

## **Chamonix Partners Capital Management LLC**

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Part 2A of Form ADV: Firm Brochure  
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**This brochure provides information about the qualifications and business practices of Chamonix Partners Capital Management LLC. If you have any questions about the contents of this brochure, please contact us at 212-641-8750. 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 Chamonix Partners Capital Management LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). An investment adviser’s registration with the SEC does not imply a certain level of skill or training.**

**Item 2. Material Changes**

Item 2 is not applicable to Chamonix Partners Capital Management LLC.

### **Item 3. Table of Contents**

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

For purposes of this brochure, the “Adviser” means Chamonix Partners Capital Management LLC, a Delaware limited liability company, together (where the context permits) with its affiliates, that provides advisory services to and/or receives advisory fees from the Initial Funds (as defined below). Such affiliates may or may not be under common control with Chamonix Partners Capital Management LLC, but possess a substantial identity of personnel and/or equity owners with Chamonix Partners Capital Management LLC and are subject to the same compliance manual, policies and procedures. These affiliates may be formed for tax, regulatory or other purposes in connection with the organization of the Funds (as defined below), or may serve as general partners of the Funds. Currently, the only two such affiliates are Vallee Blanche Alpha GP, LLC and Vallee Blanche Beta GP, LLC.

The Adviser provides investment supervisory services to investment vehicles (the “Initial Funds”) that are exempt from registration under the Investment Company Act of 1940, as amended (the “1940 Act”) and whose securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”). The Initial Funds were formed with the intention of acquiring a select set of credit-related assets (the “Initial Funds Portfolio”), which have been independently valued by each potential investor in the Initial Funds. After the Initial Funds acquire the Initial Funds Portfolio, the Adviser’s advisory services provided to the Initial Funds will consist of managing and monitoring the performance of the Initial Funds Portfolio and selling, restructuring, or otherwise disposing of such investments.

Eventually, the Adviser intends to provide investment advisory services to additional investment vehicles (the “Subsequent Funds”, and collectively with the Initial Funds, the “Funds”) that will be exempt from registration under the 1940 Act and whose securities will not be registered under the Securities Act. The Adviser’s advisory services to the Subsequent Funds will likely consist of investigating, identifying and evaluating investment opportunities, structuring, negotiating and making investments on behalf of the Subsequent Funds, managing and monitoring the performance of such investments and disposing of such investments. As with the Initial Funds, the Adviser may serve as the investment adviser or general partner to the Subsequent Funds in order to provide such services.

The Adviser provides investment supervisory services to each of the Initial Funds in accordance with the limited partnership agreement (or analogous organizational document) of such Fund or separate investment and advisory, investment management or portfolio management agreements (each, an “Advisory Agreement”).

Investment advice is provided directly to the Funds, subject to the discretion and control of the applicable general partner, and not individually to the investors in the Funds. Services are provided to the Funds in accordance with the Advisory Agreements with the Funds and/or the organizational documents of the applicable Fund. Investment restrictions for the Funds, if any, are generally established in the organizational or offering documents of the applicable Fund and/or side letter agreements negotiated with investors in the applicable Fund.

The two members of Chamonix Partners Capital Management LLC, each owning a 50% equity stake, are Natixis North America LLC and Sabayon Holdings LLC (the “Members”). The Adviser has been in business since June, 2014. As of June 13, 2014, the Adviser had 2 clients and managed \$762,617,073 of client assets, all on a discretionary basis. Both clients are private funds that are expected to commence operations, following drawdown of capital commitments, on or about June 17, 2014.

Much of the disclosure in this brochure is general in nature and, because the Adviser presently only has two private fund clients, is subject to the specific terms and conditions of each Initial Fund’s organizational and offering documents, and/or any applicable Advisory Agreements. In addition, investors in the Funds are not clients of the Adviser.

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

As compensation for investment supervisory services rendered to the Funds, the Adviser receives from each such Fund an advisory fee (each, an “Advisory Fee”). Advisory Fees paid by a Fund are indirectly borne by investors in such Fund.

The precise amount of, and the manner and calculation of, the Advisory Fees for each Fund are established by the Adviser, as modified by negotiations with investors in the applicable Fund, and are set forth in such Fund’s Advisory Agreements, organizational documents and/or other documentation received by each investor prior to investment in the applicable Fund. The Advisory Fees and other fees and distributions described above are generally subject to waiver or reduction by the Adviser in its sole discretion, both voluntarily and on a negotiated basis with selected investors. The fee structures described above may be modified from time to time. Fees may differ from one Fund to another, as well as among investors in the same Fund.

Generally, the Initial Funds pay the Adviser a fixed amount on a quarterly basis, which is expected to decrease over time. Additionally, the Initial Funds pay some form of performance-based allocation to or for the benefit of the Adviser or an affiliate of the Adviser (e.g., carried interest or similar profit allocations). Performance-based profit allocations may be applied each time an asset in the Initial Funds Portfolio generates a financial return or is sold. Performance-based profit allocations may also be subject to certain preferred return hurdles. The manner of calculation and application of performance-based profit allocations are disclosed in the organizational documents and/or Advisory Agreements for each applicable Fund.

Performance-based allocation paid or otherwise provided by advisory clients is subject to regulation under Section 205 of the Investment Advisers Act of 1940 (as amended, the “Advisers Act”) and Rule 205-3 thereunder. Therefore, the Adviser seeks to ensure that any advisory client or investor in an advisory client that is directly or indirectly assessed performance-based allocations satisfies the qualifications of Rule 205-3 under the Advisers Act and have been advised of such performance-based allocation arrangements and their risks.

Billing procedures for the Advisory Fees may vary between the Funds and are addressed in the organizational documents and/or the Advisory Agreements of each applicable Fund. Similarly, specific payment and repayment arrangements which may arise upon termination of an Advisory

Agreement are, if applicable, addressed in the organizational documents and/or the Advisory Agreements of each applicable Fund, and the specific terms defining which of a Fund's expenses are paid by the Adviser out of Advisory Fees or by the Fund out of the Fund's assets are similarly addressed in the applicable Fund's Advisory Agreements, offering documents, and/or other organizational documents.

To the extent provided in the Advisory Agreements and the partnership agreements and other organizational documents of a Fund, the Adviser may pay out of Advisory Fees certain operating expenses, potentially including expenses on account of rent, utilities, office supplies, office equipment, travel, entertainment, compensation of its partners and employees (other than Carried Interest described in Item 6 below) and other routine administrative expenses relating to the services and facilities provided by the Adviser to such Fund. To the extent provided for in the partnership agreements or other organizational documents of a Fund, such Fund may bear certain or all other expenses relating to it, including legal, accounting, audit, investment banking, consulting, research, brokerage, finders', custody, transfer, registration, advisory board, interest, taxes and extraordinary expenses, such Fund's allocable share of expenses and fees generated in the course of evaluating potential investments, including investments which are not consummated, such Fund's allocable share of expenses and fees incurred in the course of making investments, and other similar fees and expenses, as well as other fees or expenses incurred by the Adviser or such Fund in connection with such Fund's operations that are not specifically set forth above as being paid by the Adviser. Depending on the terms of each Fund's Advisory Agreements and organizational documents, some of the Funds' expenses that would otherwise be payable by the Adviser may be reduced through the use of "soft" or commission dollars to the extent the Adviser decides to engage in "soft dollar" transactions in the future, as discussed in Item 12 below.

Additionally, please see Item 6 below regarding "Carried Interest" that the Funds may pay.

When a broker is used in connection with an investment by a Fund, such Fund will incur brokerage and other transaction costs. For additional information regarding brokerage practices, please see Item 12 below.

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

With respect to each Fund, a portion of the profits of each Fund may be allocated to the capital account of, or otherwise distributed to, its general partner, if any, as "carried interest" (the "Carried Interest"). Each general partner of a Fund is a related person of the Adviser. Carried Interest paid by a Fund is indirectly borne by investors in such Fund.

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

The Adviser currently provides investment supervisory services to the Initial Funds. Investment advice is provided directly to the Initial Funds (subject to the direction and control of the general partner of each such Fund, if applicable) and not individually to investors in such Initial Funds.

Interests in the Initial Funds were offered pursuant to applicable exemptions from registration under the Securities Act and the 1940 Act. Investors in the Initial Funds are “qualified purchasers” as defined in the 1940 Act, and may include, among others, high net worth individuals, banks, thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations, university endowments, corporations, limited partnerships and limited liability companies or other entities.

Minimum investment commitments may be established for investors in any of the Funds. The general partner of each of the Funds may in its sole discretion permit investments below the minimum amounts set forth in the offering documents of such Fund.

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

### Methods of Analysis and Investment Strategies

The Adviser will, amongst other things:

- (i) seek to enhance the Initial Funds’ income and/or gains, principally through holding the assets in the Initial Funds Portfolio to maturity, but also, on a “non-ordinary” basis, through managing the exit timing of the Initial Funds Portfolio and, where it considers appropriate, seeking to restructure any assets comprised within the Initial Funds Portfolio; and
- (ii) be vested with the power to do all such acts and undertake such actions as it considers necessary or desirable in connection with seeking to achieve the above-described objective, in accordance with the terms of the organizational documents and/or Advisory Agreements of each applicable Fund.

After the Initial Funds acquire the Initial Funds Portfolio, the Adviser will provide advisory services to the Initial Funds in managing the Initial Funds Portfolio, which will likely include the following types of investments: Asset-Backed Security Collateralized Debt Obligations, in cash or synthetic form, and various derivatives.

### Risks

Investing in securities involves a substantial degree of risk. A Fund may lose all or a substantial portion of its investments, and investors in the Funds must be prepared to bear the risk of a complete loss of their investments.

In addition, material risks relating to the investment strategies and methods of analysis described above, and to the types of securities which the Adviser anticipates may be present in the Initial Funds Portfolio, include the following:

### Investment Risks

*Substantial investment and market risk* - an investment in one of the Funds is subject to investment risk, including the possible loss of the entire principal amount invested including amounts committed to the Fund but not yet drawn down. An investment in the Initial Funds represents a medium to long term and illiquid indirect investment in the portfolio of loans and fixed income instruments, short positions and other securities and derivative instruments which comprise the Initial Funds Portfolio. The value of these securities and instruments, as well as any income derived from them, may fluctuate, sometimes rapidly and unpredictably. At any point in time, an investment in any of the Funds may be worth less than the original amount invested, even after taking into account distributions paid by the Funds and the ability to reinvest income.

*Substantial credit risk* - credit risk includes the risk that one or more loans, debt or other instruments in a Fund's portfolio will decline in value (possibly to zero) or fail to pay interest or principal when due because the issuer of the instrument experiences a decline in its financial status. While a senior position in the capital structure of a borrower or issuer has the potential to provide some protection with respect to a Fund's investments in senior loans, losses may still occur because the market value of senior loans is affected by the creditworthiness of borrowers or issuers or their guarantors and by general economic and specific industry conditions and the Fund's other investments will often be subordinate to other debt in the issuer's capital structure. More senior positions in the capital structure may involve a Fund taking security over certain assets of the borrower. Such assets may not have the value attributed to them or it may not be possible to realize their value. To the extent a Fund's investments are below investment grade instruments, such Fund will be exposed to a greater amount of credit risk than a fund which invests in investment grade securities. The prices of lower grade instruments are more sensitive to negative developments, such as a decline in the issuer's revenues or a general economic downturn, than are the prices of higher grade instruments. Instruments of below investment grade quality are predominantly speculative with respect to the issuer's capacity to pay interest and repay principal when due and therefore involve a greater risk of default. The principal amount of certain investments may remain outstanding and at risk until the maturity of the investment, in which case the relevant borrower's ability to repay the principal may be dependent upon a liquidity event or the long term success of the borrower, the occurrence of which is uncertain. In addition, the Initial Funds Portfolio may include, and the Initial Funds may enter into, credit derivatives which may expose the Initial Funds to additional risk in the event that the instruments underlying the derivatives default.

*Substantial interest rate risk* - loans, corporate debt securities or other fixed income instruments that the Funds may invest in are subject to the risk that market values of such securities will decline as interest rates increase. These changes in interest rates have a more pronounced effect on securities with longer durations. Fluctuations in the value of portfolio securities will not affect interest income on existing portfolio securities but will be reflected in the Fund's net asset value.

