.sec.gov. EMSO Partners Limited and EMSO Partners US LLC are SEC-registered investment advisers. Being a registered investment adviser does not imply a certain level of skill or training.

Item 2 Material Changes

This Item 2 includes only material changes since the last annual update of this Brochure.

- The address and contact information for both EPL and EMSO US has been updated to reflect office moves.
- In August 2013, Citigroup divested its control ownership interest in EMSO and is expected to completely redeem its investment in one of the Private Funds by July 2014.
- As a result of EMSO's divestiture from Citigroup, EMSO US was created and acts as a sub adviser to the Funds.
- Disclosure was added regarding the commencement of a sub advisory relationship to a private fund.
- There have been no material changes to EMSO's fee structure, business practices and/or disciplinary history since EMSO's last annual updating amendment. However, since the last annual update of the Brochure, EMSO has made various clarifying amendments to the Brochure designed to remove references to Citigroup and to provide more in-depth disclosure relating to several different areas. As such, we recommend you review the Brochure in its entirety.

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Item 4 Advisory Business

EMSO Partners US LLC (“**EMSO US**”) is a wholly-owned subsidiary of EMSO Partners Limited (“**EPL**”). EPL is a wholly owned subsidiary of White Park Limited, a Cayman company (“**White Park**”), whose owners are employees of EPL and EMSO US. The principal owner of White Park is Mark Franklin. Both EMSO US and EPL (taken together, “**EMSO**”) provide discretionary advisory services to four private investment funds (the “**Customized Fund**”, “**Single Investor Fund**”, and two “**Private Funds**”, collectively referred to herein as “**Funds**”), and EPL acts as a sub advisor to a fund (“**Sub Advised Fund**”, together with the Funds, EMSO’s “**Advisory Clients**”). EPL is the primary adviser to the Funds and EMSO US is the sub-advisor to the Funds. EPL is also authorized and regulated by the Financial Conduct Authority in the United Kingdom.

EPL’s wholly-owned subsidiary, EMSO Partners HK Limited, was previously the sub-manager (“**Sub-Manager**”) for the investments in Asia of the Funds. EMSO Partners HK Limited has ceased trading and has received its revocation of license from the Securities and Futures Commission of Hong Kong. It is expected to be completely unwound by the end of the second quarter of 2014.

It should also be noted that EMSO was formerly a wholly-owned indirect subsidiary of Citigroup Inc. (“**Citigroup**”), a publicly held company. Citigroup divested its control ownership interest in EMSO as of August 9, 2013 by selling all of the shares of EPL to White Park Limited and is expected to completely redeem its investment in one of the Funds by July 2014.

EMSO US has assumed responsibility for the “management and control”, as defined in the Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), of assets of one of the Funds managed by EPL.

Services Provided:

EMSO provides investment management and advisory services in the area of emerging market investing to four private investment funds and one Sub Advised Fund. As it relates to the Funds, this is done through two master feeder structures as well as a Customized Fund and a Single-Investor Fund (as such terms are defined herein). EMSO’s investment objective is to generate capital growth through exposure (both long and short) primarily to debt and equity securities of sovereign obligors and corporate obligors (who shall generally have a sovereign or quasi-sovereign connection), principally in emerging markets. Central and Eastern Europe, Central and South America, Asia ex-Japan, the Middle East and Africa are generally considered emerging markets, and the unsecured debt of obligors in these markets has traditionally been either unrated or rated non-investment grade by an internationally recognised credit rating agency. Investments primarily focus on directional and relative value opportunities in emerging market local and external debt (sovereign and quasi-sovereign), foreign currency exchange rates, interest rates, and, to a minor extent, individual equities and equity indices. Derivatives on any of these categories can also be used. EMSO sources portfolio-level tail hedges (in emerging and developed markets) to mitigate losses resulting from systemic market crises.

Master Feeder Structures (“Private Funds”)

- 1) EM Special Opportunities Ltd., EMSO Ltd., EMSO II Ltd, and EMSO US Ltd, all of which invest substantially all of their assets into Emerging Markets Special Opportunities Ltd. (“**EMSO Master Fund**”).
- 2) EMSO Saguaro Ltd., which invests substantially all of its assets into EMSO Saguaro Fund Ltd. (“**Saguaro Master Fund**”).

Customized Fund

EMSO has established a customized pooled investment vehicle (the “Customized Fund”) exclusively for investment by accounts and collective investment vehicles managed by an unaffiliated investment advisor. The Customized Fund may utilize different trading and/or investment strategies than the other Funds and may be subject to different terms and arrangements (including fees, liquidity rights, transparency rights, termination rights and brokerage) than the other Funds. It should be noted that any such future customized fund relationships may be subject to minimum investment size and other possible special requirements.

Single Investor Fund:

EMSO has established a single-investor fund (the “Single-Investor Fund”), which may utilize different trading and/or investment strategies than the other Funds and which may be subject to different terms and arrangements (including fees, liquidity rights, transparency rights, termination rights and brokerage) than the other Funds described above. It should be noted that any such future single-investor fund relationships may be subject to minimum investment size and other possible special requirements.

Particular Investment Restrictions

Individual investors in the Private Funds are not consulted in the design or implementation of Funds’ investment programs. Each Private Fund’s account documentation will describe that Fund’s investment program.

With respect to the Customized Fund and the Single Investor Fund, each Fund’s account documentation will specify the particular investment program and any related investment restrictions.

In the case of the Sub Advised Fund, EMSO has: (i) tailored the investment objectives to the specific objectives/restrictions of such account; and (ii) individually negotiated the terms and fees for such account, which are different from the terms and fees of the Funds. EMSO negotiates such arrangements on a case-by-case basis.

Definitions

As used in this brochure, the term “**Alternative Investments**” refers to the Funds. Capitalized terms not defined in this brochure have the meanings ascribed to such terms in the offering materials for each Fund.

Assets Under Management (AUM)

As of December 31, 2013, EPL manages approximately USD \$2,461,739,651 of regulatory assets on a discretionary basis and EMSO US manages \$2,055,576,181 of regulatory assets on a discretionary basis. EMSO does not currently manage any assets on a non-discretionary basis.

Item 5 Fees and Compensation

EMSO’s fee schedule will be available upon request.

Fees Charged: Fund Products

Each Fund pays EMSO a management fee, and in certain cases an incentive fee or incentive allocation (if earned). The amounts of fees to be paid are set forth in the offering materials for that Fund.

