

ITEM 1: COVER PAGE

Context Advisers II, L.P.
(the “Adviser”)

Form ADV, Part 2A
(the “Brochure”)

May 22, 2014

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This Brochure provides information about the qualifications and business practices of the Adviser. If you have any questions about the contents of this Brochure, please contact us at (484) 430-1000 or mleblanc@contextam.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about the Adviser also is available on the SEC’s Investment Adviser Public Disclosure (IAPD) website at www.adviserinfo.sec.gov.

The Adviser may refer to itself as a “registered investment adviser.” You should be aware that registration with the SEC or a state securities authority does not imply a certain level of skill or training.

ITEM 2: MATERIAL CHANGES

Not applicable.

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ITEM 4: ADVISORY BUSINESS

The Adviser, a Delaware limited partnership, was founded in 2014. Ron Biscardi is the ultimate controlling owner of the Adviser through his ownership of Context Asset Management II GP, LLC. In addition, Eric Brooks and Ron Biscardi each indirectly own a greater than 25% non-voting economic interest in the Adviser.

The Adviser provides: (i) non-discretionary investment consulting services to clients, including family offices (each a “Consulting Client,” and collectively, the “Consulting Clients”); and (ii) discretionary investment advisory services to investment companies registered under the Investment Company Act of 1940 (each a “Fund,” and collectively, the “Funds”). Hereinafter, the Consulting Clients and the Funds will collectively be referred to as each a “Client,” and collectively, the “Clients.”

Except as otherwise described herein, services are provided to each Consulting Client with consideration given to the investment objectives, strategies, restrictions and guidelines communicated to the Adviser by the Consulting Client or its representatives and as memorialized in a consulting services agreement (“Consulting Agreement”). The Adviser only provides consulting services pursuant to a Consulting Agreement with each Consulting Client that specifies the specific nature and scope of the consulting services to be provided to the applicable Consulting Client. In general, consulting services provided by the Adviser consist of recommendations of investments and investment managers. Each Fund is managed in accordance with the Fund’s particular investment objectives, strategies, restrictions and guidelines and are generally not tailored to the individualized needs of any particular investor in a Fund. Information about each Fund, and the particular investment objectives, strategies, restrictions, guidelines and risks associated with an investment, is described in each Fund’s registration statement (“Registration Statement”), which is publicly available to investors via the SEC’s website. Since the Adviser does not provide individualized advice to Fund investors (and an investment in a Fund does not, in and of itself, create an advisory relationship between the investor and the Adviser), investors must consider whether a particular Fund meets their investment objectives and risk tolerance prior to investing.

Persons reviewing this brochure should not construe it as an offering of any Fund or consulting services described herein. Fund offerings will only be made pursuant to the delivery to prospective investors of offering documents, which will describe certain risk factors, conflicts of interest, investment objectives and other important information regarding a particular Fund. Consulting services will only be offered pursuant to a Consulting Agreement negotiated with each Consulting Client on a case-by-case basis.

As of May 22, 2014, the Adviser had no assets under management.

ITEM 5: FEES AND COMPENSATION

Compensation

The Adviser receives various fees from Clients. Consulting fees are directly negotiated with each Consulting Client and reflected in a Consulting Agreement. Consulting fees are

not subject to a set fee schedule and, generally, are fixed fees not based on a percentage of a pool of assets. In exchange for providing advisory services to a Fund, the Adviser receives a management fee based on a percentage of the Fund's assets under management. Details of management fees paid to the Adviser and any other Fund fees and expenses are described in each Fund's Registration Statement.

Other Fees and Expenses

Fund fees and expenses are described in each Fund's Registration Statement. All fees and expenses to be paid by a Consulting Client will be directly negotiated and reflected in the applicable Consulting Agreement. In addition to paying investment management or consulting fees, investors and Consulting Clients are also subject to other investment related expenses such as legal, compliance, audit, accounting and third party administrator fees and expenses; organizational expenses; investment expenses such as brokerage commissions, research fees and expenses; borrowing charges on securities sold short; custodial fees; insurance costs related to investments; and any other expenses related to the purchase, sale or transmittal of Client assets. For a more complete discussion of transactions costs that may be incurred, please refer to Item 12 –*Brokerage Practices*.

Billing

Consulting Clients pay consulting fees, pursuant to the applicable Consulting Agreement. Generally consulting fees are paid in arrears, each quarter. In the event that a Consulting Agreement is terminated, any fees paid in advance may or may not be refundable, depending upon the terms of the applicable Consulting Agreement. If a refund is due, the Adviser will return the applicable amount to the Consulting Client.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Not Applicable.

ITEM 7: TYPES OF CLIENTS

As discussed in Item 4 – *Advisory Business*, the Adviser provides: (i) non-discretionary investment consulting services to Consulting Clients; and (ii) discretionary investment advisory services to Funds.

The terms and conditions of Client accounts may vary depending on the type of services provided or the type of client, and these terms and conditions may also vary from Client to Client.