*Foreign exchange risk* - the Funds may invest in loans, corporate debt securities or other fixed income instruments that are denominated in non-USD currencies. Fluctuations in currency exchange rates may reduce the value of an investment in the Funds. The Funds may hedge the risk that fluctuations between USD and non-USD currencies in which Fund assets are denominated adversely affect performance of the Funds. Such hedging, if undertaken, may not adequately protect against declines in the value of an investment in the Funds.



*Senior loans* - senior loans hold the most senior position in the capital structure of a business entity, are typically secured with specific collateral and have a claim on the assets and/or stock of the borrower that is senior to that held by unsecured creditors, subordinated debt holders and stockholders of the borrower. Senior loans which the Funds invest in will usually be rated below investment grade or may also be unrated. As a result, the risks associated with senior loans are similar to the risks of below investment grade securities, although senior loans are senior and secured in contrast to other below investment grade securities, which are often subordinated or unsecured. Nevertheless, if a borrower under a senior loan defaults, becomes insolvent or goes into bankruptcy, the Funds may recover only a fraction of what is owed on the senior loan or nothing at all. Senior loans are subject to a number of risks described elsewhere in the materials received by investors prior to investing in the Funds, including credit risk and liquidity risk.

Although the senior loans which the Funds invest in will usually be secured by collateral, there can be no assurance that such collateral could be readily liquidated or that the liquidation of such collateral would satisfy the borrower's obligation in the event of non payment of scheduled interest or principal. In the event of the bankruptcy or insolvency of a borrower, the Funds could experience delays or limitations with respect to their ability to realize the benefits of the collateral securing a senior loan. Such collateral may be subject to complex, competing legal claims. In addition, investments in senior loans may be unperfected for a variety of reasons, including the failure to make required filings by lenders, and the Funds may not have priority over other creditors. In the event of a decline in the value of the already pledged collateral, if the terms of a senior loan do not require the borrower to pledge additional collateral, the Funds investing in such loans will be exposed to the risk that the value of the collateral will not at all times equal or exceed the amount of the borrower's obligations under the senior loans. Even if such loans do require the borrower to pledge additional collateral, there is no warranty that the borrower will be able to pledge collateral of sufficient value or at all. To the extent that a senior loan is collateralized by stock in the borrower or its subsidiaries, such stock may lose some or all of its value in the event of the bankruptcy or insolvency of the borrower. Those senior loans that are under-collateralized involve a greater risk of loss.

*Acquisition of loans through assignment and participation* - the Funds may acquire loans through assignments or participations. The purchaser of an assignment typically succeeds to all the rights and obligations of the assigning institution and becomes a lender under the credit agreement with respect to the debt obligation; however, the purchaser's rights can be more restricted than those of the assigning institution, and the Funds may not be able to unilaterally enforce all rights and remedies under the loan and with regard to any associated collateral. Participation typically results in a contractual relationship only with the institution offering the participation, not with the borrower. Sellers of participations typically include banks, broker dealers, other financial institutions and lending institutions. In purchasing participations, the Funds generally will have no right to enforce compliance by the borrower with the terms of the loan agreement against the borrower, and the Funds may not directly benefit from the collateral supporting the debt obligation in which it has purchased the participation. As a result, the Funds will be exposed to the credit risk of both the borrower and the institution selling the participation. Further, in purchasing participations in lending syndicates, the Funds will not be able to conduct the due diligence on the borrower or the quality of the senior loan with respect to which it is

buying a participation that the Adviser would otherwise conduct if the Funds were originating or investing directly in the senior loan, which may result in the Funds being exposed to greater credit or fraud risk with respect to the borrower or the senior loan than the Funds expected when initially purchasing the participation.

*Risks associated with fixed income instruments* - fixed income instruments are subject to many of the same risks that affect senior loans and unsecured loans; however, they are often unsecured and typically lower in the issuer's capital structure than loans, and thus may be exposed to greater risk of default and lower recoveries in the event of a default. This risk can be further heightened in the case of below investment grade instruments. Additionally, fixed income instruments that are fixed rate are generally more susceptible than floating rate loans to price volatility related to changes in prevailing interest rates. The prices of floating rate fixed income instruments tend to have less fluctuation in response to changes in interest rates, but will have some fluctuation, particularly when the next interest rate adjustment on such security is further away in time or adjustments are limited in amount over time.

*Risks associated with unsecured loans* -the Funds may originate and invest in unsecured loans. Unsecured loans generally are subject to similar risks as those associated with investments in secured loans. However, because unsecured loans have lower priority in right of payment to any higher ranking obligations of the borrower and are not backed by a security interest in any specific collateral, they are subject to additional risk that the cash flow of the borrower and available assets may be insufficient to meet scheduled payments after giving effect to any higher ranking obligations of the borrower. Unsecured loans generally have greater price volatility than secured loans and may be less liquid.

*Lender liability risk* - under common law principles that in some cases form the basis for lender liability claims, if a lender or bondholder: (a) intentionally takes an action that results in the undercapitalization of a borrower to the detriment of other creditors of such borrower; (b) engages in other inequitable conduct to the detriment of such other creditors, (c) engages in fraud with respect to, or makes misrepresentations to, such other creditors; or (d) uses its influence as a stockholder 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". In certain jurisdictions, including the United States, the Funds may be at risk of being held responsible to the borrower on the basis of legal theories, collectively termed "lender liability". Generally, lender liability is founded on the premise that a lender has violated a duty (whether implied or contractual) of good faith, commercial reasonableness and fair dealing, or a similar duty owed to the borrower or has assumed an excessive degree of control over the borrower resulting in the creation of a fiduciary duty owed to the borrower or its other creditors or shareholders. Because of the nature of their investments, the Funds may be subject to allegations of lender liability. Because affiliates of, or persons related to, the Adviser and/or the general partner(s) of the Funds acting in its/their capacity as general partner(s) may hold equity or other interests in obligors of the Funds, the Funds could be exposed to claims for equitable subordination or lender liability or both based on such equity or other holdings.

*Instruments rated below investment grade* - below investment grade instruments are commonly referred to as “junk” or high yield instruments and are regarded as predominantly speculative with respect to the issuer’s capacity to pay interest and repay principal. Lower grade instruments may be particularly susceptible to economic downturns. It is likely that in addition to other causes of deterioration in its financial position, a prolonged or deepening economic recession could adversely affect the ability of the issuers of such instruments to repay principal and pay interest thereon, increase the incidence of default for such instruments and severely disrupt the market value of such instruments. Lower grade instruments, though higher yielding, are characterized by higher risk. They may be subject to certain risks with respect to the issuing entity and to greater market fluctuations than certain lower yielding, higher rated instruments. The secondary market for lower grade instruments may be less liquid than that for higher rated instruments. Adverse market or economic conditions could make it difficult at times for the Funds to sell certain instruments or could result in lower prices than those used in calculating the Funds’ net asset values.

*Prepayments* - during periods of declining interest rates, borrowers or issuers may exercise their option to prepay principal earlier than scheduled. For fixed rate securities, such payments often occur during periods of declining interest rates, forcing the Funds to reinvest in lower yielding securities, resulting in a possible decline in the Funds’ income and distributions to shareholders. This is known as prepayment or “call” risk. Below investment grade instruments frequently have call features that allow the issuer to redeem the security at dates prior to its stated maturity at a specified price (typically greater than par) only if certain prescribed conditions are met (“call protection”). An issuer may redeem a below investment grade instrument if, for example, the issuer can refinance the debt at a lower cost due to declining interest rates or an improvement in the credit standing of the issuer. Secured loans and subordinated loans typically do not have call protection. For premium bonds (bonds acquired at prices that exceed their par or principal value) purchased by the Fund, prepayment risk may be enhanced.

*Holding equity securities or warrants incidental to investments in loans and fixed income instruments* - the Funds also may invest in or hold common stock and other equity securities or warrants incidental, or related to, the purchase or ownership of a loan or fixed income instrument or in connection with a reorganization of a borrower or issuer. Investments in equity securities incidental or related to investments in loans or fixed income instruments entail certain risks in addition to those associated with investments in loans or fixed income instruments. Because equity is merely the residual value of an issuer after all claims and other interests, it is inherently riskier than the bonds or loans of the same borrower or issuer. The value of the equity securities may be affected more rapidly, and to a greater extent, by issuer specific developments and general market conditions. These risks may increase fluctuations in the Funds’ net asset values. The Funds may possess material non-public information about a borrower or issuer as a result of their ownership of a loan or fixed income instrument of a borrower or issuer. Because of prohibitions on trading in securities while in possession of material non-public information, the Funds might be unable to enter into a transaction in a security of the borrower or issuer when it would otherwise be advantageous to do so.

*The Initial Funds may be involved in legal and bankruptcy proceedings relating to distressed debt* - the Initial Funds may be invested, from their closing or as a result in deterioration of

financial condition, in debt securities and other obligations of issuers that are experiencing significant financial or business distress. Investments in distressed securities involve a material risk of exposing the Funds in related litigation. Such litigation may be time consuming and expensive, and may frequently lead to unpredicted delays or losses. Litigation expenses, including payments pursuant to settlements or judgments, generally will be borne by the Funds.

The Adviser may make investments for the Funds in issuers involved in bankruptcy or equivalent insolvency proceedings. There are a number of significant risks when investing in issuers involved in bankruptcy or equivalent insolvency proceedings, and many events in a bankruptcy are the product of contested matters and adversary proceedings which are beyond the control of the creditors. A bankruptcy or equivalent insolvency filing may have adverse and permanent effects on an issuer. Further, if the proceeding is converted to a liquidation, the liquidation value of the issuer may not equal the liquidation value that was believed to exist at the time of the investment. In addition, the duration of a bankruptcy proceeding is difficult to predict. A creditor's return on investment can be impacted adversely by delays while the plan of reorganization is being negotiated, approved by the creditors and confirmed by the court, and until it ultimately becomes effective. Certain claims, such as claims for taxes, wages and certain trade claims, may have priority by law over the claims of certain creditors and administrative costs in connection with such proceeding are frequently high and will be paid out of the debtor's estate prior to any return to creditors.

Certain investments of the Initial Funds could be in contravention of insolvency laws or laws relating to fraudulent or wrongful transfer or conveyance laws, if such investments were issued with the intent of hindering, delaying or defrauding creditors or, in certain circumstances, if the issuer receives less than reasonably equivalent value or fair consideration in return for issuing such securities. If a court were to find that the issuance of the securities was a fraudulent transfer or conveyance, the court could void the payment obligations under the securities, further subordinate the securities to other existing and future indebtedness of the issuer or require the Initial Funds to repay any amounts received by them with respect to the securities. If the Initial Funds or the Adviser are found to have interfered with the affairs of an issuer in which the Initial Funds hold a debt investment, to the detriment of other creditors or shareholders of such issuer, the Initial Funds or the Adviser (as applicable) may be held liable for damages to injured parties or a bankruptcy court. Moreover, such debt may be disallowed or subordinated to the claims of other creditors or treated as equity. Where the Funds or the Adviser have representatives on the boards of issuers, such involvement may also prevent the Funds from freely disposing of their investment and may subject the Funds to additional liability or result in recharacterization of their debt investments as equity.

*The Initial Funds will be subject to risks associated with owning unlisted debt and equity instruments* - unlike publicly traded common stock which trades on national exchanges, there is no central place or exchange for loans or fixed income instruments or derivative instruments in respect thereof to trade. Loans and fixed income instruments generally trade on an "over the counter" market, which may be anywhere in the world where the buyer and seller can settle on a price. Due to the lack of centralized information and trading, the valuation of such instruments may carry more risk than that of common stock. Uncertainties in the conditions of the financial market, unreliable reference data, lack of transparency and inconsistency of valuation models

and processes may lead to inaccurate asset pricing. In the case of derivative instruments, the Initial Funds' counterparty, typically an investment bank, will usually insist on the right to determine the value of the relevant instrument. In addition, other market participants may value securities differently than the Initial Funds. As a result, the Initial Funds may be subject to the risk that when such loan, fixed income or derivative instrument is sold in the market, the amount received by the Initial Funds is less than the value of such instruments carried on the Initial Funds' books.