Method of Payment of Fees

The Funds pay any management and incentive fees at such times and in such manner specified in their respective documentation. Such fees are deducted from the Fund and reflected in an investor’s net asset value per share.

Additional Fees and Expenses

As described in more detail in their respective offering documentation, each Fund bears its organizational and initial offering expenses and its operating and other expenses, which may include, but not be limited to, direct investment-related expenses (e.g., custodial fees, interest expense, consulting and other professional fees relating to particular investments), reporting and legal expenses, certain regulatory filings, accounting, audit and tax preparation expenses, ongoing expenses relating to the offering and sale of the Fund’s interests, remuneration to directors, insurance, administrator fees, liability insurance premiums, any extraordinary expenses and other similar expenses related to the fund.

Fee arrangements with the Sub Advised Fund are individually negotiated.

Compensation of EMSO Personnel

EMSO’s personnel or supervised persons do not receive commissions tied directly to the sale of any particular securities or other investment products advised by EMSO in the form of asset-based sales or services fees.

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

EMSO is entitled to receive performance-based fees from its Advisory Clients. The performance-based fees may create an incentive for EMSO to cause the relevant Advisory Client to make investments that are riskier or more speculative than would be the case if EMSO did not receive a performance-based fee, or to direct investments in favor of an Advisory Client receiving a performance-based fee. Please refer to Item 11 “Code of Ethics Participation in Client Transactions and Personal Trading” and Item 12 “Brokerage Practices” for a discussion of conflict management procedures, incentive compensation arrangements, managerial review and oversight and allocation policies applicable to EMSO, all of which are intended to mitigate conflicts.

Item 7 Types of Clients

EMSO currently provides investment advice to four private Funds and one Sub Advised Fund. However, the ultimate investors in Funds advised by EMSO typically are institutional investors, high net worth individuals, registered funds, funds of funds, pension plans, state and municipal and government entities.

Ultimate investors in each Fund are required to make a minimum initial subscription generally ranging between \$250,000 and \$15,000,000 depending on the Fund and type of investor and share class being subscribed. The minimum subscriptions for a specific Fund are set forth in the offering materials for that vehicle.

The Sub Advised Fund relationship is individually negotiated and is subject to a significant account minimum.

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

EMSO advises Alternative Investments generally on the following strategies, the specifics and variations of which are set forth in the offering documents for each Fund :

Investment Strategy and Method of Analysis:

The investment strategy generally is to pursue value-oriented investments and transactions in debt and equity securities, loans, claims and currencies, and derivatives related thereto, of sovereign and corporate obligors principally in emerging markets that primarily are rated non-investment grade by an international credit rating agency or are unrated. The emphasis is on securities that are undervalued either due to insufficient research coverage of the obligor or due

to the complexity of their structure. EMSO continuously monitors special situations, such as debt restructurings, as well as mispricings due to forced liquidations of substantial holdings.

Investments or transactions may include any long or short debt, equity, loan, claim or currency investment whether represented by a bond, note, share, stock, claim or other instrument or document evidencing indebtedness, derivatives related to such investments or positions, including but not limited to listed and over-the-counter options, swaps, futures and options on futures, forward contracts, repurchase and reverse repurchase agreements and securities borrowing and lending arrangements. EMSO's emphasis is principally on emerging market investments that it believes are undervalued.

EMSO:

- (a) evaluates investments that it considers to be out of favour with other investors due either to insufficient research analyst coverage of the obligor or due to the complexity of their structure, their unusual nature or for other reasons;
- (b) monitors special situations, such as debt restructurings, as well as perceived mispricings due to forced liquidations of substantial holdings; and
- (c) continuously assesses the risks relating to investments and the opportunities to mitigate those risks.

In addition, EMSO endeavours to reduce risk and enhance returns by opportunistically hedging the credit, interest rate, currency, commodity and other risks related to investing principally in emerging markets. The hedging strategies utilised by EMSO may therefore employ instruments that relate to developed markets as well as emerging markets.

Except as described below, with respect to the Funds, there are no restrictions on:

- (a) the types or categories of investments in which transactions may be carried out;
- (b) the types or categories of transactions that may be carried out to hedge investments; or
- (c) the markets on which such transactions may be carried out.

Investments and transactions may include any contract to buy or sell (including sell short) debt, equity, or currency investments whether represented by a bond, note, share, loan, claim or other instrument or document evidencing indebtedness, derivatives related to such investments (including but not limited to listed and over-the-counter options, swaps, futures and options on futures), forward contracts, repurchase and reverse repurchase agreements and securities borrowing and lending arrangements.

It should also be noted that one of the Funds may be precluded from investing in certain companies and/or countries based on investment restrictions as detailed in the Fund's offering documentation.

Strategy Risks:

Alternative Investments advised by EMSO may be subject to the following risks, among others.

Borrowing. The Alternative Investments may use borrowings for the purpose of making investments. The use of borrowing creates special risks and may significantly increase the Alternative Investment's investment risk. Borrowing creates an opportunity for greater yield and total return but, at the same time, will increase the Alternative Investment's exposure to capital risk and interest costs. Any investment income and gains earned on investments of the Alternative Investment made through the use of borrowings that are in excess of the interest costs associated therewith may cause the Net Asset Value to increase more rapidly than would have been the case in the absence of borrowing. Conversely, where the associated interest costs are greater than such income and gains, the Net Asset Value may decrease more rapidly than would have been the case in the absence of borrowing.

Business Risk. There can be no assurance that the Alternative Investments will achieve their investment objectives and investment results may vary over time.

Concentration of Investments. The Alternative Investments may at certain times hold relatively few investments and/or substantial amounts of cash or cash equivalents. The Alternative Investments could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including by reason of a default of the issuer.

Counterparty Risk. The Alternative Investments are subject to the risk of the inability of any counterparty (including a Prime Broker) to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes.

Currency Exposure. Shares in the Alternative Investments are generally denominated in US Dollars. Certain of the assets of the Alternative Investment may, however, be invested in securities and other investments which are denominated in currencies other than the US Dollar. Accordingly, the value of such assets measured in US Dollars may be affected favourably or unfavourably by fluctuations in currency rates. EMSO may seek to hedge the resulting foreign currency exposure of the Alternative Investment but this may not always be possible or desirable. In addition, prospective investors whose assets and liabilities are denominated predominately in currencies other than the US Dollar should take into account the potential risk of loss arising from fluctuations in value between the US Dollar and such other currencies.

