



PART 2 A OF FORM ADV: FIRM BROCHURE

SHEARLINK CAPITAL LLC

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This Brochure provides information about the qualifications and business practices of ShearLink Capital, LLC. If you have any questions about the contents of this brochure, please contact us at (212) 913-9524 or compliance@shearlinkcapital.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.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about ShearLink Capital, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 - Material Changes

On July 28, 2010, the SEC published “Amendments to Form ADV” which amends the disclosure document that ShearLink Capital, LLC (the “Adviser”) provides to clients as required by SEC rules. This is the initial “brochure” (as the same may be amended from time to time, the “Brochure”) prepared by the Adviser pursuant to such rules.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. The Adviser will also reference in this Item the date of the last annual update of this Brochure.

Pursuant to applicable regulations, the Adviser will deliver to each of its clients a summary of any material changes to this and subsequent Brochures within 120 days of the close of each fiscal year. The Adviser may also provide additional disclosures or other information about material changes as necessary.

From time to time, without charge, the Adviser will also provide clients with a new Brochure as necessary to reflect material changes or new information.

Currently, our Brochure may be requested by contacting the Adviser’s Chief Compliance Officer at (212) 913-9524.

Additional information about the Adviser is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with the Adviser who are registered, or are required to be registered, as investment adviser representatives of the Adviser.

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Item 4 - Advisory Business

- A. The Adviser is an investment advisory firm located in New York, NY that focuses on maximizing long-term, risk adjusted returns, regardless of market conditions primarily through taking long and short positions in publically traded equity securities. The Adviser provides investment advisory services on a discretionary basis to private funds¹ (each a “Client” or “Fund”, or together, the “Clients” or “Funds”) for sophisticated and qualified investors (each a “Fund Investor”, or together, “Fund Investors”).

The Adviser was established in 2012 by Vivek Mehta and Aaron Husock (the “Principals”). Vivek Mehta is the sole equity owner of the Adviser.

- B. The Adviser’s investment advisory services include but are not limited to: the management, operation and control of the investment and trading activity of its Funds and monitoring activity to ensure the Funds follow their stated investment objectives.
- C. While each of its Funds generally follows the strategy stated above, the Adviser may tailor the specific advisory services with respect to the individual investment strategy of each Fund.

All discussion of the Funds in this Brochure, including but not limited to their investments, the strategies used in managing the Fund, and conflicts of interest faced by the Adviser in connection with the management of the Funds are qualified in their entirety by reference to each Fund’s respective offering documents.

- D. The Adviser does not participate in wrap fee programs.
- E. As of November 30, 2014, the Adviser has approximately \$212,850,723 under discretionary management.

¹ Private funds are entities which would be considered an “investment company” within the meaning of the Investment Company Act of 1940 but for 3(c)(1) or 3(c)(7) exemption.

Item 5 - Fees and Compensation

- A. Below is a discussion of how the Adviser is compensated in connection with providing advisory services to its Clients. The Adviser may enter into different fee arrangements on a Client by Client basis.

Management Fees. Limited partners or shareholders of the Funds pay a quarterly management fee to the Adviser calculated at an annual rate of (i) 1.25% of each investor's capital account/shares attributable to Sub-Class One Interests/Shares and (ii) 1.5% of each investor's capital account/shares attributable to Sub-Class Two Interests/Shares. The management fee is paid quarterly in advance, based on the value of each limited partner's capital account/shares. The management fee will be adjusted for contributions and withdrawals/redemptions made during the quarter.

Performance-based fees. An affiliate of the Adviser is entitled to receive an annual incentive allocation equal to (i) 15% of the net profits attributable to each investor's capital account/shares attributable to Sub-Class One Interests/Shares; and (ii) 20% of the net profits attributable to each investor's capital account/shares attributable to Sub-Class Two Interests/Shares, if any, in each case subject to a loss carryforward provision.