*The Initial Funds will hold illiquid investments* – the Initial Funds may invest in illiquid securities. The Initial Funds may also invest in restricted securities. Investments in restricted securities could have the effect of increasing the amount of the Initial Funds' assets invested in illiquid securities if qualified institutional buyers are unwilling to purchase these securities. Illiquid and restricted securities may be difficult to dispose of at a fair price at the times when the Initial Funds believe it is desirable to do so. The market price of illiquid and restricted securities generally is more volatile than that of more liquid securities, which may adversely affect the price that the Initial Funds pay for, or recover upon, the sale of such securities. Illiquid and restricted securities are also more difficult to value, especially in challenging markets. The Adviser's judgment may play a greater role in the valuation process. Investment of the Initial Funds' assets in illiquid and restricted securities may restrict the Initial Funds' ability to take advantage of market opportunities. In order to dispose of an unregistered security, the Initial Funds, where they have contractual rights to do so, may have to cause such security to be registered. A considerable period may elapse between the time the decision is made to sell the security and the time the security is registered, thereby enabling the Initial Funds to sell it. Contractual restrictions on the resale of securities vary in length and scope and are generally the result of a negotiation between the issuer and acquirer of the securities. In either case, the Initial Funds would bear market risks during that period, a risk of loss investors in the Initial Funds would not otherwise be subject to had such delay not occurred.

Some loans and fixed income instruments are not readily marketable and may be subject to restrictions on resale. Loans and fixed income instruments may not be listed on any national or recognized securities exchange and no active trading market may exist for certain of the loans and fixed income instruments in which the Fund will invest. Where a secondary market exists, the market for some loans and fixed income instruments may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods.

#### *Risks associated with debt, equity and other instruments*

*Mezzanine Securities.* The Funds may invest in certain lower grade securities known as "mezzanine securities," which are subordinated debt securities that are generally issued in private placements in connection with an equity security (i.e., with attached warrants) or may be convertible into equity securities. Mezzanine securities may be issued with or without registration rights. Similar to other lower grade securities, maturities of mezzanine securities are typically seven to ten years, but the expected average life is significantly shorter at three to five years. Mezzanine securities are usually unsecured and subordinated to other obligations of the issuer.

Structured Products. The Funds may invest in structured products, including asset backed securities such as collateralized loan obligations (“CLOs”), collateralized debt obligations (“CDOs”) and credit linked notes. Holders of structured products bear risks of the underlying investments, index or reference obligation and are subject to counterparty risk.

The Funds may have the right to receive payments only from the structured product, and generally do not have direct rights against the issuer or the entity that sold the assets to be securitized. While certain structured products enable the investor to acquire interests in a pool of securities without the brokerage and other expenses associated with directly holding the same securities, investors in structured products generally pay their share of the structured product’s administrative and other expenses. Although it is difficult to predict whether the prices of indices and securities underlying structured products will rise or fall, these prices (and, therefore, the prices of structured products) will be influenced by the same types of political and economic events that affect issuers of securities and capital markets generally. If the issuer of a structured product uses shorter term financing to purchase longer term securities, the issuer may be forced to sell its securities at below market prices if it experiences difficulty in obtaining short term financing, which may adversely affect the value of the structured products owned by a Fund.

Certain structured products may be thinly traded or have a limited trading market. CLOs, CDOs and credit linked notes are typically privately offered and sold. As a result, investments in CLOs, CDOs and credit linked notes may be characterized by a Fund as illiquid securities. In addition to the general risks associated with debt securities discussed herein, such securities carry additional risks, including, but not limited to: (i) the possibility that distributions from collateral securities will not be adequate to make interest or other payments; (ii) the quality of the collateral may decline in value or default; (iii) the possibility that the investments in CLOs are subordinate to other classes or tranches thereof; and (iv) the complex structure of the security may not be fully understood at the time of investment and may produce disputes with the issuer or unexpected investment results.

Preferred Stocks. Preferred stocks represent the senior residual interest in the assets of an issuer after meeting all claims, with priority to corporate income and liquidation payments over the issuer’s common stock. As such, preferred stock is inherently riskier than the bonds and loans of the issuer, but less risky than its common stock. Preferred stocks often contain provisions that allow for redemption in the event of certain tax or legal changes or at the issuers’ call. Preferred stocks typically do not provide any voting rights, except in cases when dividends are in arrears beyond a certain time period. Preferred stock in some instances is convertible into common stock. Although they are equity securities, preferred stocks have certain characteristics of both debt and common stock. They are debt like in that their promised income is contractually fixed. They are common stock like in that they do not have rights to precipitate bankruptcy or other insolvency proceedings or collection activities in the event of missed payments. Furthermore, they have many of the key characteristics of equity due to their subordinated position in an issuer’s capital structure and because their quality and value are heavily dependent on the profitability of the issuer rather than on any legal claims to specific assets or cash flows. In order to be payable, dividends on preferred stock must be declared by the issuer’s directors or trustees. In addition, distributions on preferred stock may be subject to deferral and thus may not be automatically payable. Income payments on some preferred stocks are cumulative, causing dividends and distributions to accrue even if not declared by the directors or otherwise made

payable. Other preferred stocks are non cumulative, meaning that skipped dividends and distributions do not continue to accrue. There is no assurance that dividends on preferred stocks in which the Funds invest will be declared or otherwise made payable. If the Funds own preferred stock that is deferring its distributions, the Funds may be required to report income for tax purposes while they are not receiving cash payments corresponding to such income. When interest rates fall below the rate payable on an issue of preferred stock or for other reasons, the issuer may redeem the preferred stock, generally after an initial period of call protection in which the stock is not redeemable. Preferred stocks may be significantly less liquid than many other securities, such as U.S. Government securities, corporate bonds and common stock.

*Derivatives.* The Funds' derivative investments have risks, including: the imperfect correlation between the value of such instruments and the underlying Fund assets, which creates the possibility that the loss or lost profit on such instruments may be greater than the gain in the value of the applicable Fund's underlying asset portfolio; the loss of principal; the possible default of the other party to the transaction; and illiquidity of the derivative investments. If a counterparty becomes bankrupt or otherwise fails to perform its obligations under a derivative contract due to financial difficulties, the applicable Fund may experience significant delays in obtaining recovery, if any, under the derivative contract in a bankruptcy or other insolvency proceeding. In addition, in the event of the insolvency of a counterparty (including a counterparty which is a related person of the Adviser) to a derivative transaction, the derivative contract would typically be terminated at its fair market value. Usually, that value will be determined by the counterparty or potentially, in the event of its failure, a third party. If a Fund is owed this fair market value in the termination of the derivative contract and its claim is unsecured, the Fund will be treated as a general creditor of such counterparty, and will not have any claim with respect to the underlying security. Typically, counterparties to derivative contracts (as well as forward FX and other contingent liability transactions) are banking or other financial institutions and, absent any form of collateral posted in the applicable Fund's favor, claims arising in the event of their failure will be those of an unsecured creditor, making the prospect of recovery of even a small percentage of any sums owing to such a Fund relatively low. In particular, where sums are held at a bank on behalf of that bank's clients, a Fund will not be protected by virtue of that segregation in the event that the bank itself should fail. In cases where collateral has been posted, there is no assurance that it will be of sufficient value to cover any liabilities of the counterparty. Certain of the derivative investments in which the Funds may invest may, in certain circumstances, give rise to a form of financial leverage, which may magnify the risk of owning such instruments. Furthermore, the ability to successfully use derivative investments depends on the ability of the Adviser to predict pertinent market movements, which cannot be assured. Thus, the use of derivative investments to generate income, for hedging, for currency or interest rate management or other purposes may result in losses greater than if they had not been used, may require the Funds to sell or purchase portfolio securities at inopportune times or for prices below or above the current market values, may limit the amount of appreciation the Funds can realize on an investment or may cause the Funds to hold securities that they might otherwise want to sell. In addition, there may be situations in which the Adviser elects not to use derivative investments that result in losses greater than if they had been used. Amounts paid by the Funds as premiums and cash or other assets held in margin accounts with respect to the Funds' derivative investments would not be available to the Funds for other investment purposes, which may result in lost opportunities for gain.

The Funds may also invest in credit default swaps, total return swaps and interest rate swaps. Such transactions are subject to market risk, liquidity risk, risk of default by the other party to the transaction, known as “counterparty risk” and risk of imperfect correlation between the value of such instruments and the underlying assets and may involve commissions or other costs. When buying protection under a swap, the risk of loss with respect to swaps generally is limited to the net amount of payments that the applicable Fund is contractually obligated to make. However, when selling protection under a swap, the risk of loss is often the notional value of the underlying asset, which can result in a loss substantially greater than the amount invested in the swap itself. The swap market has matured in recent years with a large number of banks and investment banking firms acting both as principals and as agents utilizing standardized swap documentation. As a result, the swap market has become relatively liquid; however there is no guarantee that the swap market will continue to provide liquidity. If the Adviser is incorrect in its forecasts of market values, interest rates or currency exchange rates, the investment performance of the Funds would be less favourable than it would have been if these investment techniques were not used. In a total return swap, the applicable Fund pays the counterparty a floating short term interest rate and receives in exchange the total return of underlying loans or debt securities. Such a Fund bears the risk of default on the underlying loans or debt securities, based on the notional amount of the swap. Such a Fund would typically have to post collateral to cover this potential obligation.

The use of credit derivatives is a highly specialized activity which involves strategies and risks different from those associated with ordinary portfolio security transactions. If the Adviser is incorrect in its forecasts of default risks, liquidity risk, counterparty risk, market spreads or other applicable factors, the investment performance of the Funds would diminish compared with what it would have been if these techniques were not used. Moreover, even if the Adviser is correct in its forecasts, there is a risk that a credit derivative position may correlate imperfectly with the price of the asset or liability being protected. The Funds’ risk of loss in a credit derivative transaction varies with the form of the transaction. For example, if a Fund sells protection under a credit default swap, it would collect periodic fees from the buyer and would profit if the credit of the underlying issuer or reference entity remains stable or improves while the swap is outstanding, but such a Fund would be required to pay an agreed upon amount to the buyer (which may be the entire notional amount of the swap) if the reference entity defaults on the reference security. Credit default swap agreements involve greater risks than if such a Fund invested in the reference obligation directly.

*Convertible Securities.* Convertible securities are securities that may be converted either at a stated price or at a stated rate within a specified period of time into a specified number of shares of common stock. The value of a convertible security is a function of its investment value and its conversion value. The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline by the credit standing of the issuer and other factors. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent that the market price of the underlying instrument approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security may be subject to



redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by any of the Funds is called for redemption, such Fund will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party, which may adversely affect the applicable Fund.

The investment value of a convertible debt security tends to vary inversely with the level of interest rates. The value of the security declines as interest rates increase and the value increases as interest rates decrease. The conversion value of a convertible security is determined principally by the market price and volatility of the underlying security. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. Generally, the conversion value decreases as the convertible security approaches maturity. Although under normal market conditions longer term convertible debt securities have greater yields than do shorter term convertible debt securities of similar quality, they are subject to greater price fluctuations.

*When Issued Securities and Forward Commitments.* Securities may be purchased on a "forward commitment" or "when issued" basis (meaning securities are purchased or sold with payment and delivery taking place in the future) in order to secure what is considered to be an advantageous price and yield at the time of entering into the transaction. However, the return on a comparable security when the transaction is consummated may vary from the return on the security at the time that the forward commitment or when issued transaction was made. From the time of entering into the transaction until delivery and payment is made at a later date, the securities that are the subject of the transaction are subject to market fluctuations. In forward commitment or when issued transactions, if the seller or buyer, as the case may be, fails to consummate the transaction, the counterparty may miss the opportunity of obtaining a price or yield considered to be advantageous. Forward commitment or when issued transactions may occur a month or more before delivery is due. However, no payment or delivery is made until payment is received or delivery is made from the other party to the transaction.