Dealing Restrictions. Securities may be held by, or be an appropriate investment for, the Alternative Investments as well as by or for other clients of EMSO. There may be circumstance when purchases or sales of securities for one or more of such clients have an adverse effect on

other clients (including the Alternative Investment) and certain transactions may not be able to be effected at the optimum price, date, time or amount.

Debt Securities. The Alternative Investments may invest in debt securities which are denominated in US Dollars or other currencies and which may be unrated or below investment grade. Such debt securities are subject to greater risk of loss of principal and interest than retail or higher-rated debt securities. The Alternative Investments may invest in debt securities which rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer's assets. The Alternative Investments may invest in debt securities which are not protected by financial covenants or limitations on additional indebtedness. The Alternative Investment will therefore be subject to credit, liquidity and interest rate risks. In addition, evaluating credit risk for debt securities of issuers in some jurisdictions involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult.

Derivatives. The Alternative Investment may from time to time utilise both exchange-traded and over-the-counter futures, options and contracts for differences as part of its investment policy. These instruments are highly volatile and expose investors to a high risk of loss. The low initial margin deposit normally required to establish a position in such instruments permits a high degree of leverage. As a result, depending on the type of instrument, a relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in unquantifiable further loss exceeding any margin deposited. Transactions in over-the-counter contracts may involve additional risk as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. The Alternative Investments may also sell covered and uncovered options on securities. To the extent that such options are uncovered, the Alternative Investment could incur an unlimited loss.

Emerging Markets. Investments of the Alternative Investments in equities or securities of sovereign issuers or companies incorporated in or whose principal operations are in emerging markets, may encounter additional risks. These include:

Emerging Markets Generally

The Alternative Investments invest in emerging markets worldwide. Investment in emerging market securities involves a greater degree of risk than an investment in securities of issuers based in developed countries. Among other things, emerging market securities investments may be subject to the following risks: less publicly available information; more volatile markets; less liquidity or available credit; political or economic instability; less strict securities market regulation; less favourable tax or legal provisions; price controls and other restrictive governmental actions; a greater likelihood of severe inflation; unstable currency; and war and expropriation of personal property.

Emerging markets generally are smaller in size, less liquid, more volatile and not as efficient as those in developed countries. In some cases, a market for the security may not exist locally and transactions will need to be made on a neighbouring exchange. Volume and liquidity levels in emerging markets are lower than in developed countries. When seeking to sell emerging market

securities, little or no market may exist for the securities. In addition, issuers based in emerging markets are not generally subject to uniform accounting and financial reporting standards, practices and requirements comparable to those applicable to issuers based in developed countries, thereby potentially increasing the risk of fraud or other deceptive practices. The quality and reliability of official data published by the government or securities exchanges in emerging markets may not accurately reflect the actual circumstances being reported. The issuers of some securities, such as banks and other financial institutions, may be subject to less stringent regulations than would be the case for issuers in developed countries and, therefore, potentially carry greater risk. Emerging market countries may also impose taxes on the Alternative Investment or its investors (including brokerage taxes, withholding and other taxes), and tax laws, rules and regulations of emerging market countries are subject to change, which may adversely impact the Alternative Investment's investors and the investments of the Alternative Investment. Similarly, the laws of various emerging market countries governing business organisations, bankruptcy and insolvency may make legal action difficult and provide little, if any, legal protection for investors.

Due to the foregoing risks and complications, the costs associated with investments in emerging markets securities generally is higher than for securities of issuers based in developed countries. Furthermore, the economies of individual emerging market countries may differ with respect to the growth of gross domestic product or gross national product, rate of inflation, capital reinvestment, resource self-sufficiency and balance of payments position. Also, the inter-relatedness of the economies in emerging market countries has deepened over the years, with the effect that economic difficulties in one country often spread throughout the region. A continuation of this trend could adversely affect global economic conditions and world markets and, in turn, could adversely affect the Master Company's performance.

General Political, Economic and Market Conditions

The success of the Alternative Investment's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Alternative Investment's investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of securities prices and the liquidity of the Alternative Investment's investments. Volatility or illiquidity could impair the Alternative Investment's profitability or result in losses. The Alternative Investment may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets; the larger the positions, the greater the potential for loss.

Political and economic structures in countries with emerging economies or stock markets may lack social, political and economic stability and may undergo rapid and significant evolution and development. Many emerging market countries are subject to significantly greater degrees of political and social instability than developed countries. Accordingly, expropriation, confiscatory taxation, nationalization, political, economic or social instability or other developments could adversely affect the assets and investments of the Alternative Investment.

Governments of many emerging market countries have exercised and continue to exercise substantial influence over many aspects of the private sector. In some cases, the government owns or controls many companies, including some of the largest in such countries. Accordingly, government actions in the future could have a significant effect on economic conditions in particular emerging market countries, which could affect private sector companies and the Alternative Investment, as well as market conditions and the prices and yields of the Alternative Investment's investments. Certain emerging market countries have in the past failed to recognize private property rights and have at times nationalized or expropriated the assets of private companies. As a result, the risks from investing in such countries, including the risks of nationalization or expropriation of assets, may be heightened.

Some emerging market countries have experienced significant increases in the number and size of financially distressed companies caused by, among other factors, excessive capital investments, high levels of indebtedness and foreign currency exposure, weakening export prices, the practice of cross guarantees by companies within the same conglomerate and the increased willingness of certain countries to allow troubled companies and conglomerates to fail. As a result of corporate failures and high levels of short-term foreign currency borrowings from foreign financial institutions, financial institutions in certain emerging market countries have experienced a general increase in non-performing loans and a deterioration in their capital adequacy ratios. In addition, as a result of such economic difficulty, some of these countries have experienced incidents of political, labour and ethnic disturbances, which may in turn add to economic turmoil and adversely affect the investments of the Alternative Investments.

Investment and Repatriation Restrictions

Investment in emerging market countries may be restricted or controlled to varying degrees. These restrictions or controls may at times limit or preclude investment and may increase the risk and/or expenses associated with the investments of the Alternative Investment. For example, certain emerging market countries may: (i) require governmental approval prior to investment in companies or industries deemed important to national interests; (ii) limit the amount of investment by persons who are not citizens; (iii) limit investments by persons who are not citizens to only a specific class of securities of a company that may have less advantageous terms than the classes available for purchase by citizens of the country; or (iv) impose additional taxes on investors who are not citizens, including expropriation and/or confiscatory taxes. In addition, the repatriation of both investment income and capital from certain countries may be subject to restrictions such as government consent or a waiting period. Finally, certain countries may impose withholding taxes, import duties, and other protectionist measures, which could adversely affect the returns associated with certain investments of the Alternative Investment. Although these restrictions may make investment in the emerging market countries to which they apply undesirable in the future, the Alternative Investment nevertheless may proceed with investments in countries that have existing or potential investment and repatriation restrictions.