The Funds may offer one or more share classes with various investment minimums or other investment restrictions. Fund investment minimums or other investment restrictions are described in detail in the applicable Fund's Registration Statement.

Clients, potential clients and any other recipients of the Brochure should be aware that while the Brochure may include information about the Adviser, as necessary or

appropriate, it should not be considered to represent a complete discussion of the features, risks or conflicts associated with the Adviser or its services. More complete information about each consulting relationship is included in the applicable Consulting Agreement and more complete information about each Fund is included in the applicable Registration Statement. Potential consulting clients should review a proposed Consulting Agreement in its entirety prior to entering into a consulting relationship with the Adviser and potential Fund investors should review the applicable Fund's Registration Statement prior to making an investment in a Fund.

In no event should this Brochure be considered to be an offer of interests in a Fund or relied upon in determining whether to invest. The Brochure is also not an offer of, or agreement to provide, consulting or advisory services directly to any recipient. Rather, this Brochure is designed solely to provide information about the Adviser for the purpose of compliance with certain obligations under the Advisers Act and, as such, responds to relevant regulatory requirements under the Advisers Act, which may differ from the information provided in a Registration Statement, Consulting Agreement or other relevant organizational document. To the extent that there is any conflict between disclosures herein and similar or related disclosures in any Registration Statement, Consulting Agreement or other relevant organizational document, the Registration Statement, Consulting Agreement and other relevant organizational document, as applicable, shall govern.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis and Investment Strategies

The Adviser offers strategies tailored to the specific investment goals of each Client. In general, the Adviser assists its Consulting Clients with constructing portfolios designed to achieve customized investment objectives by recommending certain asset allocations amongst underlying funds. However, the Adviser may also from time to time recommend direct investment in particular securities or other instruments. The Adviser's investment personnel use a combination of internal and external research to make investment recommendations to Clients based on their professional judgment.

Additional information about the investment processes and methods of analysis employed with respect to each Fund is available in the applicable Fund's Registration Statement.

Investment Risks

The Adviser's investment activities involve a significant degree of risk that Clients and Fund investors should be prepared to bear. While the Adviser seeks to manage or advise Clients so that risks are appropriate to the return potential for the applicable strategy, it is often not possible to fully mitigate risks. Consulting Client investments made pursuant to advice by the Adviser contemplate the risk of loss and there can be no guarantee that a particular level of return will be achieved. Unless specifically set forth in a Consulting Agreement, the Adviser does not intend its consulting services to constitute a complete

investment program. The Adviser also assumes that Consulting Clients making an investment pursuant to Advice given by the Adviser will not invest all of their assets in any particular investment recommended by the Adviser. Consulting Clients are responsible for appropriately diversifying their assets to guard against the risk of loss.

As it is not possible to identify all of the risks associated with investing, this section discusses certain material risks associated with the Adviser's investment strategies and methods of analysis. The particular risks applicable to a Client will depend upon various factors, including the Client's investment strategies, restrictions and holdings.

Market Risk

Overall securities market risk, including volatility, may affect the value of individual instruments in which a Client invests. Factors such as domestic and foreign economic growth and market conditions, interest rate levels, and political events affect the securities markets. When the value of the general securities markets goes down, a Client's investment may decrease in value and a Client could lose money.

Hedge Fund Risk

A Client may invest in private investment funds, or "hedge funds," which pursue alternative investment strategies. Certain investment instruments and techniques that a hedge fund may use are speculative and involve a high degree of risk. Because of the speculative nature of a hedge fund's investments and trading strategies, a Client may suffer a significant or complete loss of its invested capital in one or more hedge funds. A shareholder will also bear fees and expenses charged by the underlying funds in addition to a Client's direct fees and expenses. In addition, interests in a hedge fund are generally subject to restrictions on withdrawal or transfer and are likely to be illiquid.

Underlying Fund Allocation Risk

The success of a Client's investment strategy depends on, among other things, on the Adviser's skill in successfully selecting underlying funds and recommending allocation of assets amongst those underlying funds to a Client in order to achieve a Client's investment objective(s).

Underlying Fund Management Risk

The ability of an underlying fund to meet its investment objective(s) is directly related to the ability of each underlying fund manager's ability to successfully execute the investment strategy(ies) of an underlying fund. The value of a Client's investments in underlying funds may vary with the effectiveness of the underlying fund manager's research, analysis and asset allocation among portfolio securities. If the underlying fund managers' investment strategies do not produce the expected results, the value of a Client's investment in underlying funds could be diminished or even lost entirely.

Active Trading Risk

A higher portfolio turnover may result in higher transactional and brokerage costs associated with the turnover which may reduce a Client or underlying fund's return, unless the securities traded can be bought and sold without corresponding commission costs. Active trading of securities may also increase a Client or underlying fund's realized capital gains or losses, which may affect the taxes a Client pays.

Issuer-Specific Risk

The value of a specific security or option can be more volatile than the market as a whole and may perform worse than the market as a whole. The value of large cap securities, as represented by the S&P 500 Index, can be more volatile than smaller cap securities due to differing market reactions to adverse issuer, political, regulatory, market, or economic developments.