- B. Fees owed by the Funds are deducted directly. As stated above, management fees are calculated and paid quarterly in advance at the beginning of the quarter. Performance fees are calculated and paid annually.
- C. In addition to the fees described above, other expenses include: Fund legal, Fund administration expenses, audit and accounting expenses (including third party accounting services and portfolio accounting systems); operational and regulatory compliance expenses (including but not limited to regulatory filings such as Form PF); organizational expenses; out-of-pocket expenses of members of the advisory committee; investment expenses such as commissions, research fees and expenses; interest on margin accounts and other indebtedness; borrowing charges on securities sold short; custodial fees; bank service fees; Fund-related insurance costs (including D&O and E&O insurance for the Adviser); any Fund's pro rata share of the expenses of a master fund; and any other expenses related to the purchase, sale or transmittal of Fund assets.

Each Fund that invests in a master fund will indirectly bear the administrative and other expenses of the master fund pro rata based on its interest in the master fund.

A portion of the commissions generated on a Fund's brokerage transactions may generate "soft dollar" credits that the Adviser is authorized to pay for research and research related services and products. Section 28(e) of the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"), provides a "safe harbor" to investment advisers who use soft dollars generated by their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to the investment adviser in the performance of investment decision-making responsibilities. In the event that the Adviser elects to use soft dollars, it intends to limit such use to services that fall within the safe harbor afforded by Section 28(e) of the Exchange Act.

Please refer to Item 12, Brokerage Practices, for more information.

- D. As stated above, management fees are payable quarterly in advance and this management fee will be adjusted for contributions and withdrawals/redemptions made during the quarter.
- E. Neither the Adviser nor any of its supervised persons accept compensation for the sale of securities or other investment products.

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

As stated in Item 5 above, an affiliate of the Adviser is entitled to receive performance-based fees or allocations from the Funds. These payments are subject to Section 205(a)(1) of the Investment Advisers Act of 1940, as amended (the “Advisers Act”), in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3.

Performance-based fees, in general, may create an incentive for an adviser or its supervised persons to make investments that are riskier and more speculative than would be the case in the absence of a performance-based fee. Such fee arrangements may also create an incentive to favor higher fee paying Funds in the allocation of investment opportunities. To address these conflicts of interest, the Adviser has implemented policies and procedures to ensure that all Funds receive equitable and fair treatment over time with respect to the allocation of investment opportunities. Furthermore, two of the Funds are feeder funds which invest substantially all assets into a master fund.

Item 7 - Types of Clients

The Adviser provides investment advisory services to private funds for sophisticated and qualified investors.

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

A. Method of Analysis and Investment Strategies for Formulating Investment Advice

The Adviser's investment objective is to maximize long-term, risk-adjusted returns, regardless of market conditions. The Adviser seeks to achieve positive annual returns with low correlation to the broader equity markets.

The Adviser achieves its Funds' investment objectives primarily by taking long and short positions in publicly traded equity securities of growth-oriented companies. The Adviser intends to use a disciplined, long-term approach to identifying securities whose intrinsic values differ materially from their market value. The Adviser seeks to generate positive annual returns, as well as alpha, on both the long and short sides.

The Adviser focuses on companies generally within a market capitalization range of \$1 billion to \$15 billion. The Adviser believes these companies offer the most fertile ground for a long/short strategy as these companies offer the greatest opportunity for value creation and destruction. On the short side, these companies are generally less diversified than larger market capitalization companies such that single disruptions can destroy material value. And on the long side, these companies' enterprise values are typically small enough where great companies have the potential to substantially increase in value. The Adviser believes these businesses typically have fewer key variables that impact value, and these variables are more analyzable, which therefore allows the Adviser to form more specific variant perceptions of the companies.

The Adviser applies a rigorous and disciplined framework before taking any long or short positions. First, the Adviser seeks a highly differentiated variant perception versus market expectations on every portfolio position. The Adviser expects to find its most significant variant perceptions when companies are in transition, when companies are surrounded by complexity or when companies are highly controversial. Fundamental research on the individual companies uncovers where, and the degree to which, the expectation gaps exist. The closing of these expectation gaps presents opportunities for investment returns. The Adviser's expertise enables it to correctly identify and value these gaps. Second, the Adviser rigorously monitors each position in the portfolio by mapping out a path of specific expected signals, events or outcomes that the Adviser expects to occur during each stage of the investment thesis being realized. These signals are determined before the position is initiated so the Adviser remains aware as to whether the position remains on the desired path toward value realization, or if events are occurring that run counter to the investment thesis and should result in the position being exited. Finally, the Adviser considers the risk/reward of each position. The Adviser favors long positions with the most compelling ratio of upside reward compared to downside risk, and favors short positions with the most compelling ratio of downside compared to upside risk.