Illiquidity

The securities markets of many emerging market countries are substantially smaller and less liquid than the major securities markets in the United States and Europe. A high proportion of

shares of many emerging market countries markets may be held by a limited number of persons. A limited number of issuers in most emerging markets may represent a disproportionately large percentage of market capitalization and trading value. In addition, in some cases the Alternative Investment may be prohibited by contract or regulatory reasons from selling certain securities for a period of time. The limited liquidity of securities markets in the countries in which the Alternative Investment may invest may affect the Alternative Investment's ability to acquire or dispose of securities at the price and time it wishes to do so. In addition, settlement systems in certain emerging market countries may be less developed than in more established markets and could impede the Alternative Investment's ability to effect transactions in these countries. There can be no assurances that the Alternative Investment will be able to dispose of its investments at the price and at the time it wishes to do so.

Inflation

Emerging markets could experience very high variable rates of inflation. If rapid changes in inflation were to occur, they could have an adverse effect on the performance of the Alternative Investment. In an attempt to stabilize inflation, certain emerging market countries have imposed wage and price controls at times. Past governmental efforts to curb inflation in some countries have also involved more drastic economic measures that have had a materially adverse effect on the level of economic activity in the countries where such measures were employed.

Currency Risk

The currencies in which investments are denominated may be unstable, may be subject to significant depreciation and may not be freely convertible into other currencies. In some countries, major devaluations have occurred and could occur in the future. The Alternative Investments may invest in emerging market countries that have managed currencies which are not freely floating against the US Dollar. This practice may result in long periods of steady real exchange rate appreciation or depreciation that may result in abrupt and sizeable currency adjustments. In addition, there is a risk that certain emerging market countries may restrict the free conversion of their currencies into other currencies. Further, certain currencies may not be internationally traded. Certain of these currencies have experienced a steady depreciation relative to the US Dollar. Any devaluations in the currencies of emerging market countries in which the Alternative Investment's portfolio securities are denominated may have a detrimental impact on the value of the Alternative Investment's portfolio. However, the Alternative Investment may invest, in certain instances, in securities denominated in such currencies nonetheless. While the Alternative Investment may attempt to protect capital from currency fluctuations through the use of options and future contracts there is no guarantee that it will be able to find adequate instruments for this purpose, or that it will be successful in using them even if available. There is no guarantee that the Alternative Investment will be able to predict currency movements and, as a consequence, currency fluctuations may result in substantial losses of the Alternative Investment's capital.

Disclosure and Reporting Standards

The accounting, auditing, disclosure and regulatory standards applicable to emerging markets may be less complete, less stringent, less stringently enforced and less reliable than is customarily available in more developed countries. There may also be less publicly available information for investors about companies and securities in emerging market countries.

Local Intermediary Risk

The Alternative Investment may effect transactions through local brokers, banks or other organisations in the emerging market countries in which it invests. Use of local intermediaries may subject the Alternative Investment to the risk of default, insolvency or fraud by such organisations. In addition, the Alternative Investment, as a foreign investor, may become a target for illegal activities. Such threats may cause the Alternative Investment to cease or alter certain activities or liquidate certain investments, which may have a material adverse effect on the Alternative Investment.

Custodians are not able to offer the level of service and safe-keeping, settlement and administration of securities that is customary in more developed markets and there is a risk that the Alternative Investment will not be recognised as the owner of securities held on its behalf by a sub custodian.

Legal Risk

Many of the laws that govern private and foreign investment, securities transactions, intellectual property rights, creditors' rights and other contractual relationships in emerging markets are new and largely untested. As a result, the Alternative Investment may be subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear, inconsistent and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of standard practices and confidentiality customs characteristic of developed markets, a high degree of discretion on the part of governmental authorities and lack of enforcement of existing regulations. The Alternative Investment may also be subject to an understaffed, underfunded judiciary whose immunity from economic, political and nationalistic influences remains uncertain. Judges and courts may be inexperienced in business and corporate law and enforcement of court judgments can be selective and practically very difficult. Furthermore, it may be difficult to obtain and enforce a judgment in regional courts and a judgment obtained in court from an arbitral panel may not be given direct effect by regional courts. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on the Alternative Investment and its operations.

Difficulty of Bringing Suit

The ability of the Alternative Investment to bring suit against an entity in which the Alternative Investment invests or such entity's directors, executive officers or shareholders may be limited. Such entities will likely be organised under the laws of countries other than the United States,

their directors and officers are likely to reside outside of the United States, and substantially all of their assets may be located outside of the United States. As a result, it is likely that the Alternative Investment will be unable to effect service of process within the United States upon such entities or their directors and officers. Even where an entity is successfully sued in the United States, enforcement of the judgment in certain jurisdictions is impossible and in other jurisdictions may be difficult.

Taxation of the Alternative Investment or its Investors

Under the tax laws of certain emerging market countries, the Alternative Investment or its investors may be subject to taxation on a net income basis on the profits of the Alternative Investment if the Alternative Investment is considered to be engaged in a trade or business in an emerging market country, or to have a “permanent establishment” within that country. Depending on the tax laws of the emerging market countries, the Alternative Investment may be considered to be engaged in a trade or business, or to have a “permanent establishment,” in such country if it conducts business through a branch or an agent located in that country. Depending on the activities of EMSO in an emerging market country, it is possible that such activities may cause the Alternative Investment to be considered to be conducting business through a branch or an agent in such jurisdiction. Furthermore, in certain emerging market countries, the Alternative Investment may be considered to be engaged in a trade or business, or to have a “permanent establishment,” if the Alternative Investment holds interests in a partnership that itself is engaged in a trade or business, or has a “permanent establishment,” in that nation. EMSO anticipates that it will normally attempt to structure the Alternative Investment’s investments in a way that is not likely to subject the Alternative Investment or its investors (not otherwise resident, engaged in a trade or business, or having a “permanent establishment” in the relevant country) to taxation on a net income basis in any emerging market country, consistent with the Alternative Investment’s overall business objectives.