Small and Medium Capitalization Companies Risk

Investing in securities of small and medium capitalization companies may involve greater volatility than investing in larger and more established companies because small and medium capitalization companies can be subject to more abrupt or erratic share price changes than larger, more established companies. Small and medium capitalization companies may have limited product lines, markets or financial resources and their management may be dependent on a limited number of key individuals. Securities of those companies may have limited market liquidity and their prices may be more volatile.

Foreign and Emerging Market Securities Risk

Foreign investments may carry risks associated with investing outside the United States, such as currency fluctuation, economic or financial instability, lack of timely or reliable financial information or unfavorable political or legal developments. Those risks are increased for investments in emerging markets.

Exchange-Traded Funds Risk

An investment in an ETF generally presents the same primary risks as an investment in a conventional mutual fund (i.e., one that is not exchange-traded) that has the same investment objective, strategies and policies. The price of an ETF can fluctuate within a wide range, and a Client or underlying fund could lose money when investing in an ETF if the prices of the securities owned by the ETF go down. In addition, ETFs are subject to the following risks that do not apply to conventional mutual funds: (1) the market price of the ETF's shares may trade at a discount to their NAV; (2) an active trading market for an ETF's shares may not develop or be maintained; or (3) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. Additionally, ETFs have management fees, which increase their cost.

Credit Risk

There is a risk that issuers and counterparties will not make payments on securities and other investments held by a Client or underlying fund, resulting in losses to a Client or underlying fund. In addition, the credit quality of securities held by a Client or underlying fund may be lowered if an issuer's financial condition changes. Lower credit quality may lead to greater volatility in the price of a security or in shares of an underlying fund. Lower credit quality also may affect liquidity and make it difficult for a Client or underlying fund to sell the security. Default, or the market's perception that an issuer is likely to default, could reduce the value and liquidity of securities held by a Client or underlying fund. In addition, default may cause a Client or underlying fund to incur expenses in seeking recovery of principal or interest on its portfolio holdings.

Distressed Securities Risk

A Client or underlying fund's investment in distressed securities, including "junk bonds," may involve a substantial degree of risk. These instruments, which involve loans, loan participations, bonds, notes, non-performing and sub-performing mortgage loans typically are unrated, lower-rated, in default or close to default. Many of these instruments are not publicly traded, and may become illiquid. The prices of such instruments may be extremely volatile. Securities of distressed companies are generally more likely to become worthless than the securities of more financially stable companies. Valuing such instruments may be difficult, and a Client or underlying fund may lose all of its investment, or it may be required to accept cash or securities with a value less than a Client or underlying fund's original investment. Issuers of distressed securities are typically in a weak financial condition and may default, in which case a Client or underlying fund may lose its entire investment. See "High-Yield Fixed-Income Securities Risk ("junk bonds")" below.

Event Risk

Event risk is the risk that corporate issuers may undergo restructurings, such as mergers, leveraged buyouts, takeovers, or similar events financed by increased debt. As a result of the added debt, the credit quality and market value of a company's bonds and/or other fixed-income securities may decline significantly.

Leveraging Risk

The use of leverage, such as that embedded in options, will magnify a Client or underlying fund's gains or losses. The use of leverage may cause a Client or underlying fund to liquidate portfolio positions when it would not be advantageous to do so in order to satisfy its obligations.

Liquidity Risk

Liquidity risk exists when particular investments of a Client or underlying fund would be difficult to purchase or sell, possibly preventing a Client or underlying fund from selling such illiquid securities at an advantageous time or price, or possibly requiring a Client or

underlying fund to dispose of other investments at unfavorable times or prices in order to satisfy its obligations.

Regulatory Risk

Changes in the laws or regulations of the U.S. or other countries, including any changes to applicable tax laws and regulations, could impair the ability of a Client or underlying fund to achieve its investment objective and could increase the operating expenses of a Client or underlying fund. For example, the CFTC recently adopted amendments to existing regulations that, upon effectiveness, may subject activities of an underlying fund in which a Client invests, involving investments in futures contracts and similar instruments to regulation by the CFTC, including a variety of registration, disclosure and operational obligations, which will involve additional costs and may negatively impact the investment performance of such an underlying fund.

Hedging Risk

Hedging is a strategy in which a Client or underlying fund uses a derivative to offset the risks associated with other Fund holdings. While hedging can reduce losses, it can also reduce or eliminate gains or cause losses if the market moves in a manner adverse to the portfolio construction employed by a Client or underlying fund or if the cost of the derivative outweighs the benefit of the hedge. Hedging also involves the risk that changes in the value of the derivative will not match those of the holdings being hedged as expected by a Client or underlying fund, in which case any losses on the holdings being hedged may not be reduced and may be increased. There can be no assurance that a Client or underlying fund's hedging strategy will reduce risk or that hedging transactions will be either available or cost effective. A Client is not required to use hedging and may choose not to do so.