Long & Short Selection

In the long portfolio, the Adviser intends to identify companies with long-term realizable value significantly above their current market value by seeking out companies possessing the following characteristics:

- companies with great products or services;
- companies that operate in growing addressable markets;
- companies that are gaining share within their addressable markets;

- companies that can maintain highly defensible positions; and
- companies that have long-term, sustainable opportunities to grow.

In addition to the above characteristics, the Adviser seeks to find long positions where the Adviser has a variant perception on the business versus consensus market expectations that results in materially higher estimates of earnings power. The Adviser predefines an expected path for each long position to realize a higher value through a set of expected events or outcomes over a predetermined time horizon. The Adviser favors long positions with the most compelling ratio of upside reward compared to downside risk.

In the short portfolio, the Adviser intends to identify companies with issues that could result in a market value meaningfully below their current market value by seeking out companies possessing the following characteristics:

- companies that operate in decelerating or declining addressable markets;
- companies that are losing share with their addressable markets;
- companies with eroding competitive positions; and
- companies with limited to no opportunities to grow.

In addition to the above characteristics, the Adviser seeks to find short positions where the Adviser has a variant perception on the business versus consensus market expectations that results in materially lower estimates of earnings power. The Adviser predefines an expected path for each short position to realize a lower value through a set of expected events or outcomes over a predetermined time horizon. The Adviser favors short positions with the most compelling ratio of downside compared to upside risk.

Portfolio Construction

Generally, the Funds will have net exposure ranging between 20% to 30% of equity capital and gross exposure ranging between 150% and 170%, with some variation around those levels due to market conditions or relative perceived attractiveness of investment opportunities. Gross exposure is dictated by the relative risk/reward profile of the individual long ideas compared to the risk/reward profile of the individual short ideas and the magnitude of the relative expected difference in returns between the long and short portfolios. Net exposure is determined by the relative risk/reward profile of the individual long ideas compared to the risk/reward profile of the individual short ideas and the absolute expected returns of the long and short portfolios.

Generally, the Funds hold 15-20 positions on the long side and 20-30 positions on the short side with average positions sizes typically ranging between 4% and 6% of assets under management for long positions and 2% to 4% for short positions. To limit stock specific risk, the Adviser does not generally expect individual long positions to exceed 12% of equity capital and individual short positions to exceed 6% of equity capital. The Adviser measures these thresholds on a continuous basis based on the current market value of the securities and of the portfolio as a whole. Individual position size is based upon its risk/reward in the context of the overall portfolio, the conviction level in the investment, and the Adviser's proprietary risk analyses. The holding period for an investment reflects the timing of the anticipated convergence of market price to intrinsic value and generally ranges from 6 months to 3 years.

Risk management plays an integral role in portfolio construction. Net exposure is continuously monitored. The Adviser applies its proprietary factor-risk model that performs a systematic review

of exposures, measured across a number of factors on both a gross and net basis. The Adviser intends to maintain a liquid portfolio and therefore capital invested in illiquid securities is limited. The Adviser generally avoids taking stock positions larger than 5 days of average traded volume. To maintain liquidity, equity investments primarily targets companies with a minimum market cap of \$1 billion. In order to mitigate risk associated with the short book, the Adviser monitors liquidity, short interest, and short borrow costs and supply on an ongoing basis.

B. Material Risks Associated with Investment Strategy

An investment in the Fund may be deemed to be a highly speculative and is not intended as a complete investment program. It is designed only for sophisticated persons who are able to bear the economic risk of the loss of their entire investment in a Fund and who have a limited need for liquidity in their investment. The following risks should be carefully evaluated before making an investment in the Fund:

Nature of Investments

The Adviser has broad discretion in making investments for the Funds. Investments generally consist of equity securities, equity-related instruments and other assets that may be affected by business, financial market or legal uncertainties. There can be no assurance that the Adviser will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investments. Prices of investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Fund's activities and the value of its investments. In addition, the value of the Fund's portfolio may fluctuate as the general level of interest rates fluctuates. No guarantee or representation is made that the Fund's investment objective will be achieved.