Even assuming that the Alternative Investment is not treated as being engaged in a trade or business or as having a “permanent establishment” in an emerging market country, dividends in cash or in kind on shares of portfolio companies resident in such nation, and interest on debt securities of such portfolio companies, may be subject to income tax, withholding tax or other taxes under the tax laws of that nation. Also, under the tax laws of an emerging market country, gains realized by the Alternative Investment on the sale or other disposition of shares or debt securities of portfolio companies resident in such country may be subject to taxation. Transfers or acquisitions of shares or debt securities of portfolio companies may also give rise to stock exchange taxes, stamp taxes, transfer taxes, gross proceeds taxes, remittance taxes or other transaction taxes. Fees for professional services rendered to the Alternative Investment may be subject to value added tax or sales tax.

Similarly, if the Alternative Investment holds interests in a portfolio company that is characterized as a “partnership” for U.S. federal income tax purposes, the income, gains, losses, deductions and credits of the Alternative Investment that are allocated among all holders will include the Alternative Investment’s allocable share of the income, gains, losses, deductions and credits of the portfolio company.

Certain investors in the Alternative Investment may be able to credit tax imposed in an investment jurisdiction on the investors or the Alternative Investment against the tax liabilities of the investor in its country of residence. However, the availability of any such credit will depend on the specific circumstances of the investor and the tax laws of its country of residence, and it is likely that certain categories of investors, including tax exempt entities, will not be entitled to any such tax credit.

For investors that are not entitled to any such credit, the return to the investors (including its preferred return) will be reduced by its allocable share of taxes imposed on the Alternative Investment or such investor.

Unspecified Use of Proceeds

Investors will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding the investments to be made and, accordingly, will be dependent upon the judgment and ability of EMSO in investing and managing the capital of the Alternative Investment. No assurance can be given that EMSO will be successful in obtaining suitable investments, or that if such investments are made, the objectives of EMSO will be achieved.

Illiquidity of Investments

Investments held by the Alternative Investment may be illiquid and an inability to realise investments may expose the Alternative Investment to additional losses.

Investment Management Risk

The investment performance of Alternative Investments is substantially dependent on the services of certain key employees of EMSO, who are responsible for managing the investment of the assets of the Alternative Investment. In the event of the death, incapacity, departure, insolvency or withdrawal of any of these individuals, the performance of the Alternative Investments may be adversely affected.

Liquidity and Market Characteristics. In some circumstances, investments of an Alternative Investment may be relatively illiquid making it difficult to acquire or dispose of them at the prices quoted on the various exchanges. Accordingly, each Alternative Investment's ability to respond to market movements may be impaired and the Alternative Investment may experience adverse price movements upon liquidation of its investments. Settlement of transactions may be subject to delay and administrative uncertainties.

Net Asset Value Considerations. The net asset value ("NAV") of an Alternative Investment is expected to fluctuate over time with the performance of its investments. An investor may not fully recover his initial investment when he chooses to redeem his shares or upon compulsory redemption if the NAV at the time of such redemption is less than the price paid by such investor.

Prime Brokers. Each Alternative Investment is one of a prime brokers' unsecured creditors in relation to assets of the Alternative Investment which that prime broker borrows, lends or otherwise uses and, in the event of the insolvency of the relevant prime broker, the Alternative Investment might not be able to recover equivalent assets in full.

Performance Fees. In addition to receiving a management fee, EMSO may also receive performance fees based on the appreciation in the NAV and accordingly the performance fees may be payable with regard to unrealized appreciation, as well as realized gains. Therefore, the performance fees may be paid on unrealized gains which may subsequently never be realized. The performance fees may create an incentive for EMSO to make investments for each Alternative Investment which are riskier than would be the case in the absence of a fee reflecting the performance of the Alternative Investment.

Regulatory Risks of Hedge Funds. The regulatory environment for hedge funds is evolving and changes therein may adversely affect the ability of each Alternative Investment to obtain the leverage it might otherwise obtain or to pursue its investment strategies and methodologies, including, without limitation, the use of derivatives and short sales. In addition, the regulatory or tax environment for derivative and related instruments is evolving and may be subject to modification by government or judicial action which may adversely affect the value of the investments held by the Alternative Investment. In addition to the Bank Regulatory Reform Act, regulatory authorities in Europe have also launched several initiatives to increase the oversight and regulation of hedge funds which could increase the Alternative Investment's exposure to potential liabilities and to legal, compliance and other related costs. Increased regulatory oversight can also impose administrative burdens on EMSO, including, without limitation, responding to investigations and implementing new policies and procedures. Such burdens may divert EMSO's time, attention and resources from portfolio management activities. It is

impossible to predict what, if any, changes in regulation applicable to the Alternative Investment and the markets in which it trades and invests or the counterparties with which it does business may be instituted in the future. The effect of any future regulatory or tax change on the Alternative Investment is impossible to predict, but could have a material adverse impact on the profit potential of the Alternative Investment, as well as require increased transparency as to the identity of the investors.

Risk Models. EMSO employs risk models to monitor the market risk of each Alternative Investment. These models (or the assumptions underlying them) may prove to be incorrect. The use of these models cannot guarantee that the Alternative Investment will not suffer from adverse market movements.

Short Selling. Short selling by an Alternative Investment involves trading on margin and accordingly can involve greater risk than investments based on a long position. A short sale of a security involves the risk of a theoretically unlimited increase in the market price of the security, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no guarantee that securities necessary to cover a short position will be available for purchase.

Tax Considerations. Where an Alternative Investment invests in securities that are not subject to withholding tax at the time of acquisition, there can be no assurance that tax may not be withheld in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The Alternative Investment will not be able to recover such withheld tax and so any such change may have an adverse effect on the Net Asset Value.

Transaction Costs. An Alternative Investment's investment approach may involve a high level of trading and turnover of the Alternative Investment's investments which may generate substantial transaction costs which will be borne by the Alternative Investment.

Undervalued Securities. One of the objectives of an Alternative Investment is to invest in undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task, and there can be no assurance that such opportunities will be successfully recognised. While investments in undervalued securities offer opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the Alternative Investment's investments may not adequately compensate for the business and financial risks assumed.

An Alternative Investment may make certain speculative investments in securities which EMSO believes to be undervalued; however, there can be no assurance that the securities purchased will in fact be undervalued or that they will increase in value. In addition, the Alternative Investment may be required to hold such securities for a substantial period of time before realising their anticipated value. During this period, a portion of the Alternative Investment's capital would be committed to the securities purchased, thus possibly preventing the Alternative Investment from investing in other opportunities. In addition, the Alternative Investment may finance such purchases with borrowed funds and, in that case, would have to pay interest on such funds during such waiting period.