Derivatives Risk

A Client may invest, either directly or through an underlying fund, in derivatives, which are financial instruments whose value is typically based on the value of a security, commodity or index. These instruments include options, futures contracts, forward currency contracts, swap agreements, including total return swap agreements, and similar instruments. Derivatives may also include customized baskets or options (which may incorporate other securities directly and also various derivatives including common stock, options, and futures) structured as agreed upon by a counterparty, as well as specially structured types of mortgage- and asset-backed securities whose value is often linked to commercial and residential mortgage portfolios. A Client or underlying fund's use of derivative instruments involves risks different from, and possibly greater than, the risks associated with investing directly in securities and other more traditional investments, and certain derivatives may create a risk of loss greater than the amount invested.

Investing for hedging purposes or to increase a Client or underlying fund's return may result in certain additional transaction costs that may reduce a Client or underlying fund's performance. A Client or underlying fund may use a variety of currency hedging

techniques to attempt to hedge exchange rate risk or gain exposure to a particular currency. When used for hedging purposes, no assurance can be given that each derivative position will achieve a perfect correlation with the security or currency against which it is being hedged. Because the markets for certain derivative instruments are relatively new, suitable derivatives transactions may not be available in all circumstances for risk management or other purposes and there can be no assurance that a particular derivative position will be available when sought by a Client or underlying fund or that such techniques will be utilized by an underlying fund.

The market value of derivative instruments and securities may be more volatile than that of other instruments, and each type of derivative instrument may have its own special risks, including the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates, and indices. Many derivatives, in particular privately negotiated derivatives, are complex and often valued subjectively. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to a Client or underlying fund. The value of derivatives may not correlate perfectly, or at all, with the value of the assets, reference rates or indices they are designed to closely track.

Options Risk

Options and options on futures contracts are subject to the same risks as the investments in which a Client or underlying fund invests directly, but also may involve risks different from, and possibly greater than, the risks associated with investing directly in the underlying investments. Investments in options and options on futures involve additional costs, may be more volatile than other investments and may involve a small initial investment relative to the risk assumed. If the Adviser or an underlying fund manager incorrectly forecasts the value of investments in using an option or futures contract, a Client or underlying fund might have been in a better position if a Client or underlying fund had not entered into the contract. In addition, the value of an option may not correlate perfectly to the underlying financial asset, index or other investment or overall securities markets.

Call Options Risk

When a Client or underlying fund purchases a call option on a security or index it may lose the entire premium paid if the underlying security or index does not increase in value. A Client or underlying fund is also exposed to default by the option writer who may be unwilling or unable to perform its contractual obligations to a Client or underlying fund.

Put Option Risk

When a Client or underlying fund purchases a put option on a security or index it may lose the entire premium paid if the underlying security or index does not decrease in value. A Client or underlying fund is also exposed to default by the option writer who may be unwilling or unable to perform its contractual obligations to a Client or underlying fund.

Written Options Risk

A Client or underlying fund will incur a loss as a result of a written options (also referred to as a short position) if the price of the written option instrument increases in value between the date when a Client or underlying fund writes the option and the date on which a Client or underlying fund purchases an offsetting position. A Client or underlying fund's losses are potentially large in a written put transaction and potentially unlimited in a written call transaction.

Futures Contract Risk

Futures contracts are subject to the same risks as the underlying investments that they represent, but also may involve risks different from, and possibly greater than, the risks associated with investing directly in the underlying investments. Investments in futures contracts involve additional costs, may be more volatile than other investments and may involve a small initial investment relative to the risk assumed. If the Adviser or an underlying fund manager incorrectly forecasts the value of investments using a futures contract, a Client or underlying fund might have been in a better position if a Client or underlying fund had not entered into the contract. Futures utilized by a Client or underlying fund may be standardized and exchange traded or traded on over-the-counter ("OTC") markets. Both exchange-traded and OTC futures contracts are subject to counterparty default risk. Where the exchange serves as the ultimate counterparty for all contracts, the primary credit risk on futures contracts is the creditworthiness of the exchange itself. Futures are also subject to market risk, interest rate risk (in the case of futures contracts relating to income producing securities) and index tracking risk (in the case of stock index futures).

Currency and Forward Currency Contracts Risks

Changes in foreign currency exchange rates may affect the value of a Client or underlying fund's investments. Generally, when the U.S. dollar rises in value against a foreign currency, an investment in that foreign currency loses value because it is worth fewer U.S. dollars. The foreign currency exchange market can be highly volatile for a variety of reasons. For example, devaluation of a currency by a country's government or banking authority also will have a significant impact on the value of any investments denominated in that currency. Currency markets generally are not as regulated as securities markets. Investments in forward currency contracts could minimize the risk of loss due to a decline in the value of the hedged currency, but may also limit any potential gain from an increase in the value of the currency.

Short Sales Risk

A Client or underlying fund may attempt to limit its exposure to a possible market decline in the value of its portfolio securities through short sales of securities that its portfolio manager believes possess volatility characteristics similar to those being hedged. A Client or underlying fund may also use short sales for non-hedging purposes to pursue its investment objectives if, in the portfolio manager's view, the security is over-valued.

