



ITEM 1 COVER PAGE

Form ADV, Part 2A

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Form ADV, Part 2A (the “**Brochure**”) provides information about the qualifications and business practices of Mesirow Advanced Strategies, Inc. (“**MAS**”). If you have any questions about the contents of this Brochure, please contact MAS at 312.595.7300. Neither the U.S. Securities and Exchange Commission (the “**SEC**”) nor any U.S. state securities authority has approved or verified the information in this Brochure.

MAS is a registered investment adviser with the SEC. SEC registration does not imply any certain level of skill or training. Additional information about MAS, including MAS’ ADV Parts 1 and 2A, is available on the SEC’s public disclosure website, www.adviserinfo.sec.gov (click on the “investment adviser search” link, select “investment adviser firm,” and type in “Mesirow Advanced Strategies”).

This Brochure does not constitute an offer or a solicitation of an offer to buy shares or interests in any investment fund that MAS sponsors, manages, or advises. An offer of those funds can only be made to qualified investors by way of the approved offering materials for those funds and only in jurisdictions in which that offer will comply with applicable rules and regulations.

ITEM 2 MATERIAL CHANGES

This Item 2 notes that no material changes have been made to the Brochure since the last annual update on May 21, 2014.

If you have any question about any information in the Brochure, or if you would like to request a copy of the most recent Brochure at any time, please contact MAS at 312.595.7300.

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ITEM 4 **ADVISORY BUSINESS**

Mesirow Advanced Strategies, Inc. is an Illinois corporation with its principal place of business in Chicago, Illinois. MAS is a wholly-owned subsidiary of Mesirow Financial Holdings, Inc. (“**MFHI**”), a financial services holding company that is owned almost entirely by current senior employees of subsidiaries of MFHI, including senior employees of MAS. As of April 1, 2015, MAS managed approximately \$13.7 billion on a discretionary basis and approximately \$410 million on a non-discretionary basis. Please note that the methodology that this Brochure uses to present MAS’ assets under management differs from the methodology that the SEC requires to calculate “regulatory assets under management” (“**RAUM**”). For purposes of MAS’ Form ADV Part 1, RAUM is calculated on a gross basis (without deduction of any outstanding indebtedness or other accrued but unpaid liabilities) and double counts investments by one MAS Product into another (e.g., master-feeder structures). In contrast, MAS calculates the net assets under management disclosed in this Brochure so as to prevent double counting. The assets under management that MAS presents in this Brochure are comprised of March 31st net asset value plus April 1st inflows.

MAS is registered with the SEC as an investment adviser. That registration is not an endorsement of MAS by the SEC or any other governmental or self-regulatory agency.

MAS offers advisory services to investors seeking multi-manager, alternative investment solutions. MAS has offered these advisory services since 1990. MAS offers broadly-diversified multi-strategy investment products that are intended to have low volatility as well as low correlation with the broad equity and fixed income markets. MAS also offers more concentrated investment products that have a narrow strategy focus (e.g., hedged equity, event driven, credit, relative value, macro and commodity, short selling, and opportunistic strategies). The MAS investment products include U.S. and non-U.S. single investor and commingled investment funds (the “**MAS Funds**”) and separately managed accounts (the “**Managed Accounts**”). The MAS Funds are exempt from registration as investment companies in reliance on Section 3(c)(7) of the U.S. Investment Company Act of 1940, as amended (the “**Company Act**”). MAS also serves as sub-adviser to a “closed-end” registered investment company under the Company Act and Subchapter M of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), and may serve as investment adviser or sub-adviser to other registered investment companies in the future (collectively, the “**RICs**,” and together with the MAS Funds and the Managed Accounts, the “**MAS Products**”). In addition, for investors seeking assistance in constructing and monitoring hedge fund investment programs, MAS offers advisory services to assist in the design, implementation, and monitoring of those programs (“**Advisory Services**”). The investors in the RICs, MAS Funds, Managed Accounts, MAS Products and those to whom MAS provides Advisory Services are referred to in this Brochure as the “**Investors**.”

The MAS Products have varying business terms, including, but not limited to, differences in fees charged, redemption rights, voting rights, functional currency, hedging of currency exchange rates, investment objectives and guidelines, investment minimums, investment qualification standards, and dividend payments. Certain MAS Products, particularly single-investor MAS Funds, the Managed Accounts, and the RICs, are tailored to the needs of the Investors in those MAS Products in that they are subject to investment restrictions, limitations, and/or guidelines that MAS has agreed to with the particular Investors. The RICs are also subject to regulatory investment restrictions and limitations. The investment objective of each MAS Product, as well as any applicable investment limitation, restriction, or guideline, are generally set forth in that MAS Product’s confidential private placement memorandum or similar disclosure document (the “**Offering Document**”) and/or investment management agreement or sub-advisory agreement (the “**IMA**”).

The MAS Products seek to achieve their investment objectives by investing in investment funds or managed accounts (collectively, “**Portfolio Funds**”) under the management of third-party alternative asset managers (“**Portfolio Managers**”). The Portfolio Managers employ non-traditional, alternative investment strategies. The cornerstone of MAS’ business is evaluating the capabilities of Portfolio Managers and the investment strategies they implement, and then using that information, in conjunction with MAS’ proprietary due diligence analysis, to construct diversified fund of hedge funds portfolios that MAS believes have the potential to provide Investors with attractive, risk-adjusted returns.

Item 8 below discusses MAS' method of analysis including its portfolio construction and due diligence process.

MAS does not participate in any wrap programs.

ITEM 5 FEES AND COMPENSATION

Each MAS Product sets forth its specific fee structure (including how and when fees are calculated, charged, and paid) and the expenses that it pays in its Offering Document and/or IMA, as applicable. Investors in Managed Accounts may pay additional fees or expenses for custodial, brokerage, or other services that those Investors pay out of their own accounts.

Fees and Compensation

Investors in MAS Products may pay MAS purely asset-based compensation, purely performance-based compensation, or some combination of both types of compensation. MAS' view is that Investors should generally be able to choose the fee structure that they are most comfortable with. Investors can negotiate management fees and incentive fees and therefore fees vary by Investor and MAS Product.

MAS' asset-based compensation takes the form of an annual management fee that currently ranges from 0% to 1.5% of the value of the Investor's investment. MAS' performance-based compensation takes the form of an incentive fee or a carried interest that currently ranges from 0% to 20% of any net profits achieved by the Investor's investment. The performance based compensation is frequently subject to a "hurdle" that requires performance to exceed a particular benchmark before fees are due. The incentive fee is also subject to a "high watermark" that requires that MAS recoups cumulative losses from prior calculation periods before fees are due. The carried interest, which only applies to MAS Funds with a committed capital structure, is payable after the MAS Fund has returned Investor's invested capital.

MAS negotiates its fees for Advisory Services on a case-by-case basis, and fees vary depending on the range of services that MAS is providing. In certain cases, MAS may provide its Advisory Services as ancillary services to the services it provides to Investors who have significant investments in the MAS Products. In those instances, MAS may charge minimal or no fees for its Advisory Services since the Investors compensate MAS through their investments in the MAS Products.

Most MAS employees, affiliated entity employees, past employees, and their family members do not pay management or incentive fees. MAS may waive, reduce, or rebate the management and/or incentive fee applicable to an Investor for any reason. MAS may enter into arrangements or agreements with certain Investors ("**Side Letters**") granting them preferential fee terms, including limits on aggregate fees charged. MAS' determination to enter into a Side Letter is often based on the relevant Investor's investment size or the aggregation of accounts for Investors who are affiliated, use the same selling agent or consultant, or otherwise share group bargaining power. MAS is generally not obligated to disclose Side Letter terms to other Investors or obtain their approval before entering into any Side Letter. However, MAS will not enter into a Side Letter if it determines that the Side Letter would have a material adverse effect on the other Investors in the relevant MAS Fund.

MAS may compensate selling agents, affiliates, and joint venture partners from the management and/or incentive fees MAS receives in exchange for the selling agents' assistance with the solicitation of Investors for the MAS Products.