Other Fees and Expenses. In order to identify, locate and develop undervalued assets in emerging markets, an Alternative Investment or EMSO on behalf of the Alternative Investment may enter into contractual arrangements with local experts and professionals. These arrangements may generate substantial costs to be borne by the Alternative Investment or EMSO.

United Kingdom Tax Exposures.

Residence

EPL intends to conduct the affairs of each Alternative Investment so that it does not become a resident in the United Kingdom for United Kingdom tax purposes. If an Alternative Investment were to become so resident, it would be subject to taxation in the United Kingdom on worldwide income and capital gains.

Permanent Establishment in the United Kingdom

If EPL (or any successor acting out of the United Kingdom) is treated as a permanent establishment of an Alternative Investment in the United Kingdom, HMRC may seek to subject the profits of an Alternative Investment, as the case may be, to United Kingdom taxation. EPL intends to conduct its functions in relation to the Alternative Investments so that it is able to rely on the “Investment Manager Exemption” to prevent it being a permanent establishment of either company. While EPL intends to continue to do this, no assurance is given that it will be able to do so at all times.

No Internal Revenue Service Rulings

The Alternative Investments will not seek rulings from the IRS with respect to any of the United States federal income tax considerations discussed in this Memorandum. Thus, positions to be taken by the IRS as to tax consequences could differ from positions taken by the Alternative Investments. Investors should consider carefully the disclosures, including risk factors, discussed in the applicable offering memorandum relating to tax considerations and should consult their own professional advisers as to the tax implications of acquiring, holding and disposing of any investment and as to the applicable provisions of the laws of the jurisdictions in which they are subject to taxation.

Tax Shelter Status

Under the Code and Treasury Regulations, the activities of the Alternative Investments and/or an investor may create one or more “reportable transactions,” requiring the Alternative Investments and each US investor of the Alternative Investments, respectively, to file certain information returns. While the IRS has issued Revenue Procedures exempting certain transactions from disclosure, there can be no assurance that any such exemptions from the reporting requirements

will apply to all Alternative Investment or investor transactions. US investors should consult with their own advisors concerning the application of these reporting obligations to their specific situations.

Other Written Agreements. EMSO and/or the Alternative Investments may enter into other written agreements (“**Side Letters**”) with one or more investors in the Alternative Investments. These Side Letters may entitle an investor to make an investment in an Alternative Investment on terms other than those described in the offering documents for such Alternative Investment. Any such terms may be more favorable than those offered to any other investor. Typically Side Letters are entered into with investors that subscribe substantial amounts for interests in the Alternative Investments. Some Side Letters have so-called ‘most favored nation’ terms that require the investor to meet certain minimum subscription and holding requirements in order to qualify for such terms. Side Letters also typically include provisions dealing with tax treatment, notices, in-kind redemptions, limitation of liability, change of investment strategy, and replacement of the Investment Manager. Still others have provisions that address unique legal and regulatory requirements applicable to the status of the investor such as a sovereign wealth fund or a state-owned entity. It is the policy of the Investment Manager to include in Side Letters only such provisions regarding notifications and reporting that the Investment Manager is willing or able to provide to other investors in the Alternative Investments.

Please also refer to “**General Risks**” below.

General Risks

Alternative Investments entail a high degree of risk. Investors should give careful consideration to the following risk factors and conflicts of interest detailed in this Item 8 and other product-specific information provided by EMSO or the placement agent in evaluating the merits and suitability of any Alternative Investments. The following does not purport to be a comprehensive summary of all the risks and conflicts of interest associated with Alternative Investments.

General Economic Conditions and Recent Events

Over the past few years, various sectors of the global financial markets have experienced an extended period of adverse conditions following serious disruptions in the U.S. residential mortgage market. Market uncertainty in the United States increased dramatically during this time, and adverse market conditions in the United States have expanded to other markets. These conditions have resulted in reduced liquidity, greater volatility, general widening of credit spreads and a lack of price transparency. These difficult global credit market conditions have adversely affected the market values of equity, fixed-income and other securities and these circumstances may continue or even deteriorate further. The short- and longer-term impact of these events is uncertain, but they have had and are likely to continue to have a material effect on general economic conditions, consumer and business confidence and market liquidity worldwide. Investments made by any Alternative Investment may be sensitive to the performance of the overall economy. A negative impact on economic fundamentals and consumer and business confidence would likely increase market volatility and reduce liquidity, both of which could have

a material adverse effect on the performance of investments made by any Alternative Investment, and these or similar events may affect an Alternative Investment's ability to execute its investment strategy.

Government Regulation – Financial Stability Legislation.

The Financial Reform Act includes significant alterations to the regulations applicable to financial institutions and investment advisors, including the Alternative Investments, and EMSO. The Financial Reform Act modifies registration requirements for private investment funds, modifies the standard to qualify as an accredited investor, and modifies a number of restrictions applicable to covered financial companies. The Financial Reform Act requires advisers to private funds to maintain certain records and reports pertaining to the following items, which are subject to SEC inspection: amount of assets under management; use of leverage; counterparty exposure; trading and investment positions; valuation policies and practices; types of assets held; side arrangements or side letters; trading practices and other information deemed necessary by the SEC. Additionally, the Financial Reform Act imposes regulatory changes with respect to covered financial companies relating to the operation, capital maintenance and activities of systemically important nonbank financial companies, and would restrict such entities from engaging in proprietary trading, investing in or sponsoring certain private funds and engaging in transactions with affiliates. The Financial Reform Act includes a number of additional regulatory requirements with respect to entering into derivative and swap transactions, capital and margin requirements for swap transactions and obtaining approvals for swap transactions. Federal, state, and other governments, their regulatory agencies, or self regulatory organizations may enact further legislation and/or rules which impact the management of the Alternative Investment and the instruments in which Alternative Investment invests in ways that are unforeseeable. The U.S. Congress specifically delegated rule making authority necessary to implement certain provisions of the Financial Reform Act to a range of governmental regulators which wield discretionary authority, such as the SEC, the CFTC, the Board of Governors of the Federal Reserve System, and the to-be-established Financial Stability Oversight Council. Such legislation or regulation could limit or preclude the Alternative Investment's ability to achieve its investment objective.