*Repurchase Agreements.* Subject to their investment objectives and policies, the Funds may invest in repurchase agreements as buyers for investment purposes. In particular, the Funds may, but shall not be obliged to, utilize repurchase agreements to manage cash balances. Repurchase agreements typically involve the acquisition by a Fund of debt securities from a selling financial institution such as a bank or other financial institution. The repurchase agreement provides that the Fund will sell the securities back to the institution at a fixed time in the future. The Funds do not bear the risk of a decline in the value of the underlying security unless the seller defaults under its repurchase obligation, in which case the collateral may not equate to the sums owed. In the event of the bankruptcy or other default of a seller of a repurchase agreement, the Funds could experience both delays in liquidating the underlying securities and losses, including: (i) possible decline in the value of the underlying security during the period in which such a Fund seeks to enforce its rights thereto; (ii) possible lack of access to income on the underlying security during this period; and (iii) expenses of enforcing its rights. In addition, as described above, the value of the collateral underlying the repurchase agreement will, when the transaction is effected, be at least equal to the repurchase price, including any accrued interest earned on the repurchase agreement. In the event of a default or bankruptcy by a

selling financial institution, the Funds generally will seek to liquidate such collateral. However, the exercise of the Funds' rights to liquidate such collateral could involve certain costs or delays and, to the extent that proceeds from any sale upon a default of the obligation to repurchase were less than the repurchase price, the Funds could suffer a loss.

*Reverse Repurchase Agreements.* The use of reverse repurchase agreements may involve many of the same risks involved in the use of leverage, as the proceeds from reverse repurchase agreements may be invested in additional securities. There is a risk that the market value of the securities acquired in the reverse repurchase agreement may decline below the price of the securities that the applicable Fund has sold but remains obligated to repurchase. In addition, there is a risk that the market value of the securities retained by such a Fund may decline. If the buyer of securities under a reverse repurchase agreement were to file for bankruptcy or experience insolvency, the Funds may be adversely affected. Also, in entering into reverse repurchase agreements, a Fund would bear the risk of loss to the extent that the proceeds of the reverse repurchase agreement are less than the value of the underlying securities. In addition, due to the interest costs associated with reverse repurchase agreements transactions, a Fund's net asset value will decline, and, in some cases, such a Fund may be worse off than if it had not used such instruments.

*Counterparty and prime brokerage risk* - changes in the credit quality of the companies that serve as the Funds' prime brokers or counterparties with respect to derivatives or other transactions supported by another party's credit will affect the value of those instruments. Certain entities that have served as prime brokers or counterparties in the markets for these transactions have recently incurred significant financial hardships including bankruptcy and losses as a result of exposure to sub prime mortgages and other lower quality credit investments that have experienced recent defaults or otherwise suffered extreme credit deterioration. While many have demonstrated a relatively robust financial position, many others have benefited from direct and indirect state and inter-governmental interventions as well as macro-economic policies which are not guaranteed to continue. Furthermore, as a generalization, there has been a trend in certain jurisdictions to seek to ring fence the deposit taking activities of such institutions from their commercial and investment banking activities, with the expressly stated purpose, that if such institutions were to become financially distressed, state support will only be available to support the deposit taking activities. Implicit in these developments is an end to the assertion, to the extent it was ever true, that certain financial institutions are "too big to fail" due to the systemic risks such failure would represent. As a result, such hardships have reduced such entities' capital and called into question their continued ability to perform their obligations under such transactions. By using derivatives, swaps or other transactions, the Funds assume the risk that their counterparties could experience similar financial hardships. If a prime broker or counterparty becomes bankrupt, insolvent or otherwise fails to perform its obligations under a derivative contract due to financial difficulties, the Funds may experience significant delays in obtaining recovery (if at all) under the derivative contract in a bankruptcy, insolvency or other reorganization proceeding; if the Funds' claims are unsecured, the Funds will be treated as general creditors of such prime broker or counterparty and will not have any claim with respect to the underlying security. The Funds may obtain only a limited recovery or may obtain no recovery in such circumstances.

*The Initial Funds may engage in securities lending* – the Initial Funds may make secured loans of their marginable securities to brokers, dealers and other financial institutions. The risks in lending portfolio securities, as with other extensions of credit, consist of possible delay in recovery of the securities or possible loss of rights in the collateral should the borrower fail financially. However, such loans will be made only to broker dealers and other financial institutions that are believed by the Adviser to be of relatively high credit standing. Securities loans are made to broker dealers pursuant to agreements requiring that loans be continuously secured by collateral consisting of U.S. Government securities, cash or cash equivalents (negotiable certificates of deposit, bankers' acceptances or letters of credit) maintained on a daily mark to market basis in an amount at least equal at all times to the market value of the securities lent. The borrower pays to the Initial Funds, as the lender, an amount equal to any dividends or interest received on the securities lent. The Initial Funds may invest only the cash collateral received in accordance with their investment objectives, subject to the Initial Funds' agreement with the borrower of the securities. In the case of cash collateral, the Initial Funds typically pay a rebate to the borrower. The reinvestment of cash collateral will result in a form of effective leverage for the Initial Funds. Although voting rights or rights to consent with respect to the loaned securities pass to the borrower, the Initial Funds, as the lenders, retain the right to call the loans and obtain the return of the securities loaned at any time on reasonable notice, and they will do so in order that the securities may be voted by the Initial Funds if the holders of such securities are asked to vote upon or consent to matters materially affecting the investment. The Initial Funds may also call such loans in order to sell the securities involved. When engaged in securities lending, the Initial Funds' performance will continue to reflect changes in the value of the securities loaned and will also reflect the receipt of interest through investment of cash collateral by the Fund in permissible investments.

*Short Sales* - the Adviser may make short sales of investment securities on behalf of the Funds. In a short sale, the seller sells a security that it does not own, typically a security borrowed from a broker or dealer. Because the seller remains liable to return the underlying security that it borrowed from the broker or dealer, the seller must purchase the security prior to the date on which delivery to the broker or dealer is required. As a result, the Funds may engage in short sales where the Adviser believes the value of the security will decline between the date of the sale and the date the applicable Fund is required to return the borrowed security. The making of short sales exposes the Funds to the risk of liability for the market value of the security that is sold, which is an unlimited risk due to the lack of an upper limit on the price to which a security may rise. In addition, there can be no assurance that securities necessary to cover a short position will be available for purchase or that securities will be available to be borrowed by the Funds at reasonable costs. If a request for return of borrowed securities occurs at a time when other short sellers of the security are receiving similar requests, a "short squeeze" can occur, and the Funds may be compelled to replace borrowed securities previously sold short with purchases on the open market at the most disadvantageous time, possibly at prices significantly in excess of the proceeds received in originally selling the securities short. Any of these factors could make the Adviser unable to execute its investment strategy.

The SEC has in the past adopted interim rules requiring reporting of all short positions above a certain de minimis threshold. In addition, other jurisdictions in which the Funds may trade have adopted reporting rules for short sales and short positions. If the Funds' short positions or

strategy become generally known, it could have a significant effect on the Adviser's ability to implement its investment strategies. In particular, it would make it more likely that other investors could cause a "short squeeze" in the securities held short by the Funds, forcing the Funds to cover their positions at a loss.

In addition, if other investors engage in copycat behavior by taking positions in the same issuers as the Funds, the cost of borrowing securities to sell short could increase drastically and the availability of such securities to the Funds could decrease drastically. Such events could make the Adviser unable to execute the applicable Fund's investment strategy. The SEC has recently adopted restrictions on the short sales of securities which fall more than 10 percent in a given day (referred to as the "circuit breaker" or "modified uptick" rule). Such events and these and other restrictions on the Adviser's ability to engage in short sales could make the Adviser unable to execute the applicable Fund's investment strategy and cause losses to such a Fund. The SEC and regulatory authorities in other jurisdictions may adopt (and in certain cases, have adopted) bans on short sales of certain securities. Bans on short selling may make it impossible for the Adviser to execute certain of the Funds' investment strategies and may have a material adverse effect on such Funds' ability to achieve their investment objectives and generate returns.

*The Funds may invest cash on hand in certain government debt securities* - certain countries, including but not limited to, the United States and those presently rated "AAA" by Standard and Poor's (as at the date of this brochure, the United States has a long-term sovereign credit rating of AA+ by Standard and Poor's) issue debt securities that are generally thought not to involve the credit risks associated with investments in other types of debt securities, although, as a result, the yields available from such securities are generally lower than the yields available from other securities. The Funds may invest in such securities either directly or in a diversified form through a collective investment scheme. The present "safe-haven" status of such investments is not guaranteed and may change, potentially swiftly. Despite their perceived safe haven status, the overall indebtedness of certain of these issuers is generally perceived to be high and their borrowing may be utilized to finance significant budget deficits. If the markets were to lose confidence in the ability of such issuers to continue to service that debt or the borrower's financial position was to deteriorate, the credit risks associated with it would increase substantially, a situation that would likely be accompanied by a need for such governments to offer higher yields on debt securities issued by them. In extreme, there is even the possibility that an issuer considered at the date of this brochure to be such a safe haven could formally or informally (by renegotiating terms of existing debt in advance of defaulting upon it) default on its debt. Such a default would likely have significant adverse effects on the global economy and, in turn, for the applicable Funds. In addition, governments not currently considered safe haven debt issuers may join their ranks. U.S. government debt securities generally do not involve the credit risks associated with investments in other types of debt securities, although, as a result, the yields available from U.S. government debt securities are generally lower than the yields available from other securities. Like other debt securities, however, the values of government securities change as interest rates fluctuate. Fluctuations in the value of portfolio securities will not affect interest income on existing portfolio securities but will be reflected in the Funds' net asset values. Since the magnitude of these fluctuations will generally be greater at times when the Funds' average maturity is longer, under certain market conditions the Funds may, for

temporary defensive purposes, accept lower current income from short term investments rather than investing in higher yielding long term securities.

*The Funds may be exposed to complex transactions that may involve contingent liabilities, guarantees and indemnities* - the Funds may hold investments which are likely to involve substantial business, regulatory or legal complexity. Such complexity presents risks, as such transactions may be more difficult, expensive and time consuming to finance and execute; it can be more difficult to manage or realize value from the assets acquired in such transactions; and such transactions sometimes entail a higher level of regulatory scrutiny or a greater risk of contingent liabilities. Additionally, in connection with certain transactions, the Funds may be required to make representations about the business and financial affairs of an issuer or the Funds, provide guarantees in respect of themselves or payments by issuers and other third parties and provide indemnities against losses caused by the Funds, issuers and other third parties. The Funds may also be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities by the Funds, even after the disposition of an investment and ultimately in material losses.

*Inflation/deflation risk* - inflation risk is the risk that the value of certain assets or income from a Fund's investments will be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of a Fund can decline. In addition, during any periods of rising inflation, the dividend rates or borrowing costs associated with a Fund's use of leverage would likely increase, which would tend to further reduce returns to such a Fund. Deflation risk is the risk that prices throughout the economy decline over time—the opposite of inflation. Deflation may have an adverse affect on the creditworthiness of issuers and may make issuer defaults more likely, which may result in a decline in the value of a Fund's portfolio. As of the date of this brochure, many world governments, as well as inter-governmental institutions, have been undertaking various forms of fiscal stimulus, including setting interest rates that are at historic lows and undertaking, so called "quantitative easing". Such stimuli, unless successfully managed and scaled back at the appropriate time, may be inflationary. In addition, there is significant concern in macroeconomic terms about the levels of indebtedness carried by certain governments. While bringing with it a range of issues, one of the consequences of an extended period of a higher than desired level of inflation, is often to erode in real terms the value of government debt. This element of debt erosion may create an incentive for governments to be less robust in seeking to deal with inflation than might otherwise have been the case, had the government concerned not suffered from a high level of indebtedness. If such inflation occurs it would have the negative consequences for the Funds set out above.

*Realisation of investments* – the Funds may be unable to realize their investment objectives by the restructuring, sale and other disposition of investments at attractive prices or may otherwise be unable to implement or complete any exit strategy or restructuring of investments including because of market conditions or national or international political, economic or monetary crises or otherwise. In addition, the value of certain investments may decline for reasons outside of the control of the Funds, the general partner or general partners of the Funds, the Adviser or the key executives, including changes in the market for a related issuer's products, services or sources of supply, scientific or technological changes, the availability of additional capital and other

analogous events. In connection with the disposition of an investment in an issuer, the Funds may be required to make representations about, and warranties concerning, the business and financial affairs of the issuer. The Funds may also be required to give indemnities to purchasers of such investment. To the extent that any such representations and warranties are inaccurate or otherwise in connection with such investment, these arrangements may result in contingent or actual liabilities, which might ultimately have to be funded by the investors in the Funds to the extent that the investors have uncalled commitments available for drawdown or out of assets of the Funds.