The MAS Products generally pay management fees to MAS quarterly in arrears. Rarely, an MAS Product may pay the management fee to MAS quarterly in advance. In those cases, if MAS does not act as investment adviser for the relevant MAS Product for an entire calendar quarter, the MAS Product will prorate the management fee to reflect the portion of that quarter for which MAS acted as investment adviser, and MAS will return any excess fee to the Investor. The MAS Products generally pay incentive fees on December 31 and at the time of a redemption, with respect to the amount redeemed. For most MAS Funds,

a third-party administrator calculates the fees and deducts them from the Investors' accounts. MAS reviews those calculations. For Managed Accounts, MAS will generally invoice the Investor or its custodian for the fees.

In the past, Mesirow Financial, Inc. ("**MFI**"), a registered broker/dealer affiliated with MAS, acted as selling agent for two Portfolio Funds in which MFI clients as well as MAS Products invest. MFI no longer acts as a selling agent for any Portfolio Fund in which MAS Products invest, but MFI continues to receive compensation for its clients' and those MAS Products' ongoing investment in those two Portfolio Funds. MFI allocates that compensation to MAS. In turn, MAS rebates back to the MAS Products the portion of that compensation that corresponds to their investment in those two Portfolio Funds. When they receive these rebates, those MAS Products effectively pay lower net fees to the relevant Portfolio Managers than if MFI had not acted as selling agent with respect to those two Portfolio Funds. If in the future MFI or MAS receives any "placement fee" or "introduction fee" directly from Portfolio Managers or Portfolio Funds, or rebates in lieu of fees, with respect to any MAS Product's investment, MAS will remit those fees to that MAS Product.

Expenses

Each MAS Product generally is responsible for all of its investment and operating expenses, including, but not limited to: (i) ongoing legal, administration, accounting, audit, tax preparation, and director services fees and expenses; (ii) custody fees; (iii) fees and expenses in connection with the continuous offering of that MAS Product; (iv) interest, commitment fees, and other costs and expenses of borrowing; (v) costs and expenses related to currency hedging; and (vi) extraordinary expenses (e.g., litigation expenses or taxes). The dollar amount and percentage of assets that these expenses represent vary depending on the MAS Product. However, these aggregate expenses typically range from 0.05% to 0.30% of an MAS Product's assets with respect to actively managed portfolios (e.g., excluding MAS Funds that are liquidating).

Each MAS Product also bears, indirectly, the fees of the Portfolio Managers and the expenses of the Portfolio Funds. The Portfolio Managers earn fees which may include both fixed asset-based fees (generally from 1% to 2% annually) and performance-based fees (generally 0% to 20% of profits). MAS credits to the relevant MAS Product any fee rebate that it negotiates with Portfolio Managers.

MAS does not charge any fees to an MAS Product that invests through another investment fund that MAS manages (an "**MAS Master Fund**") in connection with the MAS Product's investment in that MAS Master Fund, but the MAS Product does bear its *pro rata* share of the investment, operating, and organizational expenses of that MAS Master Fund. The MAS Products are generally permitted to bear brokerage commissions and other costs of executing transactions, although the MAS Products typically do not incur those expenses. A discussion of brokerage policies and procedures is set forth in Item 12.

MAS may enter into Side Letters with certain Investors granting them limits on the expenses that those Investors bear in connection with their investments in MAS Products. MAS reimburses those Investors, or the relevant MAS Products, as applicable, for any expenses in excess of those expense limits.

MAS does not allocate any of its overhead expenses to any MAS Product.

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

As mentioned in Item 5, many Investors pay MAS performance-based compensation in the form of an incentive fee or carried interest. The fact that MAS receives performance-based compensation may create an incentive for MAS to select Portfolio Managers who are likely to make riskier or more speculative investments, in order to generate greater profits, than MAS would if it were receiving only asset-based compensation. The Portfolio Managers receiving performance-based compensation are subject to a similar conflict. In addition, because incentive fees are generally based on realized and unrealized gains and losses, MAS could earn an incentive fee on gains that Investors never realize.

In some cases, an MAS Fund issues more than one class or series of shares or interests where some classes or series are subject to an incentive fee while other classes or series are not. Similarly, an MAS Fund that is subject to performance based compensation and an MAS Fund that is not subject to performance based compensation may both invest through the same MAS Master Fund. In those instances, all Investors in those MAS Funds are subject to the risks discussed in the preceding paragraph – not just the Investors that are subject to the performance based compensation – because MAS manages each MAS Fund and each MAS Master Fund as a single pool of assets. Moreover, the side-by-side management of some MAS Products that pay performance-based compensation and other MAS Products that do not pay performance-based compensation could create an incentive for MAS to favor accounts from which it receives performance-based compensation because MAS may stand to gain greater compensation from those accounts.

MAS has addressed these conflicts by adopting policies and procedures reasonably designed to ensure that, over time, all MAS Products are treated fairly in the allocation and redemption of investment opportunities. MAS does not necessarily make allocations and redemptions on a *pro rata* basis among the MAS Products. Rather, MAS allocates investment and redemption opportunities among the MAS Products on the basis of numerous considerations, including, but not limited to, (i) different liquidity needs (client inflows, client outflows, foreign currency trading settlements, credit facility guidelines/limits, fund liquidity profile or other reasons); (ii) the investment timeframe; (iii) the investment capacity of the investment opportunity; (iv) different strategy or investment needs (due to differing Portfolio Fund performance, changes in investment guidelines, funds with declining or steady capital bases, or other reasons); (v) the percentage of assets that the MAS Product has previously allocated to the same strategy as the investment opportunity; (vi) tax status and client type (onshore, offshore, and/or ERISA); (vii) MAS' policy to generally try to avoid having the MAS Products pay withdrawal fees to Portfolio Funds; (viii) whether MAS has placed the Portfolio Manager managing the Portfolio Fund on MAS' watch-list or has terminated its relationship with the Portfolio Manager; (ix) MAS Products not having sufficient cash or unfunded commitments on hand to make an allocation to a Portfolio Fund within the required timeframe; (x) legal considerations; and (xi); other considerations that MAS may deem appropriate in its discretion. MAS does not consider the fees that an Investor or an MAS Product pays when making allocation and redemption decisions.

ITEM 7 TYPES OF CLIENTS

MAS' clients are the MAS Funds, the RICs, and the Investors in the Managed Accounts. The vast majority of the Investors in the MAS Products are institutions, including U.S. and non-U.S. pension plans, government entities, insurance companies, banks, profit-sharing plans, trusts, charitable organizations, corporations, and other business entities. However, the MAS Funds and the RICs do receive investments from high net worth individuals as well. Each U.S. Investor in an MAS Fund or a Managed Account must, among other things, be an "accredited investor" as defined in Regulation D under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and a "qualified purchaser" under Section 2(a)(51) of the Company Act or a "knowledgeable employee" as set forth in the regulations thereunder. Each U.S. Investor in a RIC must be an "accredited investor." Each non-U.S. Investor must not be a "U.S. person" as defined in Regulation S under the Securities Act. Certain MAS Products impose other investor eligibility requirements.

MAS Funds

The MAS Funds are privately offered investment funds that are excluded from the investment company definition by Section 3(c) (7) of the Company Act. The MAS Funds are generally organized as follows:

- for U.S. taxable Investors – U.S. limited partnerships or U.S. limited liability companies for which MAS serves as the general partner or manager, respectively;
- for U.S. tax-exempt Investors – U.S. limited partnerships for which MAS serves as general partner or Cayman Islands exempted companies for which MAS serves as investment manager; and

- for non-U.S. Investors – Cayman Islands exempted companies and Cayman Islands unit trusts for which MAS serves as the investment manager.

The MAS Funds generally require minimum initial investments of \$250,000 to \$5,000,000. MAS, in its discretion, may waive or reduce the minimum investment amounts, but not below any minimum amount specified under applicable law.

Although most MAS Funds are traditional open-ended hedge funds, MAS also offers closed-ended committed capital funds which have limited offering periods, investment periods, and terms. MAS elected that structure for those MAS Funds because those funds implement an illiquid strategy – seeking investment opportunities in the medium-term (3-5 year) liquidity market. These investment opportunities tend to be illiquid and the Portfolio Funds in which those MAS Funds invest are usually themselves structured as closed-ended committed capital funds.

RICs

MAS currently serves as the sub-adviser to a RIC, and may serve as investment adviser or sub-adviser to other RICs in the future. RICs are generally organized as U.S. limited liability companies. RICs generally have smaller minimum initial investment requirements than unregistered investment funds, but those minimums are generally not waived or reduced. The minimum initial investment for the RIC that MAS currently advises is \$50,000. Additional information about the RIC may be found on the SEC's EDGAR database, <http://www.sec.gov/edgar/searchedgar/companysearch.html> (search under the Company Name "ASGI Mesirow Insight Fund").