Item 9 Disciplinary Information

Neither EMSO nor any of its personnel are or have been the subjects of regulatory disciplinary action since EMSO commenced advisory services for the Funds and Sub Advised Fund.

Item 10 Other Financial Industry Activities and Affiliations

EMSO serves as the investment adviser to the Funds and a Sub Advised Fund. EMSO, its employees, affiliates or their related persons may also invest directly in any one, some or all of the EMSO Advisory Clients.

CPO Registration

EPL has been registered as a commodity pool operator under the Commodity Exchange Act and has been a member of the National Futures Association since April 11, 2013. In connection with EPL's CFTC registration/NFA membership, certain EPL employees are listed/registered with the NFA as Principals and/or Associated Persons of EPL.

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

Code of Ethics

EMSO has adopted a Code of Ethics that memorializes EMSO's fundamental duties as a fiduciary. The Code of Ethics includes standards of business conduct and incorporates a personal investments policy. Each employee providing services through EMSO receives a copy of the Code of Ethics upon hiring and annually thereafter and must sign an attestation that such employee has read and understood such Code of Ethics.

EMSO's Code of Ethics requires each employee to prioritize the interests of the client, to avoid conflicts of interest, to never abuse such employee's position of trust and responsibility and to comply with all federal securities laws. Employees are required to safeguard material non-public information in such employee's possession and are prohibited from using such information to such employee's personal benefit. Each employee must treat information belonging to clients as confidential and take care to protect such information from unauthorized access by third parties.

To avoid any potential conflict of interest involving personal transactions, EMSO requires each employee providing services through EMSO to notify EMSO's Chief Compliance Officer upon opening a personal account, to pre-clear certain personal transactions (as further defined in EMSO's Code) and to disclose all potential conflicts of interest with regard to such a personal transaction before engaging in the transaction. Employees are also subject to a restricted list and a holding period. In addition, access persons (defined as employees providing services through EMSO with access to non-public information regarding EMSO's purchase or sale of securities and directors, officers and partners) will (i) upon starting employment, provide a complete record of his or her securities holdings to the Compliance Officer and annually thereafter and (ii) provide quarterly reports of personal securities transactions within 30 days following the end of the quarter, unless such information has been provided through other means (i.e brokerage statements). All employees are required to inform the Compliance Officer of any violation of the Code of Ethics that comes to his or her notice.

A copy of EMSO's Code of Ethics will be provided to any client or prospective client upon request.

Trading Practices

Participation and Interest in Client Transactions. EMSO has implemented policies and procedures that address affiliated transactions. EMSO rarely effects a securities transaction between one or more of the Funds. In such case, one Fund would purchase securities held by another Fund. EMSO effects these transactions only (i) when it deems the transaction to be in the best interests of both client accounts, (ii) at a price that EMSO has determined by reference to independent market indicators, which EMSO believes to constitute “best execution” for both accounts, and (iii) upon the written approval of EMSO’s Fiduciary Committee. EMSO will not receive any compensation, directly or indirectly, for arranging such a transaction. To the extent that EMSO engages in principal agency, agency cross transactions or cross trades, such transactions will be consummated in accordance with FCA rules and regulations and in relation to services provided to clients from the United States only in accordance with Section 206(3) of the Advisers Act and, as applicable, Rule 206(3)-2 promulgated thereunder, subject to exemptions from such rules applicable to EPL as a non-U.S. adviser of non-U.S. Alternative Investments. Per FCA rules and regulations, participation and interests in client transactions requires prior approval by the relevant Fiduciary Committee members. Approval is obtained by e-mail and documented at the next Fiduciary Committee meeting.

Aggregation of Transactions. If a portfolio manager operating through EMSO believes that the purchase or sale of a security is in the best interests of more than one client, the portfolio manager may, but is not obligated to, aggregate the securities to be sold or purchased, to the extent permitted by applicable law and regulations. In such event, the transactions, as well as the expenses incurred in such transactions, will be allocated by the portfolio manager consistent with fiduciary duties to ensure that all clients are treated fairly. The portion of an aggregated order to be allocated to each client’s account will be specified contemporaneously with the execution of the trade.

Inside Information

In addition, EMSO has adopted procedures to guard against insider trading. In the event that EMSO obtains material, non-public information about an issuer, it may be prohibited from trading the issuer’s securities until the information becomes public or is no longer material. EMSO’s investment flexibility may be constrained as a consequence of EMSO’s inability to use such information for investment purposes. In connection with the gathering of political intelligence, EMSO also has adopted procedures to guard against violations of the recently enacted Stop Trading on Congressional Knowledge Act (“**STOCK Act**”).

Other Conflicts of Interest

Generally speaking, officers and employees providing services through EMSO will devote such time as they deem necessary to carry out the operations of the Advisory Clients. However, officers and employees providing services through EMSO are not necessarily required to devote full time to a given Advisory Client’s business and they may have conflicts of interest in allocating their time between such entities and other related or unrelated activities.

It is also possible that EMSO and its employees will be permitted to co-invest in certain investment opportunities in which a given Advisory Client invests as a further incentive and means of aligning such professionals' interests with the interests of the fund's investors.

EMSO, its employees or their related persons may also invest directly in any one, some or all of the Advisory Clients. It should be noted that investments in the Advisory Clients made by such parties may not be subject to the asset or performance-based fees described above. The fact that EMSO's principals and employees have financial ownership interests in the Advisory Clients also creates a potential conflict in that it could cause EMSO to make different investment decisions than if such parties did not have such financial ownership interests.

EMSO serves as the investment manager to the Funds and as such recommend interests in the Funds to prospective investors. EMSO has a material financial interest with respect to fees paid by Investors. Management fees are payable without regard to the overall success or income earned by the Advisory Clients and therefore may create an incentive on the part of EMSO to raise or otherwise increase assets under management to a higher level than would be the case if EMSO were receiving a lower or no management fee. Performance-based fees may create an incentive for EMSO to make investments that are riskier or more speculative than in the absence of such performance-based compensation. Investors are provided with clear disclosure as to how performance-based compensation is charged and the risks associated with such performance-based compensation prior to making an investment.

Investors in EMSO's various Alternative Investments are expected to include entities and persons located in various jurisdictions, who may have conflicting investment, tax and other interests with respect to their various fund investments. As a result, conflicts of interest may arise in connection with decisions made by EMSO or its affiliates that may be more beneficial for one type of investor than another type of investor. EMSO will follow the investment objective and standards for resolving such conflicts set forth in each of its Fund's governing documents.