Equity-Related Instruments in General

The Adviser may use equity-related instruments in its investment program. Certain options and other equity-related instruments may be subject to various types of risks, including market risk, liquidity risk, counterparty credit risk, legal risk and operations risk. In addition, equity-related instruments can involve significant economic leverage and may, in some cases, involve significant risks of loss.

Use of Leverage

The Funds may utilize leverage. Leverage increases the Fund's returns if the Fund earns a greater return on investments purchased with borrowed funds than the cost of borrowing such funds. However, the use of leverage exposes the Fund to additional levels of risk, including (i) greater losses from investments than would otherwise have been the case had the Fund not borrowed to make the investments, (ii) margin calls or interim margin requirements which may force premature liquidations of investment positions and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the cost of borrowing such funds. In the event of a sudden, precipitous drop in value of the Fund's assets, the Fund might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying its losses.

In an unsettled credit environment, the Adviser may find it difficult or impossible to obtain leverage for the Fund. In such event, the Adviser could find it difficult to implement its strategy. In addition, any leverage obtained, if terminated on short notice by the lender, could result in the Adviser being

forced to unwind the Fund's positions quickly and at prices below what the Adviser deems to be fair value for such positions.

Short Sales

Short sales can, in certain circumstances, substantially increase the impact of adverse price movements in the Fund. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no assurance that securities necessary to cover a short position will be available for purchase.

Convergence Risk

The Fund may pursue relative value strategies by taking long positions in securities believed to be undervalued and short positions in securities believed to be overvalued. In the event that the perceived mispricings underlying the Fund's trading positions were to fail to converge toward, or were to diverge further from, the Adviser's expectations, the Fund may incur a loss.

Small to Medium Capitalization Companies

The Fund may invest a portion of its assets in the stocks of companies with small-to medium-sized market capitalizations. While the Adviser believes these investments often provide significant potential for appreciation, those stocks, particularly smaller-capitalization stocks, involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of such stocks are often more volatile than prices of large-capitalization stocks. In addition, due to thin trading in some such stocks, an investment in these stocks may be more illiquid than that of larger capitalization stocks.

Growth companies

The Fund may invest in the securities of growth companies. Growth companies are characterized as having revenue and/or earnings that are expected to grow at an above-average rate relative to the market. Growth stocks typically have high price-to-earnings (P/E) ratios and high price-to-book ratios. Growth companies typically do not pay a dividend, preferring to use earnings to finance further expansion. While the Adviser believes these investments offer the potential for substantial returns, they also involve significant risk. For example, growth stocks are often more volatile than value stocks, with prices moving sharply higher or lower as investors constantly reevaluate the growth trajectory and earnings potential of the underlying companies. In addition, due to the higher levels of volatility, investments in growth stocks can sometimes require a longer time horizon.

C. Risks Involved with Particular Securities Recommendations

Options

The purchase or sale of an option involves the payment or receipt of a premium by the investor and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security, commodity or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses its premium. Selling options involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the

underlying security rather than only the premium payment received (which could result in a potentially unlimited loss). Over-the-counter options also involve counterparty solvency risk.

Non-U.S. Securities

Investing in securities of non-U.S. governments and companies that are generally denominated in non-U.S. currencies and utilization of options on non-U.S. securities involves certain considerations comprising both risks and opportunities not typically associated with investing in securities of the United States government or United States companies. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, foreign government restrictions, less government supervision of exchanges, brokers and issuers, greater risks associated with counterparties and settlement, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

Convertible Securities

The Funds may invest in convertible securities, securities that may be exchanged or converted into a predetermined number of the issuer's underlying shares or the shares of another company or that are indexed to an unmanaged market index at the option of the holder during a specified time period. Convertible securities may take the form of convertible preferred stock, convertible bonds or debentures, stock purchase warrants, zero-coupon bonds or liquid-yield option notes, stock index notes, mandatories, or a combination of the features of these securities. Prior to conversion, convertible securities have the same general characteristics as non-convertible debt securities. As with all debt securities, the market value of convertible securities tends to decline as interest rates increase and conversely, increase as interest rates decline. Convertible securities, however, also appreciate when the underlying common stock appreciates, and conversely, depreciate when the underlying common stock depreciates.