Managed Accounts

The Managed Accounts are generally accounts that Investors establish with their selected custodians. MAS generally requires a minimum initial investment of \$50,000,000 to set up a Managed Account.

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

Method of Analysis

MAS offers multi-manager alternative investment solutions that are either multi-strategy or single strategy, as well as customized portfolios. The MAS Products' investment objectives vary, but generally aim to provide Investors with attractive risk-adjusted returns with low volatility and low correlation to traditional assets. Each MAS Product's investment objective is set forth in its Offering Document and/or IMA. The MAS Products seek to achieve their objectives by investing their assets in Portfolio Funds and with Portfolio Managers that MAS selects. There can be no assurance that the MAS Products will achieve their investment objectives.

To implement the MAS Products' investment objectives and strategies, and to construct the MAS Products' portfolios, MAS utilizes a rigorous portfolio construction and due diligence process. To summarize, that process is based on MAS' proprietary: (i) analysis of current economic and market environments and likely near-term factors that might impact performance of certain strategies, Portfolio Funds, or Portfolio Managers; (ii) identification of the anticipated risks, rewards, and correlation among investment strategies; (iii) consideration of the liquidity characteristics of a strategy and the liquidity that the Portfolio Funds implementing the strategy offer; (iv) identification, evaluation, and selection of Portfolio Managers and Portfolio Funds; (v) monitoring and ongoing evaluation of Portfolio Managers and Portfolio Funds and their investment strategies, styles, and performance; (vi) allocation and reallocation of assets among strategies and Portfolio Managers; and (vii) with respect to non-U.S. Dollar denominated MAS Products, currency hedging.

MAS organizes its Portfolio Manager research groups into various teams by investment strategy and/or geography. Senior investment professionals lead those teams, which have quantitative and qualitative

research analysts and operational due diligence analysts. Certain members of MAS' investment committee (the "**Investment Committee**") combine with those teams to form strategy working groups (the "**Strategy Working Groups**"). The Strategy Working Groups perform due diligence on, and ongoing monitoring of, the investment strategies, positions, and operations of Portfolio Managers and the Portfolio Funds. The Strategy Working Groups or Senior Research Analysts submit their recommendations of investments into (or redemptions from) Portfolio Funds to the Investment Committee, which has ultimate authority for determining whether any MAS Product will invest with (or redeem from) Portfolio Funds. Each voting member of the Investment Committee has a veto right over any decision to invest in a Portfolio Manager.

MAS performs both qualitative and quantitative analyses in its evaluation of and due diligence on Portfolio Managers. Although quantitative analysis is an integral part of that process, MAS' allocation decisions rely extensively on qualitative evaluations and market judgment. The discretion of MAS' personnel is fundamental to MAS' implementation of the MAS Products' strategies.

MAS may consider a variety of factors in selecting Portfolio Managers, including: the experience of the Portfolio Manager's personnel; past performance during favorable and unfavorable market conditions; diversification characteristics in relation to other Portfolio Managers; geographic focus; amount of assets under management; sources, magnitude, and consistency of "alpha" generation; conflicts of interest; risk management practices; overall integrity and reputation; percentage of business time devoted to investment activities; operational capabilities; and fees charged.

MAS monitors the ongoing performance of Portfolio Managers, reevaluating them regularly, including by reviewing their performance compared to other Portfolio Managers, the consistency of their strategy implementation, and changes in their operations and key personnel. MAS also performs comprehensive operational due diligence, which focuses on reviewing Portfolio Managers' financial statements, control processes, and trading and valuation procedures.

MAS allocates and reallocates the MAS Products' assets among Portfolio Funds on an ongoing basis. MAS may change an MAS Product's portfolio composition as market conditions change, subject to the liquidity constraints of the Portfolio Funds and any investment restriction, limitation, or guideline applicable to the MAS Product.

MAS periodically refines its investment portfolio construction, and due diligence processes, including its allocation methodology and its analytical models used to evaluate strategies in isolation and in interaction with one another. Therefore, the investment, portfolio construction, and due diligence processes that MAS uses have evolved and changed over time, and MAS expects that it will continue to do so.

Investment Strategies

The MAS Products' primary investment strategies are hedged equity, event driven, credit, relative value, macro and commodity, short selling, and opportunistic. Investors may elect exposure to any one of these strategies, specify a mix of these strategies and the weight to be given to each, or invest in MAS' multi-strategy portfolio that combines all of these strategies in dynamic allocations that MAS chooses. MAS makes those dynamic allocations by considering a wide range of criteria, including but not limited to: (i) the expected returns from a given strategy during a period of time, the expected variability of those returns, the expected probability of loss, and the expected level of loss in a given strategy; (ii) the anticipated effects of different investment and economic environments on the strategy's returns; (iii) the cost of implementing a strategy, including transaction costs and fees to Portfolio Managers; and (iv) the extent to which MAS anticipates that the performance of a strategy will correlate with that of other strategies.

Descriptions of each MAS Product's investment strategies are set forth in its Offering Document and/or IMA. Below are summary descriptions of the MAS Products' primary investment strategies. Assigning strategy classifications requires MAS' subjective judgment. MAS may create and assign new strategy and sub strategy classifications to reflect MAS' judgment of available strategies and Portfolio Managers. The Portfolio Managers' strategies are also flexible. Therefore, assigned strategy classifications may change over time.

- Hedged Equity Strategies.** Hedged equity Portfolio Managers primarily invest in stocks of companies of varying market capitalizations. These companies are primarily listed in the U.S., European, and developed Asian equities markets, although Portfolio Funds may invest in equity instruments in other regions, and may also invest a portion of assets in certain non-equity related securities. Hedged equity Portfolio Managers generally take both long and short positions or utilize other hedged investment approaches by which they expect to control (but not eliminate) market exposure. Hedged equity Portfolio Managers tend to have a defined, fundamental investment philosophy, much like that of a traditional equity manager, and they generally implement that philosophy on both the long and short sides of the market. The MAS Products may have exposure to hedged equity strategies including opportunistic, loose neutral, long-biased, and short-biased. Opportunistic hedged equity Portfolio Managers take both long and short positions in equity securities and derivatives at levels of exposure that vary depending on their investment outlook. Portfolio Managers implementing opportunistic hedged equity strategies typically expect to profit from stock picking skills, as well as portfolio risk management, and may use fundamental bottom-up and top-down sector and macro analysis. Opportunistic hedged equity Portfolio Managers may have net short exposure to equity markets at points in time, but MAS expects them to typically have a long bias over a market cycle and many will have net exposures in the 20% to 50% range. Loose neutral strategies generally involve being simultaneously long and short equity portfolios of the same size within a geographic region or sector and are typically intended to profit from market inefficiencies. Loose neutral Portfolio Managers typically maintain net exposure between 20% short and 20% long. Long-biased Portfolio Managers typically invest both long and short, but have a net long exposure to the equity markets (generally greater than 50% to 70% net long, although MAS may invest with Portfolio Managers that have 100% long exposure), such that one can expect their strategies to perform better in rising markets. Long-biased Portfolio Managers may utilize niche strategies, focusing on growth or value stocks, small or large capitalization companies, particular industries, or a particular geographical region or sector. Short-biased Portfolio Managers implement a subset of hedged equity strategies that typically maintain net short exposure to equity markets by taking short positions in companies whose equities they expect to decline in price. MAS generally invests with short-biased Portfolio Managers to offer greater diversification of short selling exposure. MAS may utilize short-biased Portfolio Managers to decrease or hedge long equity exposure resulting from long positioning of other Portfolio Managers. Short-biased Portfolio Managers are described separately below under “Short-Selling Strategies.” In certain circumstances, MAS may invest with Portfolio Managers that implement tail risk protection strategies, including tail risk protection programs customized for the MAS Products. Tail risk protection strategies are portfolio hedging strategies that Portfolio Managers expect will to provide convex payoffs during extreme market crises. Tail risk protection strategies generally invest in highly liquid financial derivatives and other securities that Portfolio Managers expect will be profitable when global markets decline precipitously and volatility sharply rises.
- Event Strategies.** Event strategies generally seek to profit from anticipated outcomes of company-specific or transaction-specific events. Company events that serve as investment catalysts for event Portfolio Managers include mergers, acquisitions, transfers of assets, tender offers, exchange offers, recapitalizations, liquidations, divestitures, spin-offs, equity restructurings, and reorganizations. Event strategies rely upon the accurate forecasting of the outcome of particular events in addition to high quality valuation analyses. Event managers may invest long, short, or both, and generally do not rely on market direction for results. Examples of event strategies include merger arbitrage, in which a Portfolio Manager will be long the stock of a merger target while shorting the stock of the acquiring company, and event equity, in which a Portfolio Manager invests in a spin-off, recapitalization, or similar event that (unlike merger arbitrage) does not have a defined time frame or announced target price.
- Credit Strategies.** Credit Portfolio Managers commonly invest long and short in debt obligations of public and private companies to provide exposure to credit and/or volatility risks associated with those asset classes. For example, Portfolio Managers may invest long and short in debt obligations of companies that are in a period of stress due to, for instance, operational difficulties, financial duress, or bankruptcy proceedings. Long-biased credit Portfolio Managers typically have a net long exposure greater than 50%. Long/short credit Portfolio Managers generally maintain net exposure