Many of the investments in the Initial Funds Portfolio are highly illiquid. Accordingly, such investments may often be difficult to value and there can be no assurance that the Initial Funds will be able to realize such investments in a timely manner. Consequently, the timing of cash distributions to investors from the Initial Funds will likely be uncertain and unpredictable. Dispositions may take the form of distributions of securities to investors. When such investments are distributed to investors, such investors may then become minority shareholders and may be unable to protect their interests effectively or unable to realize their interests at market value, or indeed at all.

*Illiquidity of Fund Interests* – interests in the Initial Funds are generally illiquid, have no public market and are not transferable except with the prior consent of the applicable Fund's general partner and pursuant to applicable laws. Voluntary withdrawals of interests in the Initial Funds are not permitted, except in limited circumstances when necessary to comply with laws or regulations applicable to an investor, including applicable ERISA regulations. The offer and sale of interests in the Initial Funds have not been and will not be registered under the Securities Act of 1933, as amended, or any other applicable securities laws. Such interests are not and will not be listed on any investment exchange, there is no public market in them and no such market is expected to develop. Consequently, an interest in the Initial Funds may not be possible or will be difficult to sell or realize.

*Information asymmetry* – the Adviser will make investment decisions based on information and data made directly available to it by the relevant issuer or through sources other than the issuer, in addition to filings with regulatory agencies, as appropriate. Although the Adviser will evaluate all such information and data and may seek independent confirmation, when deemed appropriate and when such confirmation is reasonably commercially available, the Adviser will generally not be in a position to confirm the completeness, genuineness or accuracy of such information or data. Asymmetry in interests and information may distort the accuracy and completeness of information available to the Adviser, which in turn may hamper the Funds' investment decisions and have an adverse effect on the Funds and their investors. While this risk is pronounced in investment targets that are privately held (since such issuers generally maintain less comprehensive financial records than listed issuers and make less public disclosures which can be relied upon) it is also present in the case of investment targets that are listed (since a listed target may have material price sensitive information that remains unpublished).

### Management Risks

*Dependence on the Portfolio Managers and the Adviser* – the performance of the Funds is partly dependent upon the services provided by the Adviser based on its respective investment management agreements with the Funds. The skills and expertise of the portfolio managers and the other investment professionals employed by the Adviser from time to time will be crucial for this performance. The loss or impairment of the services of any of these individuals (whether through the termination of the investment management agreements between the Adviser or through the termination or suspension of the employment, ownership or other service relationship between the key executives and the Adviser or otherwise) could have a significant adverse impact on the performance of the Funds.

*No rights to control the Funds' operations* – Subject to any “non-ordinary” investor decisions, as described in the offering documents and/or organizational documents of each applicable Fund, investors will have no opportunity to control the day-to-day operations, including investment, management and disposition decisions, of the Funds. In order to safeguard their limited liability for the liabilities and obligations of the Funds, investors must rely on the Adviser to advise on, conduct and manage, as the case may be, the affairs of the Funds.

*Non-controlling investments* – the Funds may hold a non-controlling interest in certain assets and, therefore, may have limited ability to protect their positions in those assets because, among other things, they will not be able to control or sufficiently influence the decision-making process.

*Board and Committee participation* – the Funds may be represented on the boards of directors or credit committees of certain issuers or may have their representatives serve as observers to such boards of directors. Although such positions in certain circumstances may be important to the Funds' investment strategies and may enhance the Adviser's ability to manage the investments, they may also have the effect of impairing the Adviser's ability to sell any related securities when, and upon the terms, it may otherwise desire, and may subject the Adviser and/or the Funds to claims they would not otherwise be subject to, including claims of breach of fiduciary duties, securities claims and other director-related claims. In general, the Funds will indemnify the general partners and the Adviser (and their respective representatives) from such claims subject to customary carve-outs.

*Issuer management risks* – with respect to management at the issuer level, many issuers rely on the services of a limited number of key individuals, the loss of any one of whom could significantly adversely affect the issuer's performance. Although the Adviser would ordinarily expect to monitor the management of an issuer, the management of each issuer will have day-to-day responsibility with respect to the business of such issuer. The Funds may therefore have limited ability to protect their positions in such issuers because they may not be able to sufficiently influence the decision-making or implementation process.

### *Fund Risks*

*Failure to make capital contributions* – If any investor fails to fund its commitment to a Fund when due, such a Fund's ability to complete its investment program or otherwise continue operations may be substantially impaired. A default by a number of investors could leave such a

Fund with insufficient capital, and likely reduce returns to that Fund. Any investor that defaults in making a required capital contribution to a Fund will be subject to certain adverse consequences pursuant to the provisions of the organizational documents of that Fund.

*Concentration of investments* - The Funds' assets (including the Initial Funds Portfolio) may not be diversified. Any such non-diversification would increase the risk of loss to a Fund if there was a decline in the market value of any security or sector in which that Fund had invested a large percentage of its assets. Investment in a non-diversified fund will generally entail greater risks than investments in a diversified fund.

*General political and economic conditions* – The Funds will be subject to the risk that war, terrorism, and related geopolitical events may lead to increased short-term market volatility and have adverse long-term effects on the world economies and markets generally, as well as adverse effects on issuers of securities and the value of the Funds' investments. War, terrorism, and related geopolitical events have led, and in the future may lead, to increased short-term market volatility and may have adverse long-term effects world economies and markets generally. Those events as well as other changes in world economic and political conditions also could adversely affect individual issuers or related groups of issuers, securities markets, interest rates, credit ratings, inflation, investor sentiment and other factors affecting the value of the Funds' investments. At such times, the Funds' exposures to a number of other risks described elsewhere in this section can increase.

*Involvement in Management* – If representatives of a Fund are appointed to serve as directors of issuers, or other forms of influence on issuers are exerted, it is possible that such a Fund could be exposed to claims by an issuer, its security holders, its creditors and third parties, including claims that the Fund is a controlling person and thus is liable for violations by an issuer of applicable laws, including securities laws. These measures also could result in liabilities in the event of the bankruptcy or reorganization of an issuer, claims against the Fund if the designated directors violate their fiduciary or other duties to an issuer or fail to exercise appropriate levels of care under applicable corporate or securities laws, environmental laws or other legal principles. While the Adviser intends to manage the Funds in a way that will minimize the exposure to these risks, the possibility of claims cannot be precluded.

*Tax Considerations* – An investment in the Funds may involve complex U.S. federal, state and local and, in some cases, non-U.S. income tax considerations that will differ for each Investor. Such considerations are described in more detail, where applicable, in each Fund's organizational documents or offering documents. Each prospective Investor is urged to consult with its own tax advisors regarding its investment in the Funds.

*Side Letter rights at the expense of the Funds* - The general partner of a Fund and the Adviser may enter into side letters under which certain investors may be granted rights in addition to the rights available under the applicable limited partnership agreements. These side letter provisions may result in such a general partner restricting its discretion or rights with respect to the investors who benefit from such provisions. For instance, such a general partner or the Adviser may, in its discretion, agree with an investor that it need not waive the benefit of sovereign immunity with respect to its dealings with the applicable Fund or the Fund's general partner.



This may restrict the Fund's or the applicable general partner's right to sue such investor in the event of a default by it. Similarly, these side letter provisions may confer benefits on the relevant investor which are at the expense of the other investors. For instance, a Fund's general partner or the Adviser may, in its discretion, agree that it will provide additional reporting to an investor. Such additional reporting may be at the expense of other Funds and such other Funds' investors as a whole even though they may not benefit from such additional reporting provisions.

*Currency Exchange Risks* – The investments of the Funds that are not denominated in the U.S. dollar will be subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. Officials in foreign countries may from time to time take actions in respect of their currencies that could significantly affect the value of the Fund's assets denominated in those currencies or the liquidity of such investments. For example, a foreign government may unilaterally devalue its currency against other currencies, which would typically have the effect of reducing the U.S. dollar value of investments denominated in that currency. A foreign government may also limit the convertibility or repatriation of its currency or assets denominated in that currency. The Funds may, but are not required to, invest in foreign currencies, foreign currency futures contracts and options thereon, forward foreign currency exchange contracts, or any combination thereof for hedging purposes, but there can be no assurance that such strategies will be implemented, or if implemented, will be effective.

*Limited Operating History* - The Funds and the Adviser will have a limited operating history upon which investors can evaluate their past performances. The past performances of the Funds cannot be relied upon as indicators of the Funds' future successes. There can be no assurance that the Funds will achieve their investment objectives. Although the Adviser's investment professionals have participated in the management of other investments, the past performance of such investments also cannot be relied upon as an indicator of the Funds' successes. An investor subscribing for interests in the Initial Funds must rely upon the ability of the Adviser and the Adviser's investment professionals in identifying and implementing investments consistent with the Funds' investment objectives and policies.

*Potential absence of regulatory oversight* - The Funds are not registered and may not register as investment companies under the 1940 Act, and, accordingly, investors in the Funds are not accorded the protections of the 1940 Act (which, among other matters, requires most registered investment companies to have a majority of disinterested directors, requires securities held in custody at all times to be segregated and marked to clearly identify the owner of such securities, and regulates the relationship between the investment adviser and the investment company). If securities of the Funds are held by brokers, they will generally not be held in the applicable Fund's name, and a failure of such broker is likely to have a greater adverse impact on such a Fund than if such securities were registered in the Fund's name. The Funds' limited partnership interests have not been and may not be registered under the Securities Act.

The Adviser is not currently registered with the Commodity Futures Trading Commission (the "CFTC") or the National Futures Association as a "commodity pool operator" or "commodity

trading advisor,” but it may register with these institutions in the future. The Funds will not engage in prohibited transactions in the absence of CFTC registration or an appropriate exemption from registration.

*The Employee Retirement Income Security Act (“ERISA”)* - Benefit plan investors, as that term is defined in the Initial Funds’ organizational documents and/or offering documents, will likely be permitted to invest in the Initial Funds. The Adviser expects that the Initial Funds will conduct the affairs and operations of the Initial Funds to qualify the Initial Funds for an applicable exception pursuant to the Plan Asset Regulations under ERISA. If the securities held by the Initial Funds were deemed to include plan assets of benefit plan investors, various provisions of ERISA and the Internal Revenue Code of 1986, as amended (the “Code”), would apply. Among other things, the Initial Funds and an investing plan could become involved in a “prohibited transaction” under Section 406 of ERISA and/or Section 4975 of the Code, which prohibits certain transactions in which a plan and a fiduciary or other party in interest or disqualified person participate. Such a problem could exist where, for example, an affiliate of the Adviser, or the Initial Funds’ general partner or general partners sold securities to the Fund. There can be no assurance that, in such event, the Fund would be able to comply with these requirements.

#### **Item 9. Disciplinary Information**

Neither the Adviser nor its employees have been subject to any material disciplinary events in the previous ten years.

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

A. The Adviser is not registered, and does not have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

B. Neither the Adviser nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading adviser.

C. Other Relationships that are Material to the Adviser’s Advisory Business

##### Related General Partners

Various limited partnerships and/or limited liabilities companies (the “General Partners”) may serve as general partners of the Funds. For a description of material conflicts of interest which may be created by the relationship among the Adviser and the General Partners, as well as a description of how such conflicts would be addressed, should they arise, please see Item 11 below.

##### Affiliated Advisers

The Adviser currently has 3 affiliated advisers whose relationships with the Adviser may be

material to the Adviser's advisory business or to the Adviser's clients. Each affiliated adviser is registered as an investment adviser or municipal advisor with the Securities and Exchange Commission. Such affiliated advisers currently include:

Vallee Blanche Alpha GP, LLC  
Vallee Blanche Beta GP, LLC  
Natixis Securities Americas LLC

The Funds may from time to time participate in transactions alongside clients of an affiliated adviser. For a description of material conflicts of interest created by the relationship among the Adviser and its affiliated advisers, as well as a description of how such conflicts are addressed, please see Item 11 below.