Short selling is speculative in nature and, in certain circumstances, can substantially increase the effect of adverse price movements on a Client or underlying fund's portfolio. A short sale of a security involves the risk of an unlimited increase in the market price of the security that can in turn result in an inability to cover the short position and a theoretically unlimited loss. No assurance can be given that securities necessary to cover a Client or underlying fund's short position will be available for purchase. The SEC and other U.S. and non-U.S. regulatory authorities have imposed, and may impose in the future, restrictions on short selling, either on a temporary or permanent basis. Such restrictions may include placing limitations on specific companies and/or industries with respect to which a Client or underlying fund may enter into short positions, and may hinder a Client or underlying fund in, or prevent it from, implementing its investment strategies, and may negatively affect performance.

Convertible Securities Risk

A convertible security is a fixed-income security (a debt instrument or a preferred stock) that may be converted at a stated price within a specified period of time into a certain quantity of the common stock of the same or a different issuer. Convertible securities are senior to common stock in an issuer's capital structure, but are subordinated to any senior fixed-income securities. While providing a fixed-income stream (generally higher in yield than the income derivable from common stock but lower than that afforded by a similar non-convertible security), a convertible security also gives an investor the opportunity, through its conversion feature, to participate in the capital appreciation of the issuing company depending upon a market price advance in the convertible security's underlying common stock.

Fixed-Income Securities Risk

Fixed-income securities held by a Client or underlying fund are subject to interest rate risk, call risk, prepayment and extension risk, credit risk, and liquidity risk, which are more fully described below.

- ***Call Risk.*** During periods of declining interest rates, a bond issuer may "call," or repay, its high yielding bonds before their maturity dates. A Client or underlying fund would then be forced to invest the unanticipated proceeds at lower interest rates, resulting in a decline in its income.
- ***Credit Risk.*** Fixed-income securities are generally subject to the risk that the issuer may be unable to make principal and interest payments when they are due. There is also the risk that the securities could lose value because of a loss of confidence in the ability of the borrower to pay back debt. Lower rated fixed-income securities involve greater credit risk, including the possibility of default or bankruptcy.
- ***Interest Rate Risk.*** Fixed-income securities are subject to the risk that the securities could lose value because of interest rate changes. For example, bonds tend to decrease in value if interest rates rise. Fixed-income securities with longer

maturities sometimes offer higher yields, but are subject to greater price shifts as a result of interest rate changes than fixed-income securities with shorter maturities.

- *Liquidity Risk.* Trading opportunities are more limited for fixed-income securities that have not received any credit ratings, have received ratings below investment grade or are not widely held. These features make it more difficult to sell or buy a security at a favorable price or time. Consequently, a Client or underlying fund may have to accept a lower price to sell a security, sell other securities to raise cash or give up an investment opportunity, any of which could have a negative effect on its performance. Infrequent trading of securities may also lead to an increase in their price volatility. Liquidity risk also refers to the possibility that a Client or underlying fund may not be able to sell a security or close out an investment contract when it wants to. If this happens, a Client or underlying fund will be required to hold the security or keep the position open, and it could incur losses.
- *Prepayment and Extension Risk.* Many types of fixed-income securities are subject to prepayment risk. Prepayment occurs when the issuer of a fixed-income security can repay principal prior to the security's maturity. Fixed-income securities subject to prepayment can offer less potential for gains during a declining interest rate environment and similar or greater potential for loss in a rising interest rate environment. In addition, the potential impact of prepayment features on the price of a fixed-income security can be difficult to predict and result in greater volatility. On the other hand, rising interest rates could cause prepayments of the obligations to decrease, extending the life of mortgage- and asset-backed securities with lower payment rates. This is known as extension risk and may increase a Client or underlying fund's sensitivity to rising rates and its potential for price declines.

Asset-Backed and Mortgage-Backed Securities Risk

Asset-backed and mortgage-backed securities are subject to risk of prepayment. This is more likely to occur when interest rates fall because many borrowers refinance mortgages to take advantage of more favorable rates. Prepayments on mortgage backed securities are also affected by other factors, such as the volume of home sales. A Client or underlying fund's yield will be reduced if cash from prepaid securities is reinvested in securities with lower interest rates. The risk of prepayment may also decrease the value of mortgage-backed securities. Asset-backed securities may have a higher level of default and recovery risk than mortgage-backed securities. However, both of these types of securities may decline in value because of mortgage foreclosures or defaults on the underlying obligations. Enforcing rights against the underlying assets or collateral may be difficult, or the underlying assets or collateral may be insufficient if the issuer defaults. The values of certain types of mortgage-backed securities, such as inverse floaters and interest-only and principal-only securities, may be extremely sensitive to changes in interest rates and prepayment rates.