between 50% short and 50% long. Short-biased credit Portfolio Managers generally maintain a net short exposure greater than 50%. Multi-strategy credit managers invest across multiple credit strategies. A Portfolio Manager may make opportunistic allocations of capital across various structured product assets. Structured product transactions typically involve securities that entitle a Portfolio Fund to receive payments based primarily on the cash flows or market value of a specified pool of financial assets. Examples of structured product investments include collateralized bond, loan, and debt obligations as well as synthetic positions replicating those obligations, residential mortgage-backed securities, commercial mortgage-backed securities, and other asset-backed securities.

- **Relative Value Strategies.** Relative value strategies encompass a wide range of investment techniques that are intended to profit from pricing inefficiencies. Relative value strategies generally involve taking a position in one instrument and simultaneously taking an offsetting position in a related instrument in an attempt to profit from incremental changes in the price differential. Portfolio Managers implement relative value strategies in a manner intended to substantially limit, if not entirely remove, the impact of market direction on performance. Examples of relative value strategies are: (a) convertible bond arbitrage, in which a Portfolio Manager is long a convertible bond and short the issuer's common stock in an attempt to profit from the mispricing between the two securities; (b) volatility arbitrage, in which a Portfolio Manager invests in long and short volatility positions, typically through options; (c) capital structure arbitrage, in which a Portfolio Manager is long an issuer's security that is senior or junior to securities elsewhere in the issuer's capital structure that the Portfolio Manager takes a short position in, with an expectation that the relative prices of the issuer's two securities will converge; and (d) strict market neutral, which is typically a quantitative strategy in which the Portfolio Manager takes long and short positions in equal weight, with the aim of removing market bias.
- **Macro and Commodity Strategies.** Macro and commodity Portfolio Managers typically engage in an analysis of economic, political, and financial market conditions incorporating a variety of macro and micro considerations in an effort to identify investment opportunities across a wide range of investment instruments. Those considerations include, but are not limited to, the business cycle, central bank policy, the regulatory and political environment, demographics, and fiscal policy. The macro and commodity investment approach is wide ranging, attempting to identify potential market opportunities irrespective of market sector, instrument or asset traded, or geography. Portfolio Managers may use a number of trading strategies in an attempt to achieve their investment objectives including, but not limited to, futures investing, equity long/short strategies, and credit-related strategies. Macro and commodity Portfolio Managers may use fundamental or technical analysis in implementing these investment strategies, including systematic trading techniques. The Portfolio Managers may employ these techniques as independent profit opportunities, as well as to hedge existing positions. To implement macro and commodity strategies, Portfolio Managers may trade securities of all kinds, derivative instruments (including, but not limited to, forwards, swaps, swaptions, collars, caps, floors, and other types of over-the-counter derivatives, as well as exchange-traded derivatives, including options, futures, and options on futures) on currencies, interest rates, commodities, and other types of financial and non-financial underlyings, or other transactions with similar substantive or economic effect, and other investments of all types and kinds.
- **Short-Selling Strategies.** Short-biased Portfolio Managers are hedged equity and credit managers that typically invest both long and short, but they normally have a net short exposure that is generally greater than 20%. Short-biased Portfolio Managers generate returns primarily from the decline of stock prices, and may take short exposure through the use of short-selling or exchange traded or over-the-counter derivative instruments, such as futures, options and swaps. Short-biased Portfolio Managers may have niche strategies, focusing on growth or value stocks, small or large capitalization companies, or a particular geographical region or sector.
- **Opportunistic Strategies.** To implement the opportunistic strategy, MAS focuses on Portfolio Managers that attempt to take advantage of investment opportunities in the medium term (3-5 years) liquidity market that MAS believes presents an attractive risk/return profile. Portfolio Managers that

MAS selects for the opportunistic strategy may implement event, credit, or any other investment strategy. Currently MAS has found significant investment opportunities with Portfolio Managers who focus on asset-backed securities, collateralized loan obligations, collateralized debt obligations, long/short credit, bank loans, distressed debt, secondary loans, whole mortgages, and other products with exposure to the credit markets both in the United States and internationally. For the opportunistic portfolio, MAS may also invest assets in non-credit focused opportunities, including, but not limited to, investments in distressed hedge fund interests trading at a discount in the secondary market and co-investment opportunities in individual securities alongside Portfolio Funds. Certain Portfolio Funds implementing opportunistic strategies may also have exposure to publicly and privately traded securities.

- **Multi-Strategy.** Multi-strategy Portfolio Managers may employ any of the strategies described above, as well as any other strategy the Portfolio Manager determines presents the opportunity for profit in light of current market conditions.

Access to Portfolio Funds

Generally, the MAS Products seek to achieve their objectives by investing their assets in Portfolio Funds operated by Portfolio Managers that MAS selects. However, in certain circumstances, the MAS Products may access the Portfolio Funds through other means, although MAS does not intend to use those alternative means as primary methods for implementing the MAS Products' investment programs.

The MAS Products may obtain exposure to Portfolio Funds without investing in those Portfolio Funds, but instead through investments in structured notes, over-the-counter derivatives, or other instruments with institutional counterparties the return on which is based on the performance of the Portfolio Funds. The MAS Products may also buy or sell interests in Portfolio Funds in secondary market transactions. In addition, the MAS Products, particularly the RICs, may access Portfolio Managers through investment funds or managed account platforms that unaffiliated third-parties sponsor and administer to obtain liquidity, transparency, and/or reporting benefits that Portfolio Manager-operated Portfolio Funds do not offer. Additionally, the MAS Products may access a Portfolio Manager's strategies through a managed account, rather than through an investment fund or investment company structure.

MAS may conduct certain limited direct trading activities (*i.e.*, not through a Portfolio Fund or with a Portfolio Manager) on behalf of the MAS Products. If MAS deems it advisable for an MAS Product to take a direct position in a security, currency, over-the-counter derivative, or futures product, MAS may cause that MAS Product to trade directly in the markets or indirectly through an MAS Master Fund that MAS has created to pool assets from the MAS Products that engage in direct trading activities. This may be particularly the case for MAS Products that invest directly in securities as part of a co-investment opportunity that a Portfolio Manager offers. In addition, if an MAS Product receives securities through an in-kind payment from a Portfolio Fund, MAS may cause that MAS Product to trade those securities, typically by liquidating them as promptly as MAS deems advisable under the circumstances. MAS expects the MAS Products to invest in or hold securities directly only in response to a specific opportunity or circumstance.

Risk of Loss

Below is a summary of certain material risks applicable to MAS' advisory services. That summary is qualified in its entirety by the risk factors set forth in each MAS Product's Offering Document or similar account opening document. The investment strategies that MAS and the Portfolio Managers employ involve substantial risk. Only persons who understand, and are willing and financially able to assume, the risks of an investment in an MAS Product, including losing all or substantially all of their investment, should consider investing. Investors in an MAS Fund should also be aware that they will have no role in the management of the MAS Product and will be required to rely on the expertise of MAS in dealing with the following (and other) risks on a day-to-day basis. Investors should read the applicable Offering Document or similar account opening document, if any, before determining whether to invest in an MAS Product, in addition to consulting with their own financial and tax advisors.