#### Related Broker-Dealers

Natixis Securities Americas LLC (CRD No. 1101) and Moelis & Company LLC (CRD No. 145115) are related persons of the Adviser whose relationships with the Adviser may be material to the Adviser's advisory business or to the Adviser's clients. These entities are registered as broker-dealers with the Securities and Exchange Commission and are members of FINRA.

Natixis Securities Americas LLC's principal office and place of business is located in the same building, but in separated office space, as that of the Adviser. Additionally, Natixis Securities Americas LLC and the Adviser may share certain aspects of their infrastructure, information technology, compliance, and other services as more fully detailed in certain service sharing agreements between these entities.

Moelis & Company LLC performed certain structuring activities relating to the Initial Funds, including general organizational and start-up efforts. In connection with these activities, the Initial Funds have agreed to pay Moelis & Company LLC a structuring fee as further described in the organizational documents of the applicable Funds.

The Adviser's policies do not allow use of related broker dealers, except in certain circumstances. For a description of material conflicts of interest created by the Adviser's relationship with these entities, as well as a description of how such conflicts are handled, please see Item 11 below.

#### Other Related Persons

Most or all of the assets included in the Initial Funds Portfolio are presently owned by one or more related persons of the Adviser, and the Adviser and the Initial Funds intend that the Initial Funds will purchase these assets from such related person or related persons in the near future. For a description of material conflicts of interest created by the Adviser's relationship with such related person or related persons, as well as a description of how such conflicts have been handled, please see Item 11 below.

Pursuant to a Services Agreement between the Adviser and Natixis North America LLC, which is a 50% member of the Adviser, certain employees of Natixis North America LLC will provide certain services to the Adviser, including, but not limited to: Corporate Services, Finance Department Services, Human Resources Services, Information Technology Services, Compliance Department Services, Operations Services, and Tax Services. Natixis North America LLC will be compensated by the Adviser in the form of certain fixed fees as specified in the aforementioned Services Agreement.

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

### Code of Ethics

The Adviser has adopted a written Code of Ethics that is applicable to all of its supervised persons and access persons (collectively, “Adviser Personnel”). The Code of Ethics, which is designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940 (as amended, the “Advisers Act”), establishes guidelines for professional conduct and personal trading procedures, including certain pre-clearance and reporting obligations. Adviser Personnel and members of their families and households are restricted from purchasing, selling or investing in securities held by the fund, but the Adviser reserves the right to allow such transactions in limited circumstances. Under the Code of Ethics, Adviser Personnel are also required to file certain periodic reports with the Adviser’s Chief Compliance Officer (the “CCO”) as required by Rule 204A-1 under the Advisers Act. The Code of Ethics helps the Adviser detect and prevent potential conflicts of interest or the appearance of conflicts of interest.

Adviser Personnel who violate the Code of Ethics may be subject to disciplinary measures being imposed at the discretion of the Adviser, including, without limitation, penalties or fines, reduction of the applicable individual’s compensation, unwinding of or cancelling trades, forced trades of securities (with any resulting loss charged to the individual and any profits forfeited to the Adviser, a charity or the Adviser’s clients), disgorgement of trading gains, revocation of personal trading privileges, verbal or written warning, censure, reprimand, demotion or other substantial change in responsibilities, suspension or termination of the individual’s employment (whether at the Adviser or at any of its affiliates), referrals to regulatory and self-regulatory bodies, or any combination of the foregoing.

A copy of the Code of Ethics is available to any client or prospective client upon written request to the Adviser at the following address: 1251 Avenue of the Americas 3<sup>rd</sup> FL, New York, NY 10020.

### Participation or Interest in Client Transactions

The Adviser and certain employees and affiliates of the Adviser may invest in and alongside the Funds, either through the General Partners, as direct investors in the Funds or otherwise. A Fund or its General Partner, as applicable, may reduce all or a portion of the Advisory Fee and Carried Interest related to investments held by such persons. For further details regarding these

arrangements, as well as conflicts of interest which may be presented by them, please see “Conflicts of Interest” immediately below.

Due in part to the fact that potential investors in each of the Funds (including purchasers of a limited partner’s interests in a secondary transaction) may ask different questions and request different information, the Adviser may provide certain information to one or more prospective investors that it does not provide to all of the prospective investors or limited partners.

### Conflicts of Interest

The Adviser and its related entities engage in a broad range of activities, including investment activities for their own account and for the account of other investment funds, and providing transaction-related, investment advisory, management and other services to Funds. In the ordinary course of conducting its activities, the interests of each of the Funds may conflict with the interests of the Adviser, other Funds or their respective affiliates. Certain of these conflicts of interest, as well a description of how the Adviser intends to address such conflicts of interest, can be found below.

### *Resolution of Conflicts*

In the case of all conflicts of interest, the Adviser’s determination as to which factors are relevant, and the resolution of such conflicts, will be made using the Adviser’s best judgment, but in its sole discretion. In resolving conflicts, the Adviser may consider various factors, including the interests of the applicable Funds with respect to the immediate issue and/or with respect to their longer term courses of dealing. Certain procedures for resolving specific conflicts of interest are set forth below. If conflicts arise, the following factors may mitigate, but will not eliminate, conflicts of interest:

- (1) A Fund will not make an investment unless the Adviser believes that such investment is an appropriate investment considered solely from the viewpoint of such Fund;
- (2) Many important conflicts of interest will generally be resolved by set procedures, restrictions or other provisions contained in the relevant offering and/or organizational documents for the Funds;
- (3) Where the Adviser deems appropriate, an unaffiliated third party valuation agent may be used to help resolve conflicts, such as the use of an investment banker to opine as to the fairness of a purchase or sale price;
- (4) Prior to subscribing for interests in one of the Funds, each investor will receive information relating to significant potential conflicts of interest which may arise from the proposed activities of the Fund; and
- (5) The Adviser and certain of its affiliates will adopt written policies establishing information “walls” designed to limit communication between business units that may receive confidential information. These policies will restrict the transfer of confidential information between these business units, subject to certain exceptions

provided in the policies. These policies will also establish procedures for communications among employees of different business units to guard against unlawful and inappropriate disclosure of material, nonpublic information.

### *Conflicts*

The material conflicts of interest which the Adviser anticipates could be encountered by each of the Funds include those discussed below, although the discussion below does not necessarily describe all of the conflicts that may be faced by the Adviser and/or the Funds. Other conflicts may be disclosed throughout this brochure and the brochure should be read in its entirety for other conflicts.

### *Allocation of Investment Opportunities*

Subject to the requirements of a Fund's organizational and offering documents, to the extent a particular investment is suitable for multiple clients of the Adviser, such investments will be allocated between clients in a manner that is fair and equitable under the circumstances to all clients, including the applicable Funds, taking into account factors including, but not limited to, the relative amounts of capital available for new investments, relative exposure to short-term market trends, the tax situation and the respective investment programs and portfolio positions of the applicable Funds and such other clients. Such considerations may result in allocations of certain investments among a Fund and such other clients on other than a *pari passu* basis, and investment performance of a Fund would be different (and potentially lower) than if there had been a *pari passu* allocation. Specifically, there may be situations where the Adviser is required to sell certain assets held by a particular Fund. In such situations, the Adviser will make reasonable efforts to do so to the extent that such efforts do not violate either the fiduciary duties owed by the Adviser to each of its fund clients or the Adviser's compliance policies and procedures. New issues (as defined by Financial Industry Regulatory Authority Rule 5130 ("FINRA Rule 5130")) are allocated to client accounts in accordance with FINRA Rules 5130 and 5131, subject to the organizational documents of the applicable Fund.

Post-execution allocations of orders should be used sparingly and are permitted only where an aggregated order is not filled in its entirety. Post-execution allocations must be determined by the close of business on the trade date and never subsequent to the trade date and must comply with the same general guidelines set forth in the preceding paragraph. The reasons for a post-execution allocation must be set forth in writing and approved in writing by the CCO or his or her designee (in consultation with the Adviser's Board of Managers) promptly after the order is executed, unless such amount is immaterial.

In exercising its discretion to allocate investment opportunities and fees and expenses, the Adviser may be faced with a variety of potential conflicts of interest. For example, in allocating an investment opportunity among Funds with differing fee, expense and compensation structures, the Adviser may have an incentive to allocate investment opportunities to the Funds from which the Adviser or its related persons may derive, directly or indirectly, a higher fee, compensation or other benefit.

In addition, certain personnel of the Adviser may invest indirectly in, and may be permitted to invest directly in, the Funds and may therefore participate indirectly in investments made by the Funds in which they invest. Such interests may vary among the Funds. The existence of these varying circumstances may present conflicts of interest in determining how much, if any, of certain investment opportunities to offer to a Fund.

### *Conflicts Related to Purchases and Sales*

Conflicts may arise when a Fund makes investments in conjunction with an investment being made by other Funds or a client of one of the Adviser's affiliates, or in a transaction where another Fund or client of such an affiliate has already made an investment. Investment opportunities may be appropriate for Funds and/or clients of the Adviser's affiliate at the same, different or overlapping levels of an investment vehicle's capital structure. Conflicts may arise in determining the terms of investments, particularly where these clients may invest in different types of securities in a single investment vehicle. Questions may arise as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced. Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring may raise conflicts of interest. Certain clients of the Adviser and its affiliates may invest in bank debt and securities of companies in which other clients hold securities, including equity securities. In the event that such investments are made by a Fund, the interests of such Fund may be in conflict with the interest of such other Fund or client of one of the Adviser's affiliates, particularly in circumstances where the underlying company is facing financial distress. The involvement of such persons at both the equity and debt levels could inhibit strategic information exchanges among fellow creditors. In certain circumstances, Funds or clients of the Adviser's affiliates may be prohibited from exercising voting or other rights, and may be subject to claims by other creditors with respect to the subordination of their interests. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, the Funds may or may not provide such additional capital, and if provided each Fund will supply such additional capital in such amounts, if any, as determined by the Adviser. Investments by more than one client of the Adviser or its affiliates in a particular instrument or issuer may also raise the risk of using assets of a client of the Adviser or its affiliates to support positions taken by other clients of the Adviser or its affiliates. Employees and related persons of the Adviser and its affiliates have made or may make capital investments in or alongside certain Funds or clients of the Adviser's affiliates, and therefore may have additional conflicting interests in connection with these investments. There can be no assurance that the return of a Fund participating in a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

To the extent consistent with the organizational documents and/or Advisory Agreements of a Fund, such Fund may invest in opportunities that other Funds or clients of the Adviser's affiliates have declined, and likewise, such Fund may decline to invest in opportunities in which other Funds or clients of the Adviser's affiliates have invested.

From time to time, the Adviser may, in its discretion but subject to the organizational documents and/or Advisory Agreements of each applicable Fund, enter into transactions with investors in one or more Funds to dispose of all or a portion of certain investments held by one or more Funds. In exercising its discretion to select the purchaser(s) of such investments, the Adviser may consider some or all of the factors listed above under "*Allocation of Investment Opportunities*". The sales price for such transactions will be mutually agreed to by the Adviser and such purchaser(s); however, determinations of sales prices involve a significant degree of judgment by the Adviser. Although the Adviser is not obligated to solicit competitive bids for such sales transaction or to seek the highest available price, it will first determine that such transaction is in the best interests of the applicable Fund(s), taking into account the sales price and the other terms and conditions of the transaction. There can be no assurance, in light of the performance of the investment following such a transaction, that such transaction will ultimately prove to be the most profitable or advantageous course of action for the applicable Fund(s). Any such transactions will comply with the organizational documents of the applicable Fund(s).

#### *Conflicts Related to the Adviser's Time Allocation*

The partners, directors, members, officers and other Adviser Personnel of the Adviser will allocate their time among all Funds and other investment and business activities in which they may be involved as appropriate considering the Adviser's fiduciary duties to the Funds.