Derivatives

The Funds may utilize both exchange-traded and over-the-counter derivatives, including, but not limited to, forwards, swaps, options and contracts for differences, as part of its investment policy. These instruments can be highly volatile and expose investors to a high risk of loss. Transactions in over-the-counter contracts may involve additional risk, as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. Contractual asymmetries and inefficiencies can also increase risk, such as break clauses, whereby a counterparty can terminate a transaction on the basis of a certain reduction in net asset value, incorrect collateral calls or delays in collateral recovery.

Purchase of "New Issues"

From time to time, a Fund may, to the extent permitted by FINRA Rules, purchase equity securities that are part of an initial public offering (sometimes referred to as "IPOs" or "New Issues"). Under FINRA Rules, brokers generally may not sell such securities to a private investment fund if the fund has investors who are "Restricted Persons", which includes persons employed by or affiliated with a broker and portfolio managers of hedge funds and other registered and unregistered investment advisory firms, or "Covered Investors," which includes certain persons who are affiliated with certain companies that are current, former or prospective investment banking clients

of the broker. The profits and losses from New Issues will generally be allocated to investors in a Fund that are not Restricted Persons or Covered Investors. A Fund may, however, avail itself of a “de minimis” exemption pursuant to which a portion of any New Issue profits and losses may be allocated to Restricted Persons and/or Covered Investors. The offering documents for each Fund provide that the general partner or directors is authorized to determine, among other things: (i) the manner in which New Issues are purchased, held, transferred and sold by the Fund and any adjustments with respect thereto; (ii) the Fund Investors who are eligible and ineligible to participate in the profits and losses from New Issues; (iii) the method by which profits and losses from New Issues are to be allocated among Fund Investors in a manner that is permitted under FINRA Rules (including whether the Fund will avail itself of the “de minimis” exemption or any other exemption); and (iv) the time at which New Issues are no longer considered as such under FINRA Rules.

The rate-of-return experienced by Fund Investors who participate fully in the profits and losses from New Issues may differ materially from that of Fund Investors who are Restricted Persons and/or Covered Investors.

Item 9 - Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client or investor's evaluation of the adviser or the integrity of adviser's management.

There are no legal or disciplinary events that are material to an evaluation of the Adviser's advisory services or the integrity of management.

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 registered representative of a broker-dealer. Currently, no employees of the Adviser are registered representatives 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, commodity trading advisor, or an associated person of the foregoing entities.
- C. The Adviser has no relationships or arrangements with any related person listed in the instructions to Item 10.C. that are material to its advisory business or to its Clients.
- D. The Adviser does not recommend or select other investment advisers for its Clients.

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

- A. The Adviser has adopted a written Code of Ethics (the “Code”) designed to address and avoid potential conflicts of interest as required under Rule 204A-1 under the Advisers Act. The Code sets forth a standard of business conduct and compliance with federal securities laws by all of the Adviser's employees. The Code contains policies and procedures that ensure that all personal securities trading by employees of the Adviser is conducted in such a manner as to avoid actual or potential conflicts of interest or any abuse of an individual's position of trust and responsibility. The Adviser prohibits personal trading of common stocks by employees and requires periodic reporting of employees' personal securities transactions and holdings; and requires prompt internal reporting of Code violations.

As part of its Code, the Adviser has established procedures to prevent the abuse of material, non-public information, which includes procedures for, among other things, the use and maintenance of restricted trading lists. Because the structure of the Adviser would make information barriers impractical, the firm has not imposed information barriers to restrict the internal flow of possible material, non-public information. Thus, all professionals are deemed to be in receipt of material, non-public information, in all instances where any professional of the Adviser has received material, non- public information, and, therefore, may not trade on the basis of that information.