Risks Related to the MAS Products' Structures and Business Terms

Potential Loss of Investment. An investment in an MAS Product involves a high degree of risk. Investors could lose all or a substantial part of their investments in an MAS Product. The past performance of the MAS Products are not indicative of their future performance.

Limited Redemption Rights of Investors. Investors generally may liquidate their investments in the MAS Products only at calendar quarter ends, on significant prior written notice to MAS (or in the case of the committed capital fund only at the end of the term). Certain MAS Products may also impose fund-level or investor-level "gates." In addition, redemptions are subject to certain limitations, such as payment delay provisions, and are subject to the relevant MAS Product's receipt of redemption proceeds from Portfolio Funds, as described below under "Lack of Liquidity for Funds of Hedge Funds." In general, Investors may not transfer, assign, or pledge shares and interests in the MAS Funds without MAS' prior written consent. No market for the MAS Funds' shares and interests will exist at any time.

Lack of Liquidity for Funds of Hedge Funds. Among the principal disadvantages and risks inherent in a fund of hedge funds structure are the liquidity restrictions that the Portfolio Funds it invests in impose on the asset allocation flexibility and risk control capability of the MAS Products. Many Portfolio Funds permit redemptions only on a quarterly or less frequent basis (semi-annual, annual, or longer, including not allowing any voluntary redemptions), and only if the relevant MAS Product has delivered notice 90 days, 180 days, or longer before the applicable redemption date. Certain Portfolio Funds may further restrict redemptions through the use of "lock-ups," which delay the initial date on which an MAS Product can redeem, or "gates," which restrict the overall amount an MAS Product may redeem from a Portfolio Fund. Some Portfolio Managers may also limit redemptions with respect to "side pocket" investments, where a particular investment is classified as "illiquid" or "designated" and investors generally cannot receive their allocable share until that investment is liquidated or otherwise realized.

Although the Portfolio Funds as a group invest primarily in marketable instruments, some Portfolio Funds may invest in securities and derivatives that often do not have a liquid market. MAS does not regard this lack of liquidity as problematic in and of itself. In fact, MAS allocates to these less-liquid strategies precisely because MAS believes that these longer-term, illiquid investments provide diversification benefits and the opportunity for returns that are not available in the liquid markets. However, this lack of liquidity creates several risks. First, it makes it difficult for the Portfolio Manager and MAS to determine if the Portfolio Manager is accurately valuing its positions because of the uncertainty regarding the realization of the prices that are quoted if the Portfolio Manager were to attempt to liquidate its portfolio at those prices. In fact, the valuation of a Portfolio Fund's less liquid investments may differ materially from the actual or realizable value of those investments. Second, it increases the risk that redemptions from those Portfolio Funds by other investors will cause reductions in the net asset value of those Portfolio Funds merely due to selling pressure, rather than a fundamental change in the investments themselves. Third, it increases the risk that a Portfolio Fund could be required to liquidate positions at disadvantageous prices because of an inability to raise margin collateral from other sources. Fourth, it increases the risk that a Portfolio fund may not honor an MAS Product's liquidity expectations.

A side effect of the inability to redeem from a Portfolio Fund is that MAS may be unable to reallocate an MAS Product's assets as dynamically as MAS may otherwise desire. This limitation will exist even when a Portfolio Fund has not implemented a constraint on its expected liquidity. Given that, even under normal market and operating conditions, the Portfolio Funds permit redemptions infrequently (or, in some cases, not at all) and on significant advance notice, an MAS Product's flexibility to reallocate assets among Portfolio Funds will be limited.

MAS has no control over the liquidity of Portfolio Funds and depends on the Portfolio Managers to provide appropriate valuations as well as liquidity in order to process Investor redemptions. In some cases, MAS allocates assets to Portfolio Funds that later impose liquidity constraints making it impossible to terminate them as MAS desires. Investors must recognize that under certain circumstances, restrictions on liquidity that Portfolio Managers impose may materially restrict or delay Investor redemption rights. An inability to redeem from a Portfolio Fund may expose an MAS Product to losses it could have otherwise avoided if the MAS Product had been able to redeem from that Portfolio Fund. An inability to redeem from a

Portfolio Fund may also cause an MAS Product to become unbalanced because it may be forced to obtain liquidity from more liquid investments.

Multiple Portfolio Managers. Each Portfolio Manager trades independently of the others. Portfolio Managers' use of a multi-manager approach at times results in certain Portfolio Managers' losses offsetting other Portfolio Managers' profits. This offsetting could lead to a significant reduction in an MAS Product's assets. Various Portfolio Managers will from time to time compete with the others for the same positions, potentially affecting the value of the positions in a manner adverse to the MAS Products. Conversely, opposite positions that Portfolio Funds hold will be economically offsetting. As long as Portfolio Funds hold positions that offset those that other Portfolio Funds hold, an MAS Product will as a whole be unable to recognize any gain or loss on those open positions, while at the same time it pays the Portfolio Managers' advisory fees and indirectly incurs brokerage commissions or pays spreads in respect of each of the offsetting positions.

Cross-Class and Cross-Fund Liability Risk. MAS Products may issue multiple classes and/or may invest through MAS Master Funds. Each MAS Fund and MAS Master Fund is a single legal entity, while the classes of an MAS Fund are not separate legal entities. Creditors of an MAS Fund that issues multiple classes may, absent contrary contractual provisions, enforce claims against all assets of that MAS Fund, even if the creditors' claims may relate to a single class of that MAS Fund. Similarly, creditors of an MAS Master Fund may, absent contrary contractual provisions, enforce claims against all assets of that MAS Master Fund. Therefore, in the unlikely event of the deficit in one class of shares in an MAS Fund or an MAS Master Fund, assets of another class of the relevant fund will be available to cover the deficit. That risk also applies to an MAS Fund's currency hedging activities with respect to any non-U.S. dollar denominated class. As a result, if non-U.S. dollar denominated shares of an MAS Fund experience losses that deplete the assets of the relevant class, those losses may be offset against U.S. dollar shares or other non-U.S. dollar denominated shares (as applicable) of that MAS Fund. Also, if an MAS Master Fund defaults on a credit facility, including due to increased borrowing amounts from currency hedging activities or in order to meet capital calls for opportunity strategy classes, an MAS Product's investments in that MAS Master Fund may be reduced (or lost) in paying off that facility even if that MAS Product or any particular class, was not otherwise benefiting from the borrowing from that facility.

Disparate Information Rights. MAS may provide certain Investors information regarding an MAS Product not generally available to other Investors, including but not limited to, information about Portfolio Funds or Portfolio Managers and access to agreements with service providers. Because the MAS Products generally permit voluntary redemptions, an Investor with that information may redeem from an MAS Product based on that information and avoid losses when other Investors would not have that information to rely upon in assessing whether they should redeem.

Credit Facilities. The MAS Products generally have authority to borrow money through the use of credit facilities or otherwise. The MAS products use borrowings to provide liquidity for investments, to pay redemptions, and to settle foreign currency forwards. An MAS Product's use of a credit facility would lead to interest and other expenses accruing. Lenders may require an MAS Product's interests in Portfolio Funds as collateral, and may be able to redeem those interests and keep the proceeds in satisfaction of the MAS Product's debts should the MAS Product default on its obligations to the lender. Typical credit arrangements include terms that permit the lender to materially reduce or terminate the credit line. Any reduction or termination might lead to the MAS Product being unable to meet redemption requests or make additional or new investments in Portfolio Funds, and could cause the MAS Product to bear increased costs. Certain terms of credit facilities may impose constraints on an MAS Product's investment programs and the liquidity and other parameters of an investment in that MAS Product, including requiring the lender's consent to make new or additional investments in Portfolio Funds or remove cash from the MAS Product even if the MAS Product is not in default, restricting the counterparties with which the MAS Product may engage to hedge non-U.S. currency risk, and restricting the MAS Product's total amount of exposure to those hedging activities. Although MAS does not believe those restrictions would influence or delay its investment or hedging decisions, there can be no assurance that this will be the case. There can be no assurance that the MAS Products will be able to find suitable credit arrangements.