#### *Cross-Transactions*

In certain cases, the Adviser may cause a Fund to purchase investments from another Fund, or it may cause a Fund to sell investments to another Fund. Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, a Fund may not receive the best price otherwise possible, or the Adviser might have an incentive to improve the performance of one Fund by selling underperforming assets to another Fund in order, for example, to earn fees. Additionally, in connection with such transactions, the Adviser, its affiliates and/or their professionals (i) may have significant investments, or intentions to invest, in the Fund that is selling and/or purchasing such an investment or (ii) otherwise have a direct or indirect interest in the investment (such as through certain other participations in the investment). The Adviser and its affiliates may receive management or other fees in connection with their management of the relevant Funds involved in such a transaction, and may also be entitled to share in the investment profits of the relevant Funds. To address conflicts of interest, in connection with effecting cross transactions, the Adviser will follow the investment allocation requirements of the relevant Funds (e.g., the organizational documents of certain Funds may provide for the rebalancing of investments at certain times and at a cost set forth in those documents so that these Funds' resulting ownership of investments is generally proportionate to the relative capital commitments of such Funds). The CCO, or his or her designee, must give prior written approval of all cross transactions. To the extent such matters are not addressed in the applicable Fund's investment allocation requirements, before any such cross trade can be made, the Adviser shall obtain the confirmation of the CCO (which the CCO may give by relying on appropriate assurances from the Adviser Personnel) that the Adviser (i) has followed the proper steps to consider its respective duties to each Fund, (ii) has followed appropriate procedures to determine whether the purchase or sale and price or other terms are comparable to



what could be obtained through an arm's length transaction with a third party, and (iii) has followed appropriate procedures to determine and obtain any required approvals of the transaction's terms and conditions. The Adviser will ensure that all cross trades achieve best execution for client accounts involved and that no client account is disadvantaged by the cross trade. The Adviser will not directly or indirectly receive any commission or other transaction-based compensation for effecting any such transaction.

### *Principal Transactions*

Section 206 under the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and the clients thereof, on the other hand. Very generally, if an investment adviser or an affiliate thereof proposes to purchase a security from, or sell a security to, a client (what is commonly referred to as a "principal transaction"), such adviser must make certain disclosures to the client of the terms of the proposed transaction and obtain the client's consent to the transaction. In connection with the Adviser's management of the Funds, to the extent permissible under each Fund's organizational documents and/or Advisory Agreements, the Adviser and its affiliates may engage in principal transactions. Prior to settlement of any principal transaction involving a trade, written disclosure must be provided to a client and the client's consent must be obtained. The written disclosure must state that the Adviser is acting as principal and describe the material terms of the transaction, which generally include: (i) the Adviser's original purchase price for any security or other instrument it sells to a client; (ii) the price the Adviser expects to receive on the resale of any security or other instrument it buys from a client; and (iii) the price at which any security or other instrument could be bought or sold elsewhere when the price would be better for the client. Prior to moving any illiquid asset between the Funds and an affiliate of the Funds, a procedure will be implemented to determine the value of the security and include third-party verification. Prior to any principal transaction, the CCO, or his or her designee, will be consulted and the CCO, or his or her designee, will, as appropriate, seek advice of counsel to determine whether or not the trade would constitute a principal transaction, and if so, that all required notice and consent requirements are satisfied. The CCO, or his or her designee, will then inform the investment team whether to proceed with the trade and must document the basis for such decision, including information regarding the basis for valuing the securities involved in the transaction. In addition to these policies and procedures, the offering documents, limited partnership agreements or other organizational documents and related documents relating to the Funds generally contain additional restrictions on the ability of the Funds or the Adviser to engage in principal transactions.

As described in Item 10 above, most or all of the assets in the Initial Funds Portfolio will be purchased by the Initial Funds from an entity or entities under common control with Natixis North America, LLC, which is a 50% member of the Adviser. To address this conflict, the purchase price for this acquisition, which consists of an amount to be drawn from the Initial Funds' presently uncalled capital commitments, pursuant to which each investor is obligated to make a capital contribution to the Initial Funds, has been determined through a process which involved each investor in the Initial Funds performing a due diligence review and independent valuation of such assets prior to agreeing to subscribe to the interests in the Initial Funds.

### *Management of the Funds*

The Adviser may in the future establish one or more additional investment funds with investment objectives substantially similar to, or different from, those of the Funds in existence at that time. Allocation of available investment opportunities between the Funds and any such new investment fund could give rise to conflicts of interest. See “*Allocation of Investment Opportunities*” above. In addition, it is expected that employees of the Adviser responsible for managing a particular Fund may have responsibilities with respect to other Funds managed by the Adviser, including Funds that may be raised in the future. Conflicts of interest may arise in allocating time, services or functions of these officers and employees.

The Funds may enter into borrowing arrangements that require the Funds to be jointly and severally liable for the obligations. If one Fund defaults on such arrangement, the other Funds may be held responsible for the defaulted amount. The Funds will only enter into such joint and several borrowing arrangement when the Adviser determines it is in the best interests of the Funds.

### *Conflicts Relating to the General Partner and the Adviser*

The Adviser generally may, in its discretion but subject to the organizational documents and/or Advisory Agreements of each applicable Fund, contract with any related person of the Adviser to perform services for the Adviser in connection with its provision of services to the Funds. When engaging a related person to provide such services, the Adviser may have an incentive to recommend the related person even if another person may be more qualified to provide the applicable services and/or can provide such services at a lesser cost.

The Adviser generally may, in its discretion, recommend to a Fund that it contract for services with (i) the Adviser or a related person of the Adviser or (ii) an entity with which the Adviser or its affiliates or a member of their personnel has a relationship or from which the Adviser or its affiliates or their personnel otherwise derives financial or other benefit. When making such a recommendation, the Adviser may, because of its financial or other business interest, have an incentive to recommend the related or other person even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost.

Subject to the terms of each applicable Fund’s organizational documents and/or Advisory Agreements, the Adviser, its affiliates, and, so long as such securities or other investments are not on a list of restricted securities maintained by the Adviser (the “Restricted List”), members, officers, principals and employees of the Adviser and its affiliates may buy or sell securities or other investments that the Adviser has recommended to Funds. In addition, officers, principals and employees may, so long as such securities or other investments are not on the Restricted List, buy securities in transactions or make other investments offered to but rejected by Funds. Such transactions will be subject to the policies and procedures set forth in the Adviser’s Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments may vary from those of the Funds. If officers, principals and employees of the Adviser have made large capital investments in or alongside the Funds they may have conflicting interests with respect to these investments.

Because certain expenses will be paid for by a Fund and/or its investment vehicles or, if incurred by the Adviser, will be reimbursed by a Fund and/or its investment vehicles, the Adviser may not necessarily seek out the lowest cost options when incurring (or causing a Fund or its investment vehicles to incur) such expenses.

#### *Fee Structure*

As discussed above in Item 6, the General Partners of the Funds may be entitled to Carried Interest under the terms of the limited partnership agreements of such Funds. Such General Partners will be affiliates of the Adviser. The existence of the General Partners' Carried Interest may create an incentive for the General Partners to cause such Funds to make more speculative investments than they would otherwise make in the absence of performance-based compensation.

#### *Diverse Investor Base for Funds*

The investors in the Funds are expected to include U.S. taxable and tax-exempt entities, and institutions from jurisdictions outside of the United States. Such investors may have conflicting investment, tax and other interests with respect to their investments in a Fund or Funds. The conflicting interests among the investors may relate to or arise from, among other things, the nature of investments made by the Funds, the structuring of the acquisition of investments and the timing of the disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by the Adviser or its affiliates, including with respect to the nature or structuring of investments, that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring investments appropriate for a Fund, the Adviser and its affiliates will consider the investment and tax objectives of the applicable Fund, not the investment, tax or other objectives of any investor individually.

#### *Side Letter Agreements*

The Adviser may enter into certain side letter agreements with certain investors in a Fund providing such investors with different or preferential rights or terms, including but not limited to different fee structures, information rights, co-investment rights, and liquidity or transfer rights.

#### *Certain Brokerage Transactions*

As described above in response to Item 10, both Natixis Securities Americas LLC and Moelis & Company LLC are related persons of the Adviser which are broker-dealers registered with the Securities and Exchange Commission and members of FINRA.

Either of these entities may, as broker-dealer for certain investors in the Funds or other persons, effect transactions in which securities held by a Fund are sold to such investors. This may be the case, for example, where a Fund sells a portion of its investment in a particular investment

vehicle to certain investors in a Fund, with the related entity acting as broker to effect the transaction.

Additionally, the Adviser has adopted a policy preventing the use of certain brokers, absent specified exceptions, where the Adviser is aware that one of its Adviser Personnel or a family/household member of one of its Adviser Personnel works for such a broker.

#### *Advisory Affiliates*

As described in Item 10 above, certain of the Adviser's investment adviser affiliates have their own clients. Although these affiliates focus primarily on a different investment strategy than the Adviser, clients of the Adviser and these affiliates may invest in the same investment vehicles, including in the same security or in different securities of such a vehicle. Interests of the Adviser's clients may therefore conflict with the interests of the clients of these affiliates. See "*Allocation of Investment Opportunities*" and "*Conflicts Related to Purchases and Sales*" above for more information.

#### *Other Potential Conflicts*

The Adviser and the Funds will generally engage common legal counsel and other advisers in a particular transaction, including a transaction in which there may be conflicts of interest. Members of the law firms engaged to represent the Funds may be investors in a Fund. In the event of a significant dispute or divergence of interest between Funds, the Adviser and/or its affiliates, the parties may engage separate counsel in the sole discretion of the Adviser and its affiliates, and in litigation and other circumstances separate representation may be required. Additionally, the Adviser and the Funds may engage other common service providers. In such circumstances, there may be a conflict of interest between the Adviser and the Funds in determining whether to engage such service providers, including the possibility that the Adviser may favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Funds.

The Adviser may, in its discretion but subject to the organizational documents and/or Advisory Agreements of each applicable Fund, have, and may, in its discretion but subject to the organizational documents and/or Advisory Agreements of each applicable Fund, cause the Funds to have, ongoing business dealings, arrangements or agreements with persons who are former employees or executives of the Adviser. The Funds may bear, directly or indirectly, the costs of such dealings, arrangements or agreements. In such circumstances, there may be a conflict of interest between the Adviser and the Funds in determining whether to engage in or to continue such dealings, arrangements or agreements, including the possibility that the Adviser may favor the engagement or continued engagement of such persons even if a better price and/or quality of service could be obtained from another person.

A Fund may invest in a pooled investment vehicle that is advised by, or that has another business or other relationship with, the Adviser or its related persons. In such a case, investors in such Fund will bear not only the direct management fees and other expenses associated with their

investment in the Fund, but also the expenses and fees associated with the investment in the underlying pooled investment vehicle, some of which fees and expenses may be paid to the Adviser or its related persons. Additionally, the interests of the Fund, as an investor, may conflict with the interests of the underlying pooled investment vehicle or the Adviser or its related persons in their capacity as service providers to the underlying pooled investment vehicle, which would create a conflict of interest for then Adviser.

In the regular course of their investment banking businesses, certain affiliates of the Adviser provide a broad range of advisory services and represent potential purchasers, sellers and other involved parties, including corporations, financial buyers, management, shareholders and institutions, with respect to assets which may be suitable for investment by the Funds. In such cases, such an affiliate's client would typically require the affiliate to act exclusively on its behalf, thereby precluding the Funds from acquiring such assets. Such affiliates will be under no obligation to decline such engagements in order to make the investment opportunity available to the Funds.

The Adviser may represent creditors or debtors in proceedings under Chapter 11 of the Bankruptcy Code or prior to such filings. From time to time, the Adviser may serve as advisor to creditor or equity committees. This involvement, for which the Adviser may be compensated, may limit or preclude the flexibility that the Funds may otherwise have to make investments.

If a Fund purchases in the secondary market at a discount debt securities of a company in which a Fund has, for example, a substantial equity interest, (a) a court might require a Fund to disgorge profit it realizes if the opportunity to purchase such securities at a discount should have been made available to the issuer of such securities or (b) a Fund might be prevented from enforcing such securities at their full face value if the issuer of such securities becomes bankrupt. The effect of these transactions will vary from jurisdiction to jurisdiction.