The Adviser will provide a copy of the Code to any investor or prospective investor upon request.

- B. Neither the Adviser nor any of its related persons recommend to Clients investments in which the Adviser or any related persons have a material financial interest.
- C. Neither the Adviser nor any of its related persons invest in the same or related securities that either the Adviser or its related persons recommend to Clients.
- D. See Item 13.C. below.

Item 12 - Brokerage Practices

- A. The Adviser has complete discretion to determine, subject to each Fund's disclosed investment objectives, policies and strategies, the securities to be purchased or sold and in what amounts, the broker-dealers and other financial intermediaries use in effecting the transactions for the Funds, and the commission rates to be paid for such transactions.

Brokerage. The Adviser selects the broker-dealers and other financial intermediaries used to effect transactions on behalf of the Funds. The Adviser seeks to obtain "best execution" from these broker-dealers based on a variety of factors. In selecting broker-dealers to effect portfolio transactions, the Adviser may cause a Fund to enter into arrangements pursuant to which the Fund pays transaction costs in an amount greater than would be incurred if another broker-dealer were used. The Adviser is not required to solicit competitive bids or seek the lowest available commission or transaction costs. The transactions executed by a Fund may be cleared through, and the Fund's investment instruments may be held by, a number of financial institutions the Adviser selects on terms negotiated with each such financial institution individually. Subject to the Adviser's agreement with each Fund, the Adviser generally will use a variety of financial institutions both to take advantage of differing expertise and capabilities and to avoid, due to credit concerns, having all investment instruments concentrated at one firm. The Adviser does not consider the receipt of investor referrals when selecting broker-dealers to execute transactions.

The Adviser does not permit Funds to direct brokerage to a specified broker-dealer. All brokerage transactions will be executed through the broker-dealers selected by the Adviser.

Soft Dollars. The Adviser or its affiliates may receive from a Fund's broker-dealers products and services in addition to brokerage services.

A portion of the commissions generated on a Fund's brokerage transactions may generate "soft dollar" credits that the Adviser is authorized to use to pay for research and other non-research related services and products used by the Adviser or its affiliates. The Adviser may enter into "soft dollar" arrangements with one or more broker-dealers whereby the Adviser will direct securities transactions to the broker-dealer in return for research products and services from the broker-dealer. Although the Adviser will use the research and services in making investment decisions for the applicable Fund, the Adviser may use such research or services for other Funds and the applicable Fund will generally pay more than the lowest available commissions for execution of these transactions. The Adviser may also enter into "soft dollar" arrangements to cover Fund expenses or costs and expenses of the Adviser to the extent such arrangements are permitted by law.

The Adviser has authority to use "soft dollar" credits generated by a Fund's securities transactions to pay for expenses that might otherwise have been borne by the Adviser. This may give the Adviser an incentive to select brokers or dealers for Fund transactions, or to negotiate commission rates or other execution terms, in a manner that takes into account the soft dollar benefits received by the Adviser rather than giving exclusive consideration to the interests of the Funds.

In the event that the Adviser elects to use soft dollars, it intends to limit such use to services that fall within the safe harbor afforded by Section 28(e) of the Securities Exchange Act of

1934, as amended, or such services that are otherwise reasonably related to the investment decision-making process.

The term “soft dollars” refers to the receipt by an investment adviser of products and services provided by brokers, without any cash payment by the investment adviser, based on the volume of revenues generated from brokerage commissions for transactions executed for clients of the investment adviser. The products and services available from brokers include both internally generated items (such as research reports prepared by employees of the broker) as well as items acquired by the broker from third parties (such as quotation equipment).

The use of brokerage commissions to obtain investment research services and to pay for the administrative costs and expenses of the Adviser creates a conflict of interest between the Adviser and the Funds, because a Fund may pay for such products and services that are not exclusively for the benefit of the Fund and that may be primarily or exclusively for the benefit of the Adviser. To the extent that the Adviser is able to acquire these products and services without expending its own resources (including Management Fees paid by a Fund), the Adviser’s use of “soft-dollars” would tend to increase the Adviser’s profitability. In addition, the availability of these non-monetary benefits may influence the Adviser to select one broker rather than another to perform services for the Funds. The Funds’ Offering Documents specifically authorize these practices to the fullest extent permitted by law.