Bank Loan Risk

A Client or underlying fund's investments in secured and unsecured participations in bank loans and assignments of such loans may create substantial risk. In making investments in such loans, which are made by banks or other financial intermediaries to borrowers, a Client or underlying fund will depend primarily upon the creditworthiness of the borrower for payment of principal and interest. If a Client or underlying fund does not receive scheduled interest or principal payments on such indebtedness, a Client or underlying fund's investment return could be adversely affected. A Client or underlying fund may invest in loan participations that are rated by a NRSRO or are unrated, and may invest in loan participations of any credit quality, including "distressed" companies with respect to which there is a substantial risk of losing the entire amount invested. In addition, certain bank loans in which a Client or underlying fund may invest may be illiquid and, therefore, difficult to value and/or sell at a price that is beneficial to a Client or underlying fund.

Exchange-Traded Note Risk

ETNs are subject to the credit risk of the issuer. The value of an ETN will vary and will be influenced by its time to maturity, level of supply and demand for the ETN, volatility and lack of liquidity in underlying securities, currency markets as well as changes in the applicable interest rates, changes in the issuer's credit rating, and economic, legal, political, or geographic events that affect the referenced index. There may be restrictions on a Client or underlying fund's right to redeem its investment in an ETN, which is meant to be held until maturity. A Client or underlying fund's decision to sell its ETN holdings may be limited by the availability of a secondary market.

Government Sponsored Entities Risk

U.S. Government obligations include securities issued or guaranteed as to principal and interest by the U.S. Government, its agencies or instrumentalities, such as the U.S. Treasury. Payment of principal and interest on U.S. Government obligations may be backed by the full faith and credit of the United States or may be backed solely by the issuing or guaranteeing agency or instrumentality itself. In the latter case, the investor must look principally to the agency or instrumentality issuing or guaranteeing the obligation for ultimate repayment, which agency or instrumentality may be privately owned. There can be no assurance that the U.S. Government would provide financial support to its agencies or instrumentalities (including government-sponsored enterprises) where it is not obligated to do so. As a result, there is a risk that these entities will default on a financial obligation. For instance, securities issued by the Government National Mortgage Association, commonly known as "Ginnie Mae," are supported by the full faith and credit of the U.S. Government. Securities issued by Fannie Mae and Freddie Mac are supported only by the discretionary authority of the U.S. Government. However, the obligations of Fannie Mae and Freddie Mac have been placed into conservatorship until the entities are restored to a solvent financial condition. Securities issued by the Student Loan Marketing Association are supported only by the credit of that agency.

High-Yield Fixed-Income Securities Risk (“junk bonds”)

High-yield fixed-income securities or “junk bonds” are fixed-income securities rated below investment grade by a NRSRO. Although junk bonds generally pay higher rates of interest than higher-rated securities, they are subject to a greater risk of loss of income and principal. Junk bonds are subject to greater credit risk than higher-grade securities and have a higher risk of default. Companies issuing high-yield junk bonds are more likely to experience financial difficulties that may lead to a weakened capacity to make principal and interest payments than issuers of higher grade securities. Issuers of junk bonds are often highly leveraged and are more vulnerable to changes in the economy, such as a recession or rising interest rates, which may affect their ability to meet their interest or principal payment obligations.

U.S. Government Securities Risk

Treasury obligations may differ in their interest rates, maturities, times of issuance and other characteristics. Obligations of U.S. Government agencies and authorities are supported by varying degrees of credit but generally are not backed by the full faith and credit of the U.S. Government. No assurance can be given that the U.S. Government will provide financial support to its agencies and authorities if it is not obligated by law to do so. In addition, the value of U.S. Government securities may be affected by changes in the credit rating of the U.S. Government.

Fund Specific Risks

In addition to the risks identified above, Fund investors will be subject to certain fund-related risks, as set forth in the applicable Registration Statement. The Funds are not intended to be complete investment programs. The Funds and Fund investors should be prepared to incur losses.

ITEM 9: DISCIPLINARY INFORMATION

Not Applicable.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Other Financial Industry Affiliations

The Adviser is affiliated with other entities engaged in the financial services business and, in some cases has business arrangements with such entities that are material to its advisory business or to its Clients. These are described in more detail below and, in some cases, may cause the Adviser or a related person’s interests to diverge from the best interests of a Client.

Context Capital Advisers, LLC (“CCA”) is a registered investment adviser with the SEC. The Adviser and CCA are under common control and share certain supervised persons but do not share portfolio managers. CCA provides investment advisory services to

Context Alternative Strategies Fund, a series of Context Capital Funds, a registered investment company under the Investment Company Act of 1940 (“1940 Act”).

Conflicts of Interest. Actual or apparent conflicts of interest may arise when investment management personnel have day-to-day management responsibilities with respect to more than one Fund or other Client account. More specifically, managing or advising multiple Clients may result in investment management personnel devoting unequal time and attention to managing or advising a particular Client. If investment management personnel identify a limited investment opportunity which may be suitable for more than one Client, other Clients may be unable to take full advantage of that opportunity due to an allocation of filled purchase or sale orders across all eligible accounts.