Non-U.S. Currency Denominated Classes. A class of an MAS Fund may issue shares denominated in non-U.S. currencies, while the class' investments will be denominated in U.S. dollars. The class may enter into hedging transactions to attempt to offset the risk of exchange rate fluctuations between the U.S. dollar and those other currencies. Because MAS does not make adjustments more frequently, and because it uses estimates when hedging, a currency-hedged class will always be over- or under-hedged to some degree against its actual currency exchange risk. Any currency hedging transactions are intended to protect the relevant class from currency losses but will also prevent any profit from currency gains. Further, there can be no assurance that any currency hedging transactions will be successful, and there are transaction costs associated with that hedging, which those classes bear. Moreover, liquidating Portfolio Manager investments in order to settle currency hedging losses may lead to a less liquid and less diversified group of Portfolio Manager investments for a class or the relevant MAS Fund.

Investors in any non-U.S. dollar denominated class must recognize that non-U.S. currency hedging is a trading strategy that the MAS Products implement using derivatives, and the class will be expected to settle trading losses on those derivatives. To the extent those losses deplete the liquid assets available to a class, or an MAS Product cannot liquidate those liquid assets quickly enough to satisfy hedging losses, a trading counterparty, or MAS itself, may determine to liquidate the hedging transaction in order to protect the class and, potentially, other classes, the relevant MAS Fund, or any MAS Master Fund into which that class invests from defaulting on their non-U.S. currency hedging contracts or causing termination events under those contracts or other counterparty relationships. Therefore, no Investor should invest in a non-U.S. denominated class in reliance on the class hedging its non-U.S. currency risk at all times. Instead, Investors in those classes should assume that the class may lift its non-U.S. currency hedges without prior notice in the event of a rapid decline in their currency relative to the U.S. dollar or some other significant market stress event.

If a counterparty to a non-U.S. currency class' hedging transactions also provides a credit facility to which that class has access, the lender may not require the class to settle those transactions in cash or post margin on those transactions. However, in those situations, the MAS Fund may be unable to liquidate the hedging transactions in order to establish a hedging relationship with a new counterparty in the case that there is counterparty risk to the lender or otherwise because the MAS Fund may not have cash available to it to initiate those trades with the other counterparty.

Co-Investment/Concentration Risk. If an MAS Product invests along a Portfolio Fund in a co-investment opportunity, the MAS Product may have a concentrated holding in the particular security associated with that co-investment, depending on what percent of the MAS Product's portfolio has exposure to that security on an aggregate basis (i.e., directly and through Portfolio Funds). If such investment performs poorly, this concentration could cause a proportionately greater loss to the MAS Product than if the portfolio were more diversified. If such proportionately greater loss occurs, it will adversely impact the overall return on investment that the MAS Product realizes and, ultimately, the Investors.

Investment Instrument, Investment Market, and Investment Strategy Related Risks

Fund of Hedge Funds Investment Risk. The MAS Products' multi-manager investment approach is subject to various investment-related types of risks, including market risk, strategy risk, and Portfolio Manager risk. Market risk includes unexpected directional price movements, deviations from historical pricing relationships, changes in the regulatory environment, changes in market volatility, panicked or forced selling of riskier assets, and contraction of available credit or other financing sources.

Strategy risk relates to the failure or deterioration of an entire strategy, so that most or all Portfolio Funds invested in the strategy suffer significant losses. Any number of factors can cause strategy specific losses, including multiple Portfolio Funds concentrating in the same investment, broad events that adversely affect particular strategies (e.g., illiquidity within a given market), general economic events that disrupt the source of profits which the strategy sought to exploit, faulty assumptions about market conditions, and faulty or incomplete "due diligence" regarding particular markets or investments. Certain Portfolio Managers may employ high risk strategies. In addition, certain Portfolio Managers may use proprietary investment strategies that are based on considerations and factors that are not fully disclosed to MAS or the MAS Product. These strategies may involve risks under some market conditions that neither the Portfolio

Manager nor MAS anticipated. There can be no assurance that what MAS or a Portfolio Manager perceives as an investment opportunity will not, in fact, lead to substantial losses. The MAS Product can only be successful if the Portfolio Managers are able to invest successfully, and there can be no assurance that this will be the case.

Portfolio Manager risk encompasses the possibility of loss due to Portfolio Manager fraud, intentional or inadvertent deviations from a predefined investment strategy (including excessive concentration, directional investing outside of predefined ranges, excessive leverage, or new capital markets), or simply poor judgment. When MAS allocates assets to a Portfolio Fund, the MAS Product typically does not have custody of the assets or control over the Portfolio Manager's investments on behalf of the MAS Product. Although MAS will evaluate and monitor each Portfolio Manager based in part on the information it receives from the Portfolio Manager regarding its operations, historical performance, and investment strategies, MAS does not have access to complete information regarding each Portfolio Manager. A Portfolio Manager or its service providers could divert or abscond with the assets under its management or custody, fail to follow the agreed upon investment program, including intentional or inadvertent deviations from the investment strategy or portfolio limitations that MAS anticipated the Portfolio Manager would follow, provide false reports of operations, or engage in other misconduct. The Portfolio Managers to whom MAS allocates assets are generally private and have generally not registered their investment advisory operations, or the securities of their Portfolio Funds, or have otherwise claimed relief under U.S. or non-U.S. securities or commodities laws. Additionally, the Portfolio Funds may themselves make investments that are subject to risk of loss due to fraud.

During the lifetime of an MAS Product, there could be material changes in some Portfolio Managers, including changes in control, initial public offerings, and mergers. MAS cannot predict the effect of those changes on a Portfolio Manager but they could be material and adverse. Given the limited liquidity of the Portfolio Funds, an MAS Product may not be able to quickly alter its portfolio allocation in response to such a change, resulting in losses from Portfolio Manager risk.

Market Disruptions. The MAS Products may incur major losses in the event of disrupted markets and other extraordinary events in which historical pricing relationships (on which the Portfolio Managers may base a number of their investment decisions) become materially distorted. The risk of loss from pricing distortions is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. The financing available to the Portfolio Managers is typically reduced in disrupted markets which may lead to substantial losses to the Portfolio Funds (and, consequently, to the MAS Products). Market disruptions may from time to time cause sudden and dramatic losses for the MAS Products, and those events can lead to otherwise historically low-risk strategies performing with significant volatility and risk.

E.U. Alternative Investment Fund Managers Directive ("AIFMD"). The E.U. member states were required to implement AIFMD into national law by July 22, 2013. After the implementation date, if a Portfolio Manager is domiciled within the E.U. and is an alternative investment fund manager in respect of its Portfolio Funds, that Portfolio Manager may have had to comply with certain regulatory restrictions and/or conditions, which may include, among other things, authorization, restrictions and/or conditions as to the liquidity profile and redemption policy of its Portfolio Funds, its Portfolio Funds' use of leverage, transparency, the appointment of a depositary, and obligations concerning its Portfolio Funds' acquisition of major holdings and control of unlisted companies. Even if a Portfolio Manager is domiciled outside of the E.U., if it markets to E.U. investors, it may have had to comply with certain disclosure and transparency requirements as of July 22, 2013, subject to any available extensions. In addition, AIFMD requires cooperation agreements be in place between the regulator in each of: (i) the jurisdiction where the non-E.U. Portfolio Manager establishes itself; (ii) the jurisdiction where the non-E.U. Portfolio Fund that is an AIF establishes itself (if different from (i)); and (iii) each E.U. member state into which the non-E.U. Portfolio Fund markets itself. Individual E.U. member state regulators may also impose additional marketing restrictions on a national basis. These changes may require that the Portfolio Managers that elect to continue to market in the E.U. to restructure or otherwise change the investment program or portfolio of their Portfolio Funds and/or their Portfolio Funds' relationships with service providers, and will likely increase those Portfolio Funds' ongoing operating costs, which would in turn increase the costs and expenses that the MAS Products bear directly and indirectly.

MAS currently intends to continue to rely on each E.U. country's private placement regime with respect to marketing activities, rather than becoming fully-AIFMD compliant. Therefore, with respect to the MAS Funds that it markets in the E.U., MAS is subject to the aforementioned transparency and disclosure requirements, and to the private placement regimes of each E.U. member state. Compliance with these requirements may limit MAS' ability to market the MAS Funds in the E.U. and/or increase the operating costs of the MAS Funds that it markets in the E.U.

Hedged Equity Strategies. The hedged equity strategies which the MAS Products invest in will primarily focus on the U.S., European, and developed Asian equities markets. Although Portfolio Funds may take long and short positions, the Portfolio Funds are likely to have a net long bias in implementing their hedged equity strategies. Accordingly, a Portfolio Fund could incur significant losses in the event of a substantial decline in the global stock markets. Further, the "hedged" approach that certain Portfolio Funds use could cause the MAS Products' performance to lag behind market indices in the event of sharply rising markets.