- B. When managing multiple Funds with similar investment strategies, the Adviser generally will attempt to aggregate multiple orders for the purchase or sale of the same instrument into a single transaction, subject to the overall obligation to achieve best price and execution for the Funds.

Item 13 - Review of Accounts

- A. The Principals of the Adviser are responsible for reviewing Fund's investment portfolios. The Principal may perform intraday, daily, weekly or monthly reviews of Fund positions as they deem appropriate. Performance, security positions, exposure levels, and investment opportunities are among some of the matters that may be reviewed.
- B. See Item 13.A. above.
- C. The Adviser provides Fund Investors with audited annual financial statements, periodic unaudited performance reports and all tax information relating to their investments in each Fund necessary for U.S. federal income tax purposes.

Item 14 - Client Referrals and Other Compensation

- A. The Adviser does not receive any economic benefit, including sales awards or prizes, from any third party for providing advisory services to the Funds.
- B. The Adviser may enter into agreements with persons who refer potential investors for the Funds to the Adviser. For their referral services, these persons may receive compensation from the Adviser in the form of a percentage of the Management Fee and/or Performance Allocation that the Adviser and its affiliates receive from the Funds with respect to the referred investors. All solicitation arrangements that the Adviser may enter into will be designed to be in compliance with Rule 206(4)-3 under the Advisers Act and any similar state regulations. The Funds and their underlying investors are not responsible for any of the fees paid to the referring persons.

Item 15 - Custody

While it is the Adviser's practice not to accept or maintain physical possession of any client assets, the Adviser is deemed to have custody of the Funds' assets under Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended, because the Adviser has the authority to deduct fees from Clients' accounts and its affiliates act as general partners to the Funds.

In order to comply with Rule 206(4)-2, the Adviser utilizes the services of a bank or qualified custodian (as defined under Rule 206(4)-2) to hold all Fund assets. In accordance with Rule 206(4)-2, Adviser also (1) engages an outside auditor to audit the Funds at the end of each fiscal year and (2) distributes the results of the audit in audited financial statements that are prepared in accordance with United States generally accepted accounting principles to all Fund Investors within 120 days after the end of the calendar year.

Item 16 - Investment Discretion

The Adviser contractually assumes discretionary authority with each Client account under an investment management agreement with the Client. The Adviser's authority to manage Client accounts is in all cases subject to the specific objectives, guidelines, and limitations set forth in the applicable investment management agreement.

Item 17 - Voting Client Securities

The Adviser follows a proxy voting policy to ensure that proxies the firm votes, on behalf of each Fund, are voted to further the best interest of that Fund. The policy establishes a mechanism to address any conflicts of interests between the Adviser and the Funds. Further, the policy establishes how a Fund's underlying investors may obtain information on how the proxies have been voted.

The Adviser determines how to vote after studying the proxy materials and any other materials that may be necessary or beneficial to voting. The Adviser votes proxies in a manner that it believes reasonably furthers the best interests of the Funds and their investors and is consistent with the investment philosophy as set forth in the relevant Fund Offering Documents.

If a proxy vote creates a material conflict between the interests of the Adviser and a Fund, the Adviser will resolve the conflict before voting the proxies. The Adviser will take steps designed to ensure that a decision to vote the proxy was based on the Adviser's determination of the Fund's best interest and was not the product of the conflict.

The Adviser maintains records of (i) all proxy votes that are made on behalf of the Funds; (ii) all written requests from each Fund's underlying investors regarding voting history; and (iii) all responses (written and oral) to investors' requests. Such records are available to each Fund's underlying investors upon request.

Item 18 - Financial Information

- A. The Adviser does not require or solicit prepayment of any fees greater than 6 months in advance.
- B. The Adviser does not believe it has any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to its Clients.
- C. The Adviser has not been the subject of a bankruptcy petition at any time during the past ten years.