The partnership agreements (or analogous organizational documents) of certain Funds may permit the General Partner of each such Fund to cause such Fund to distribute such General Partner's share of securities resulting from an investment disposition by such Fund to such General Partner or its affiliates in kind, while disposing of limited partners' share of such securities and distributing the net cash proceeds of such sale of securities to the limited partners. This ability could create conflicts of interest between the General Partners and the limited partners of the applicable Fund, because the General Partner may have an incentive to cause the Fund to exit an investment at a time that may result in limited partners receiving a lesser return on such investment than would be the case if the General Partner was prohibited from receiving its proceeds from investments in kind (or was otherwise required to receive its share of investment proceeds in the same form as limited partners). Furthermore, the General Partner, or its affiliates, may receive distributions in kind from an investment disposition. In the event the General Partner, or its affiliates, receive such a distribution, the General Partner may act in its own interest with respect to its share of securities and may determine to sell the distributed securities, or hold on to the distributed securities for such time as the General Partner shall determine. The ability of the General Partner to act in its own interest with respect to such distributed shares could create a conflict of interest between the General Partner or affiliate, as an adviser to the Fund, and the Fund.

The partnership agreements (or analogous organizational documents) of certain Funds may permit each such Fund's General Partner to withhold information from certain limited partners or investors in such Fund in certain circumstances. For instance, information may be withheld from limited partners that are subject to Freedom of Information Act or similar requirements. The General Partner may elect to withhold certain information to such limited partners for reasons relating to the General Partner's public reputation or overall business strategy, despite the potential benefits to such limited partners of receiving such information.

To the extent not restricted by confidentiality requirements or applicable law, the Adviser may apply experience and information gained in providing services to the Initial Funds Portfolio in providing services to competing issuers invested in by affiliates of the Adviser's other clients.

The Adviser's relationships with its advisory clients could create a conflict of interest to the extent the Adviser becomes aware of inside information concerning investments or potential investment targets. The Funds and the Adviser have implemented compliance procedures and practices designed to ensure that inside information is not used for making investment decisions on any Fund's behalf. The Funds and the Adviser cannot assure investors, however, that these procedures and practices will be effective. In addition, this conflict and these procedures and practices may limit the freedom of the Adviser to enter into or exit from potentially profitable investments for the Funds which could have an adverse effect on the Funds' results of operations. Conversely, the Adviser may pursue investments for the Funds without obtaining access to confidential information otherwise in its possession, which information, if reviewed, might otherwise impact an Adviser's judgment with respect to such investments.

Please see the discussion above under the sub-heading "Resolution of Conflicts" for a description of the means by which the Adviser and its related persons may seek to alleviate conflicts of interest among the Funds or other persons.

## **Item 12. Brokerage Practices**

To meet its fiduciary duties to the Funds, the Adviser has adopted written policies to address issues that might arise with respect to purchasing, holding, and selling securities.

### Selection of Brokers and Dealers

For each of the Funds, the Adviser will have, subject to the direction of such Fund's general partner, if applicable, sole discretion over the purchase and sale of investments (including the size of such transactions) and the broker or dealer, if any, to be used to effect transactions. In placing each transaction for a Fund involving a broker-dealer, the Adviser will seek "best execution" of the transaction except to the extent it may be permitted to pay higher brokerage commissions in exchange for brokerage and research services (as discussed below). "Best execution" means obtaining for a Fund account the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), taking into account the circumstances of the transaction and the reputability and reliability of the executing broker or dealer.

In determining whether a particular broker or dealer is likely to provide best execution in a particular transaction, the Adviser may take into account the price of the security offered by the broker-dealer (including a derivatives counterparty), as well as the broker-dealer's full range and quality of services, including, among other things, the broker-dealer's facilities, reliability and financial responsibility, execution capability (particularly in non-U.S. countries), commission rates, responsiveness to the Adviser, brokerage and research services provided to the Adviser (*e.g.*, research ideas, analysis, and investment strategies), special execution and block positioning capabilities, clearance and settlement and custodial services.

The Adviser will keep a list of broker-dealers where a family or household member of an employee of the Adviser or a member of the Adviser's Board of Managers works and will generally not execute any transaction or otherwise have any other dealings with such broker-dealers, except in the following circumstances:

1. In transparent competitive bid or offer situations where such brokers have given the best price, and at least two (2) other good faith prices were obtained from independent brokers, or
2. After obtaining the written consent of the CCO and the Adviser's Board of Managers (with any member of the Board of Managers disqualifying himself or herself or designating an appropriate replacement in cases involving members of his or her family or household), if the Board of Managers determines that a transaction with such broker-dealer is in the best interest of the Funds. In such non-competitive situations, all fees/commissions paid by the Adviser or the Funds will be approved by the Adviser's Board of Managers (with any member of the Board of Managers disqualifying himself or herself or designating an appropriate replacement in cases involving members of his or her family or household).

In order to monitor best execution, the Adviser's Best Execution Committee, consisting of the Chief Investment Officer (or his or her designee), the CCO and the JV Controller and such other members as the Best Execution Committee may nominate, will periodically monitor broker-dealers to assess the quality of execution of brokerage transactions effected on behalf of the Adviser and each Fund.

To the extent consistent with achieving best execution, the Adviser may also consider other business a particular broker or dealer may have done with the Adviser, such as identifying investment opportunities, performing investment banking services and providing services to the Adviser's principals. The Adviser may "pay up" (*e.g.*, pay a higher commission to execute a trade than the lowest available negotiated commission) using a portion of a broker-dealer's brokerage commission (*i.e.*, soft dollars) for brokerage and research services in accordance with Section 28(e) of the Securities Exchange Act of 1934, as amended. A broker-dealer providing such brokerage and research services may receive a commission that is in excess of the amount of commission another broker-dealer would have received for effecting that transaction provided the Adviser determines in good faith that such commission was reasonable in relation to the value of the research and brokerage services provided by the broker-dealer. Any such research service may be broadly useful and of value to the Adviser in rendering investment advice to all

or a significant portion of the Funds, or may be relevant and useful for the management of one or only a few Funds' accounts, regardless of whether such account or accounts paid commissions to the broker-dealer through which the research service was provided. The Adviser will only make securities transactions that it in good faith believes are in the best interest of the Fund. A conflict of interest exists when a broker-dealer provides such research services, however, as the Adviser will have an incentive to favor such broker-dealer over others that may charge lower commissions.

Currently, the Adviser does not use third-party "soft dollar" service providers. To the extent that broker-dealers provide non-research products or services, including products or services that do not fall within Section 28(e), the Adviser generally pays for such products or services in hard dollars to brokers. Prior to entering into any soft dollars arrangement or prior to using soft dollars to pay for any product or service, prior written approval must be obtained from the CCO.

#### Aggregation of Trades

The Adviser may, for example, to realize economies of scale and to possibly receive better market executions, enter aggregated (block) orders for the benefit of multiple clients, as described herein and on Form ADV, and subject to best execution. Aggregation opportunities generally arise when more than one client is capable of purchasing or selling a particular security based on investment objectives, available cash and other factors. In such event, securities purchased or sold will generally be allocated among client accounts on a pro rata basis based on the average price of the orders placed and, to the extent the Adviser has discretion to allocate execution costs, execution costs will generally be aggregated and allocated to clients on a pro rata basis based on the orders placed. The Adviser will maintain the computation of the average price and the specific allocation. The Adviser may also retain these files electronically. When an aggregated order is only partially filled, the investment opportunity will generally be allocated among clients on a pro rata basis of the orders placed.

The Adviser may also aggregate subsequent orders for the same security entered into during the day with any previously filled orders. This determination may take into consideration changes in the market price of the security and differences in allocations among accounts.

If an order for more than one Fund for a security or securities cannot be fully executed, allocation shall be made based upon the Adviser's procedures for allocation of investment opportunities, as described in Item 11 above.

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

#### Oversight and Monitoring

Ordinary course investment management activities of the Initial Funds are carried out by the Adviser's Seed Transaction Investment Committee (the "STIC"). The STIC meets at least once every two weeks to conduct a mandatory review of the Initial Funds' investment performance, valuation and any other developments relating to the Initial Funds Portfolio, as well as investor relations.



The ultimate governing body of the Adviser is the six-member Board of Managers (the “Board”), which is comprised of an equal number of representatives appointed by each of the Adviser’s two Members. The Board is responsible for overseeing management of the Funds’ investments, and exercises ultimate discretion over all of the Adviser’s activities. Pursuant to the Amended and Restated Limited Liability Company Agreement of the Adviser, any unresolved impasses at the Board of Managers level which constitute a “deadlock” will be escalated to the Chief Executive Officers of the ultimate parents of the Adviser’s two Members.

### Reporting

Investors in the Funds typically receive, among other things, a copy of audited financial statements of the relevant Fund within 90 days after the fiscal year end of such Fund, as well as monthly unaudited management reports within 10 days following the end of each calendar month. The Adviser and the applicable General Partner, if any, may from time to time, in their sole discretion, provide additional information relating to such Fund to one or more investors in such Fund as they deem appropriate.

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

For details regarding economic benefits provided to the Adviser by non-clients, including a description of related material conflicts of interest and how they are addressed, please see Item 11 above.

### **Item 15. Custody**

To the extent assets of a Fund are held by one or more custodial banks, such custodial banks send account statements to an independent representative of investors in such Fund or to investors in such Fund. The recipients of such account statements received from the custodial bank should compare them to account statements the Adviser delivers to investors.

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

Investment advice is provided directly to the Funds, subject, where applicable, to the direction and control of the Board or the General Partner of each Fund, and not individually to the investors in the Funds. Services are provided to the Funds in accordance with the Advisory Agreements with the Funds and/or the organizational documents of the applicable Fund. Investment restrictions for the Funds, if any, are generally established in the organizational or offering documents of the applicable Fund.

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

The Adviser has adopted written policies setting forth the principles and procedures by which the Adviser votes or gives consent with respect to securities owned by the Funds (“Votes”). The guiding principle by which the Adviser votes all Votes is to vote in the best interests of each Fund by maximizing the economic value of the relevant Fund’s holdings, taking into account the relevant Fund’s investment horizon, the contractual obligations under the relevant Advisory

Agreements or comparable documents, and all other relevant facts and circumstances at the time of the vote. The Adviser does not permit Voting decisions to be influenced in any manner that is contrary to, or dilutive of, this guiding principle.

It is the Adviser's general policy to vote or give consent on all matters presented to security holders in any Vote. However, the Adviser reserves the right to abstain on any particular Vote or otherwise withhold its vote or consent on any matter if, in the judgment of the CCO, the Board or the relevant Adviser investment professional, the costs associated with voting such Vote outweigh the benefits to the relevant Fund or Funds or if the circumstances make such an abstention or withholding otherwise advisable and in the best interests of the relevant Fund or Funds.

Funds generally cannot direct the Adviser's Vote.

The following procedures have been established for the Funds:

- The Adviser will make a reasonable effort to obtain proxy material from the Funds' administrators and/or custodians. Due to the nature of several countries where investments are held some proxies may be more difficult to obtain than others while some may be unattainable, and certain other foreign companies may not accept proxy votes from foreign institutional investors. In such cases, the Adviser may choose not to vote these shares. All situations will be evaluated individually while always maintaining the best interests of clients.
- Any Adviser Personnel of the Adviser involved in the management of the assets subject to such proxy should bring any conflicts to the attention of the CCO and any portfolio manager involved in deciding such proxy vote, and such conflict must be resolved to the satisfaction of the CCO and such portfolio manager before any vote is decided upon.
- Once the proxy information is gathered and any conflicts addressed, the applicable portfolio manager responsible for the assets subject to such proxy will review the facts surrounding each proxy, decide how to vote such proxy and discuss with the CCO how the vote will be made or if the vote will not be made. Attention will be placed on how each proxy will benefit the best interest of each client and whether the process complied with the Proxy Voting Policies and Procedures adopted by the Adviser.
- The CCO shall maintain a log that includes the following: (i) how the proxy was voted; (ii) the date the proxy was voted; and (iii) any additional information deemed necessary if it was in the best interest of clients to not vote the proxy.
- Copies of relevant proxy logs, identifying how proxies were voted in connection with a Fund and copies of proxy voting policies are available to any client or prospective client upon written request to the Adviser at the following address: 1251 Avenue of the Americas 3<sup>rd</sup> FL, New York, NY 10020.

## **Item 18. Financial Information**

Item 18 is not presently applicable to the Adviser.

**Item 19. Requirements for State-Registered Advisers**

Item 19 is not applicable to the Adviser.