Tail Risk Protection Strategies. Certain MAS Products may attempt to hedge certain portfolio risks by allocating capital to Portfolio Managers implementing strategies intended to perform best in declining markets or in times of market disruption. Because these Portfolio Managers' strategies seek to profit from market disruptions and/or declines, they may suffer losses during periods of stability or generally improving market conditions. Moreover, in spite of the fact that when market disruptions or market declines occur these strategies may achieve gains, these gains may not fully offset losses suffered at other times. There can be no assurance that these strategies will not be correlated with the overall market during periods of market disruption and stress. In addition, other extraordinary events like distortions in historical pricing relationships, loss of leverage, or government intervention during market disruptions may adversely affect these strategies. There can be no assurance that these strategies will achieve their objectives.

Event Strategies and Low Credit Quality Securities. The success of event strategies depends on one successfully predicting whether various corporate events will occur or be consummated. A variety of factors can prevent or delay the consummation of, or cause a change in the terms of, mergers, exchange offers, tender offers, and other similar transactions. If a proposed transaction appears likely not to be consummated or in fact is not consummated or is delayed, the market price of the securities that a Portfolio Fund purchases may decline sharply and lead to losses. In many transactions, a Portfolio Fund will not be "hedged" against these types of market fluctuations.

Distressed Securities Investing. Portfolio Funds may invest in securities of issuers in weak financial condition, experiencing poor operating results, having substantial financial needs or negative net worth, facing special competitive or product obsolescence problems, or involved in bankruptcy or reorganization proceedings. Investments of that type involve business risks that can lead to substantial or total losses. Portfolio Managers may frequently experience difficulty in obtaining information as to the conditions of troubled issuers. The market prices of those securities can also experience abrupt and erratic market movements and above average price volatility. MAS anticipates that some of the securities in which Portfolio Funds invest may not be widely traded, and that the Portfolio Funds' positions in those securities may be substantial in relation to the market for the securities. In addition, the debt securities in which Portfolio Funds are permitted to invest may be rated lower than investment grade and hence may be considered to be "junk bonds" or distressed securities.

Activist Investing. Certain Portfolio Funds using activist investing strategies may face heightened litigation risk. This risk may be greater where a Portfolio Manager exercises control or significant influence over a company's direction. The MAS Products, through investment in Portfolio Funds, would indirectly bear the expense of defending against claims and paying any amounts pursuant to settlements or judgments. Ownership of companies over certain threshold levels involves additional filing requirements and substantive regulation on those owners. If the Portfolio Funds or Portfolio Managers fail to comply with all of those requirements, they may be forced to disgorge profits, pay fines, or otherwise bear losses or other costs from that failure to comply.

A Portfolio Manager may receive material non-public information if it discusses corporate matters with management or directors of a company in which its Portfolio Fund has an investment or if the Portfolio

Manager otherwise becomes involved in the affairs of that company. Regulations could then require the Portfolio Fund to hold its position in the securities of the company, and could prohibit the Portfolio Fund from engaging in other transactions with respect to the company's securities, until the information is publicly disclosed or is no longer material. This could prevent the Portfolio Fund from selling those securities (or buying additional securities of the company) at advantageous times or prices, and could reduce the liquidity of the Portfolio Fund's investments.

Finally, there can be no assurance that a Portfolio Manager will succeed in any efforts to influence or change the management or management decisions of an issuer or that, if successful in bringing about a requested change or causing the issuer to take a particular action, the value of a Portfolio Fund's investment in the issuer will increase.

Credit Markets. Certain of the Portfolio Funds will be concentrated in the credit markets, attempting to take advantage of undervalued securities as well as relative mispricings. The identification of attractive investment opportunities in disrupted credit markets is difficult and involves a significant degree of uncertainty. The credit markets are, in general, highly susceptible to interest-rate movements, government interference, economic news, and investor sentiment. There was significant volatility in the credit markets in 2007-2009, and that volatility can be expected to arise in the future.

Lack of Liquidity in Credit Markets. During periods of "credit squeezes" or "flights to quality," the market for credit instruments other than U.S. Treasury bills can become substantially reduced. This poses the risk that Portfolio Funds that pursue credit related investment strategies may need to sell the leveraged credit instrument positions that they hold at discounts to fair value in order to meet margin calls. At the same time, the dealers may correspondingly reduce the value of outstanding positions, which may lead to additional margin calls as loan to value triggers are hit under prime brokerage and swap agreements. Downward pressures on price and leverage could cause substantial or total losses for Portfolio Funds implementing credit strategies. Moreover, even if those Portfolio Managers do not implement leveraged strategies, forced sales from those funds into illiquid markets due to investor redemptions could lead to substantial losses. During the financial market crisis of 2007-2009, the market for credit instruments was so illiquid that a number of investment funds had to sell otherwise desirable investments in other asset classes in order to meet margin calls on their credit positions.

Securitized Credit Products. Securitized credit products are vulnerable to prepayment, credit, liquidity, market, structural, legal, and interest (among other) risks. A variety of factors can affect the performance of a securitized product, including the level and timing of the payments and recoveries on the underlying assets and the adequacy of the related collateral. Special risks may be associated with a Portfolio Fund's investments in structured credit products, which include collateralized debt obligations, synthetic credit portfolio transactions, and asset-backed securities. For example, synthetic portfolio transactions may be structured with two or more tranches, each of which receives different proportions of the interest and principal distributions on a pool of credit assets. The yield to maturity of any given tranche may be extremely sensitive to the default rate in the underlying reference portfolio.

Relative Value Strategies. The use of certain "relative value" or "market-neutral" hedging or arbitrage strategies does not imply that the MAS Products' investments in those strategies are without risk. A Portfolio Fund may incur substantial losses on "hedge" or "arbitrage" positions. Illiquidity and default on one side of a position can effectively lead to losses on both sides of the position, and/or transforming the position into a directional position. Many relative value Portfolio Managers employ strategies that are somewhat directional, which expose their Portfolio Funds to market risk.

Macro and Commodity Strategies. Some of the macro and commodity Portfolio Managers to which MAS may allocate the MAS Products' assets may invest use fundamental analysis in implementing their strategies. Fundamental analysis—which is based on the theory that market mispricings exist because market prices do not incorporate all knowable economic and other relevant data—is subject to the risk of inaccurate or incomplete market information, as well as the difficulty of predicting future prices based upon analysis of all known information. Investments made based upon fundamental analysis may experience significant losses when market sentiment leads to materially discounting investment instruments' market prices from the expected prices (as in the case of "flights to quality" when the demand for certain risky

investment instruments plummets) or when technical factors, such as price momentum encouraged by trend following, dominate the market.

Some macro and commodity Portfolio Managers may also utilize technical analysis. Technical strategies that Portfolio Managers utilize rely on information intrinsic to the market itself (e.g., prices, price patterns, volume, and volatility) to determine trades. These strategies can incur major losses when factors exogenous to the markets themselves (e.g., political events, natural catastrophes, and acts of war or terrorism) dominate the markets. Technical Portfolio Managers may use systematic, trend-following trading systems to implement their strategies. Changes in economic conditions, including, for example, interest rates, inflation rates, industry conditions, competition, regulatory environment, technological developments, political and diplomatic events and trends, weather events, tax laws, and innumerable other factors outside the control of the Portfolio Managers, can substantially and adversely affect the business and prospects of those Portfolio Managers. In stagnant markets in which those trends do not occur, or in “whipsaw” markets in which apparent trends develop but then quickly reverse, trend-following trading systems are likely to incur substantial losses.

Certain of the macro and commodity positions that Portfolio Managers take may be designed to profit from forecasting absolute price movements in a particular instrument or asset class. Predicting future prices is inherently uncertain and the losses incurred, if the market moves against a position, will often not be hedged. The speculative aspect of attempting to predict absolute price movements is generally perceived to exceed that involved in attempting to predict relative price fluctuations. A number of funds formed in 2008-2009 to take directional positions in distressed credit instruments incurred major losses as the prices of those instruments fell far below the anticipated “worst case” scenario. Directional strategies that Portfolio Managers may implement in the future may find themselves similarly situated.