The Adviser has adopted certain compliance procedures, which are designed to address these types of conflicts. The Adviser has developed and implemented policies and procedures designed to ensure that all Clients are treated equitably including, a Code of Ethics discussed in Item 11 and brokerage practices discussed in Item 12, in order to protect the best interests of Clients. In addition, compliance oversight and monitoring ensures adherence to policies designed to avoid conflicts. The Adviser’s policies and procedures address trade aggregation and allocation. Typically when aggregating trades across funds and/or other accounts, the size of the trade for each Fund and/or other account is determined by proportional size of the Fund and/or other account and such determination is made pre-trade. Moreover, in aggregated trades each Fund and/or other account receives the average share price and transaction costs are shared on a pro-rata basis.

There is no guarantee that such procedures will detect each and every situation in which a conflict arises.

Further, to the extent that the Adviser or any of its principals recommends an affiliated advisory, brokerage or other financial industry service to a Client, the Adviser or its principals will disclose any economic benefit received by the Adviser, a principal or any affiliated person to the Client in writing.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

The Adviser has adopted a Code of Ethics in accordance with Rule 17j-1 under the 1940 Act and Rule 204A-1 under the Advisers Act covering such matters as: (i) prohibitions against securities transactions when in possession of material nonpublic information; (ii) personal conflicts of interest, including outside activities and gifts; (iii) personal securities transactions policies; and (iv) general standards of ethical business conduct. Any Client or prospective client may obtain a copy of the Code of Ethics upon request by contacting the Adviser. The Adviser’s contact information appears on the cover page of this Brochure.

Participation or Interest in Client Transactions and Personal Trading

The Adviser does not anticipate that it would for its own account, or for the account of one of its employees or affiliates, purchase securities from, or sell securities to, a Client (a “principal transaction”). The Adviser also does not anticipate that it would recommend to a Client that such Client purchase securities from another Client such that the Adviser or an affiliate acts as a broker to each party in the transaction (an “agency cross transaction”). Principal and agency cross transactions may give rise to potential conflicts of interest, such as the execution of transactions with Clients at unfavorable prices or the sale of unwanted securities into Client accounts. If the Adviser were to engage in any such transaction, it would only do so in accordance with its policies and procedures designed to comply with the requirements of Section 206(3) of the Advisers Act and the rules thereunder, including the requirement to obtain the prior consent of any Client involved in certain transactions. The Adviser does, however, anticipate that it or one of its related persons may buy or sell for its own account securities or other investments, which the Adviser also recommends to a specific Consulting Client that indirectly owns a non-voting economic interest in the Adviser. In addition, the Adviser may recommend securities or other investments in which the Adviser or one of its related persons has a proprietary interest to the same Consulting Client. The Adviser does not anticipate investing alongside or making similar recommendations to other Clients. The Adviser has adopted compliance procedures, designed to address resulting conflicts consistently with applicable federal securities laws.

The Adviser’s policy on personal trading generally requires pre-clearance of securities purchases by employees, with limited exceptions. Purchases or sales of securities generally must be pre-cleared with the Adviser’s compliance department so that a determination may be made as to whether the transaction should be prohibited due to the Adviser’s possession of material nonpublic information, or because the transaction would otherwise create a material conflict of interest. In addition to seeking pre-clearance prior to trading covered securities, each employee is required to report their securities holdings quarterly to the Adviser’s compliance department. Transactions in “managed accounts” or funds, where the employee does not have investment discretion over the trading activity in the account, are not subject to the Adviser’s pre-clearance or reporting requirements since the employee does not make the investment decisions for such accounts.

ITEM 12: BROKERAGE PRACTICES

Selection of Broker-Dealers

The Adviser generally does not have investment discretion with respect to Consulting Clients, and accordingly will not have discretion to select broker-dealers on behalf of Consulting Clients.

Pursuant to the investment guidelines set forth in the relevant Registration Statement or other governing documents for each Fund, the Adviser will have the authority to determine, without obtaining specific consent, the securities and loans to be bought or

sold (and the amounts thereof) by the Fund. The Adviser may use broker-dealers who provide placement agent services but will not take such services into account when selecting broker-dealers to execute transactions for a Fund.

The Adviser has a fiduciary obligation to seek to obtain “best execution” in executing portfolio transactions on behalf of its Clients. However, the Adviser does not typically pay commissions for each securities or loan transaction, but rather, seeks to obtain the best overall terms at the time of execution. In addition, in some cases, the Adviser’s transactions on behalf of Funds may be privately negotiated and do not involve the use of a broker or dealer. In those cases, the Adviser seeks to negotiate and execute transactions in an efficient manner and consistent with its fiduciary duties to the Funds.