Procedures for Resolving Conflicts of Interest

On any issues involving actual conflicts of interest, EMSO will be guided by its legal obligations, including but not limited to the contractual requirements governing such situation, as well as its good faith judgment as to a client's best interests. Subject to the governing documents for each Fund, EMSO may take such actions as it may deem necessary or appropriate to ameliorate the conflict. As an FCA regulated and authorized company, EPL is required to document all its actual or perceived conflicts of interest together with the remedial action that has been taken to reduce or minimize these conflicts. Such steps can include disclosure.

Item 12 Brokerage Practices

Brokerage Discretion

EMSO generally is not limited in its authority to select broker-dealers for trade execution.

In selecting a broker-dealer for trade execution, EMSO uses its best judgment to select a broker-dealer that provides prompt and reliable execution at favorable securities prices and reasonable commission rates. EMSO has an obligation to provide best execution to Professional Clients as defined in the FCA's Conduct of Business Rules ("Professional Clients"). Best execution means taking all reasonable steps to obtain the best possible result for the execution of client orders, and acting in the best interests of our clients when we pass orders to other parties for execution. In doing so, we need to take into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order, known as the "execution factors".

EMSO may choose to participate in seminars or conferences, or other types of capital introduction service programs (collectively referred to as "**Cap Intro Programs**") held by prime brokers for their current or prospective clients that are hedge fund or investment managers that manage funds or other types of investment vehicles or who are otherwise eligible to invest in EMSO products. EMSO may have an incentive to select or recommend a broker-dealer based on its interests in receiving client referrals or invitations to participate in such Cap Intro Programs.

Research and Other Soft Dollar Arrangements

Section 28(e) of the Securities and Exchange Act of 1934 provides a safe harbor for discretionary investment managers that use their clients' agency commission dollars to purchase research and brokerage services to assist them in the performance of their investment decision-making responsibilities. Any use of "soft dollars" will come within the safe harbor created by Section 28(e) of the Exchange Act of 1934. Broker-dealers having special capabilities or providing research services may be paid commissions in excess of those that other broker-dealers without such capabilities or not providing such services might charge. EMSO does not currently utilize "soft dollars" and it is not anticipated that any commission sharing agreements will be entered into in the near future.

Allocation of Investment Opportunities

EMSO will generally allocate trades on a pro-rata basis based upon capital weighting, subject to the factors detailed below.

From possible eligible investments that are appropriate to the relevant Advisory Client, EMSO decides the quantity that it is prudent to purchase, to which Advisory Client they should be allocated and in what size. It will never be possible to list fully every single factor that each business should take into account for each possible investment opportunity and indeed part of the skill of the investment manager at both the level of the individual and the team is the ability to weigh up the relevant factors in order to come to a balanced decision (the "**Allocation Factors**"). However, the following serves as a non-exhaustive list of the factors that EMSO may consider in respect of each portfolio when determining the allocation of assets:

- 1) The return volatility target and maximum drawdown constraint of each Fund, as applicable.
- 2) Investment cost both in terms of size, currency mix and intended growth strategy.
- 3) Current leverage, target leverage and average life of portfolio, and projected assets-roll-off.
- 4) Single-name concentrations, exposure to similar issuers in the same industry sector, exposure and the correlation of exposures to similar credit risks.
- 5) Internal Credit Guidelines reports (where used in respect of a particular issued).
- 6) Geographic concentration of current assets exposures.
- 7) Individual Fund requirements as set out in any private placement memorandum and/or similar documents.

Aggregation of Transactions

If a portfolio manager believes that the purchase or sale of a security is in the best interests of more than one Advisory Client, the portfolio manager may, but is not obligated to, aggregate the securities to be sold or purchased, to the extent permitted by applicable law and regulations. In such event, the transactions, as well as the expenses incurred in such transactions, will be allocated by the portfolio manager consistent with fiduciary duties to ensure that all clients are treated fairly. The portion of an aggregated order to be allocated to each Advisory Client will be specified contemporaneously with the execution of the trade.

Item 13 Review of Accounts

Review of Accounts

The CEO, Director, and principal owner of EMSO, Mark Franklin reviews client accounts and portfolios on a regular basis. Mr. Franklin generally meets with each trader to formally review positions and strategy several times a week. As the portfolio exposures are fairly concentrated, the review process is continuous.

Client Reports

Investors receive annual audited financial statements and generally receive monthly performance reports. From time to time, investors also receive notices and updates to the applicable offering documentation. On a monthly basis, investors are notified of the net asset value by the administrator of the Funds.

Item 14 Client Referrals and Other Compensation

EMSO does not receive any economic benefits from non-clients for providing investment advice or other advisory services to clients.

EMSO may enter into agreements with third parties to solicit clients for EMSO's investment advisory services. Under such agreements, persons may refer or solicit clients and receive compensation for such services. The structure of any agreement with a third party, including the compensation payable to the solicitor, will be disclosed fully to the client as required by applicable law. Different solicitors, may receive varying amounts of compensation for their services.

Item 15 Custody

EMSO does not provide custodial services to its clients. Client assets are held with banks, registered broker-dealers, or other qualified custodians.

EMSO will cause the Funds and any related special purposes vehicles which it manages to maintain its funds and securities with a qualified custodian, which may include a U.S. bank, an SEC-registered broker-dealer, a CFTC-registered futures commission merchant, and a foreign financial institution that segregates client assets.

In addition, each Fund is required to be audited at least annually and to provide audited financial statements to its investors within 120 days after the end of its fiscal year.

Item 16 Investment Discretion

EMSO has the authority to determine, without obtaining specific client consent, the investments and temporary investments the Funds will acquire, subject in each case to the limitations and restrictions described in their offering materials.

Item 17 Voting Client Securities

EMSO has been delegated the authority to vote investment proxies on behalf of certain of its clients and has adopted written policies that are reasonably designed to ensure proxies are voted in the best interest of its clients and to resolve conflicts of interest (the "**Policies**"). The general policy is to vote proxy proposals, amendments, consents or resolutions relating to client securities, including interests in private investment funds, if any, in a manner that serves the best interests of client accounts, as determined by EMSO in its discretion. Clients may request a copy of the Policies and the proxy voting record relating to their account by contacting EMSO.

Item 18 Financial Information

All client fees owed to EMSO are paid in arrears. Under relevant SEC rules, this means that EMSO is not required to disclose information about its financial position or balance sheets. Nonetheless, EMSO has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and it has never been the subject of a bankruptcy proceeding.