When executing transactions for Funds and selecting brokers or dealers, the Adviser shall use commercially reasonable efforts to seek the best overall terms available, and shall execute or direct the execution of all such transactions in a manner permitted by law and in a manner that it believes to be in the best interest of the applicable Fund, taking into account all factors it deems relevant including, but not limited to, the timing for such purchase or sale, the breadth of the market in the relevant security or loan, market conditions, assignment fees, price, the financial condition and execution capability of the broker or dealer and the reasonableness of any basis. Pursuant to its investment determinations for a Fund, in placing orders with brokers and dealers, the Adviser will use commercially reasonable efforts to obtain the best net price and the most favorable execution of its orders. If the Adviser believes that the most favorable terms and executions are obtainable from more than one broker or dealer, it may give consideration to placing portfolio transactions with those brokers and dealers who also furnish research, execution and other services to the Fund or to the Adviser itself (“soft dollar services”).

Soft dollar services, if any, might be used to service all Clients, or just those Funds paying for the service. Soft dollar service arrangements could give rise to a conflict of interest because Fund brokerage commissions would be used to pay for research, execution and other services that the Adviser would have otherwise been required to pay for out of its own expenses. Furthermore, the Adviser would have an incentive to select a broker or dealer that provides such research, execution and other services over those that do not provide such services. However, notwithstanding such incentive, the Adviser remains obligated to seek to obtain “best execution” in executing portfolio transactions on behalf of each Fund.

Aggregation and Allocation of Orders

The Adviser generally does not have investment discretion on behalf of Consulting Clients. Accordingly, trade aggregation and allocation concerns are not applicable to Consulting Clients.

If the Adviser determines that the purchase or sale of the same asset is in the best interest of more than one Fund, the Adviser may, but is not obligated to, aggregate orders placed simultaneously in order to seek to obtain best execution and reduce transaction costs to the extent permitted by applicable law. Such orders will be placed, and associated

transaction costs allocated, in accordance with the applicable organizational documents for the Funds involved. Funds participating in aggregated trades are generally allocated positions based on the average price achieved for such trades.

If the Adviser is presented with an investment opportunity that falls within the investment objectives of more than one Fund, the Adviser will allocate the opportunity among one or more of such Funds on a basis that the Adviser determines in good faith is appropriate taking into consideration such factors as: (i) the fiduciary duties owed to a Fund; (ii) the primary mandates of Funds; (iii) the purchasing capacity available to Funds; (iv) any restrictions or limitations on investment; (v) the perceived liquidity of an investment; (vi) the relation of such opportunity to the investment strategy of a Fund; (vii) reasons of portfolio balance; and (viii) any other consideration deemed relevant by the Adviser.

Allocation decisions will be made by the portfolio managers responsible for the purchase and sale of investments for the respective Funds. Although such allocations may be pro rata as to participating Funds, for a variety of reasons including but not limited to those reasons above, pro rata allocation of investment opportunities is unlikely. The Adviser does not prescribe one specific manner in which assets will be allocated among Funds, and the Adviser may use rotational, percentage or other allocation methods, as permissible under a Fund's respective Registration Statement or other governing documents.

ITEM 13: REVIEW OF ACCOUNTS

Nature and Frequency of Client Account Reviews

Each Fund has one or more assigned portfolio manager. On a routine basis, a portfolio manager or his designee will monitor events relating to the investments held by a Fund. The Registration Statement of each Fund contains certain investment restrictions that will be monitored.

Frequency and Content of Client Account Reports

The Adviser will provide written reports (at such frequency) as will be required by the applicable agreements with each Client. These reports are reviewed for accuracy and completeness by the Adviser. Other reports may be given as per the terms of the applicable agreement.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

Not applicable.

ITEM 15: CUSTODY

Not Applicable.

ITEM 16: INVESTMENT DISCRETION

As discussed in Item 4 – *Advisory Business*, the Adviser generally provides non-discretionary consulting services to Consulting Clients and discretionary advisory services to Funds. The limits upon the Adviser’s investment discretion are established with the investors in the Funds, and are ultimately reflected in each Fund’s Registration Statement. These limits are established on a case by case basis and will vary from Fund to Fund.

ITEM 17: VOTING CLIENT SECURITIES

The Adviser does not anticipate having voting authority on behalf of Consulting Clients.

With respect to the Funds, the Adviser has adopted written proxy voting policies and procedures as required by Rule 206(4)-6 under the Advisers Act. Under these policies and procedures, the Adviser will vote proxies in the best economic interests of each Fund over the long term and will not place its interests above those of the Funds. These policies and procedures also include how the Adviser addresses material conflicts that may arise between its interests and those of the Funds. A copy of the Adviser’s proxy voting policies and procedures with respect to each Fund is attached to each Fund’s Registration Statement. In addition, a record of how proxies have been voted on behalf of each Fund is filed with the SEC on Form N-PX. Registration Statements and Form N-PX filings are publicly available to investors via the SEC’s website.

Fund investors may obtain: (i) information about how the Adviser voted proxies on behalf of a Fund; and (ii) a copy of the Adviser’s proxy voting policy and procedures, by contacting the Adviser, using the following information:

Context Advisers II, L.P.
Attn: Matt LeBlanc
401 City Avenue, Suite 815
Bala Cynwyd, Pennsylvania 19004
(484) 430-1000
mleblanc@contextam.com

ITEM 18: FINANCIAL INFORMATION

Not Applicable.