Investments with Commodity Managers; and Macro & Commodity Strategies. The MAS Products may invest with Portfolio Managers that trade exclusively in commodity futures and options on commodity futures. Trading in those instruments may be highly speculative due to the leverage available to many market participants, the likelihood of government intervention into certain commodity and foreign exchange markets, the vulnerability of those markets to international political, weather-related, and other events, and other factors.

Short Sales of Securities. Certain of the Portfolio Funds sell securities short. Selling securities short involves selling securities that a Portfolio Fund does not own. In order to make delivery to the purchaser of those securities, the Portfolio Fund may borrow securities from a third-party lender. The Portfolio Fund subsequently must return the borrowed securities to the lender by delivering to the lender securities the Portfolio Fund purchases in the open market. The Portfolio Fund must generally pledge cash or other securities with the lender equal to or greater than the market price of the borrowed securities. The lender may increase or decrease the deposit in accordance with changes in the market price of the borrowed securities. Accordingly, a Portfolio Fund could, in theory, be exposed to an unlimited loss in the event of an unlimited increase in the market price of a borrowed security. Purchasing securities to close out the short position can itself cause the price of the securities to rise, thereby limiting profits or exacerbating losses. The risk also exists that the securities necessary to cover a short position will not be available for purchase. Additionally, arbitrage strategies involving short sales are exposed to the risk of the loss of the hedge if the lending broker calls the stock sold short, or the Portfolio Fund may not be able to maintain the position, forcing it to prematurely liquidate the position.

Derivatives Generally. The Portfolio Managers may use a variety of derivative instruments in implementing their investment strategies on behalf of the Portfolio Funds including options, forward contracts, and swaps, which may be volatile and speculative. The pricing of these derivatives is uncertain, variable, and based primarily on theoretical models, the outputs of which may vary substantially from the prices the market actually recognizes. The market for many types of derivative instruments is comparatively illiquid and inefficient, creating the potential for substantial mispricings, as well as sustained deviations between theoretical and market value. In addition, the derivatives market is, in comparison to other markets, a relatively new market. The events of 2008 and 2009 (including the bailout of American International Group, Inc.) demonstrated that even the most sophisticated market participants may misunderstand how the market in derivatives will perform during periods of unusual price volatility or instability, market illiquidity, or credit

distress. The Portfolio Funds' investments in over-the-counter derivatives are subject to greater risk of counterparty default and less liquidity than exchange-traded derivatives, although exchange-traded derivatives are subject to risk of failure of the exchange on which they are traded and the clearinghouse through which they are guaranteed. Investing in derivatives also creates counterparty risk, which includes the risk of default and failure to pay mark-to-market amounts and return risk premium and the risk that the market value of over-the-counter derivatives will fall if the creditworthiness of the counterparties to those derivatives weakens.

The prices of derivative instruments can be highly volatile. Interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies, among other things, can influence price movements of derivative instruments. In addition, governments from time to time intervene, directly and by regulation, in certain markets. Government intervention often is intended directly to influence prices and may, together with other factors, cause all of the relevant markets to move rapidly in the same direction because of, among other things, interest rate fluctuations.

Managed Account Allocations. MAS Products may place assets with Portfolio Managers by opening managed accounts rather than investing in Portfolio Funds. Managed accounts expose the MAS Products to theoretically unlimited liability. For example, if a Portfolio Manager uses leverage in its investment program, the MAS Product could lose more in a managed account than if it invested via a Portfolio Fund. However, MAS does not anticipate allocating assets to Portfolio Managers who utilize high leverage through managed accounts. MAS generally seeks to insulate the MAS Products from that risk by allocating assets through special purpose vehicles but it may not always be possible to do so, and MAS may elect not to do so. When investing in managed accounts (either directly or through a limited liability vehicle), the MAS Products do not normally have access to complete information regarding the positions held in the managed accounts. Instead, the Portfolio Managers typically require that the clearing broker for those accounts report positions to a third-party administrator for valuation, and that the third-party administrator provide the MAS Products and MAS with only limited information regarding the managed account, including the managed account's net asset value.

Structured Investments. The MAS Products may invest in Portfolio Funds through structured notes linked to the performance of a Portfolio Fund or through a swap or other contract paying a return equal to the total return of the Portfolio Fund. These types of structured investments involve many of the same risks as direct investments in the Portfolio Funds. Moreover, structured investments expose the MAS Products to the risks associated with derivatives markets, including the risk of counterparty default and liquidity risks.

Buying and Selling Portfolio Fund Interests. Certain MAS Products may buy or sell an interest in a Portfolio Fund in a secondary market transaction, rather than redeeming from or subscribing to that Portfolio Fund. Purchases and sales of Portfolio Fund interests on the secondary market occur in privately-negotiated bilateral agreements. Accordingly, the prices for those interests may vary significantly from transaction to transaction and from what the interests would have received had they been redeemed in an orderly redemption from the Portfolio Fund. While it is intended that any Portfolio Fund interests MAS purchased in the secondary market will ultimately pay redemptions out at a value in excess of the purchase price, there can be no assurance that MAS will be successful in selecting Portfolio Funds that do so or that do not, in fact, lose all of their remaining assets. Sales of Portfolio Fund interests likely will involve interests that MAS cannot redeem for an extended period of time and therefore it is likely that MAS will sell such interests at a discount from their reported net asset value. In certain cases, those discounts may be substantial, representing only a fraction of the reported net asset value. Negotiating secondary market transactions may be time consuming and expensive and may ultimately not lead to a purchase or sale in any case. Further, purchase or sale agreements may include broad indemnities and the relevant MAS Product may be required to indemnify the counterparties to those transactions for any losses, including for losses arising through no fault of MAS or the MAS Product. That indemnity could exceed the value of the relevant Portfolio Fund interest.

Use of Leverage. The Portfolio Funds' strategies may use significant leverage. Leverage can take different forms, including direct borrowings from prime brokers and banks and leverage embedded in derivative instruments. Portfolio Funds' use of leverage increases the risk and performance volatility that

those Portfolio Funds experience. Additionally, in the case of borrowing, leverage results in the Portfolio Fund incurring interest expense, and in the case of derivative instruments, interest expense is embedded in the pricing of the derivative. If the dealers that extend credit to a Portfolio Fund determine to restrict or eliminate credit or a derivatives broker, dealer, or clearinghouse determines to require increased risk margin (which they can do on an essentially discretionary basis and due to factors unrelated to the performance or credit of the Portfolio Fund itself) there may be material disruption to a leveraged strategy or it may be closed out. There can be no assurance that any particular Portfolio Manager will be able to secure or maintain adequate financing under all market circumstances. In the event that a Portfolio experiences a reduction in the amount of the leverage available to it, the Portfolio Fund may be forced to sell its positions at disadvantageous prices. Any forced selling may further decrease the value of the assets the Portfolio Fund has pledged as collateral supporting the Portfolio Fund's credit or risk margin, resulting in further rounds of forced selling and a downward spiral in the value of the Portfolio Fund. It may be difficult for MAS to adequately monitor the risk of leverage that Portfolio Managers that invest in derivative instruments employ due to the imprecision involved in value-at-risk, scenario analysis, and other measures of leveraged exposure in derivative instruments. Additionally, any true measure of the risk of leverage that Portfolio Managers that invest in over-the-counter derivative instruments employ would necessarily encompass the creditworthiness of the counterparties to those derivatives, because creditworthiness reflects not only the ability of the counterparty to pay but also the willingness of a third party to assume the trade. However, MAS is not in a position to anticipate or monitor the creditworthiness of these counterparties.

MAS Negotiated Terms. MAS is often able to negotiate preferential terms with Portfolio Managers because of, among other things, the substantial capital that MAS can invest with a single Portfolio Manager. These terms may include, but are not limited to, reduced fees and expenses, preferential liquidity, increased transparency, customized investment programs, access to limited investment opportunities, capacity rights, revenue sharing rights (*i.e.*, where the MAS Products receive a portion of the fees that the Portfolio Manager earns from non-MAS Product investors), and extensive notice provisions. Portfolio Managers generally make these negotiated preferential terms available to all investors that are advised by, or affiliated with, MAS, and the MAS Products may benefit from these terms while MAS serves as its investment manager. If the MAS Product terminates its relationship with MAS, but maintains its investment with a Portfolio Manager, that MAS Product will lose the benefit of these preferential terms unless the Portfolio Manager and MAS agree otherwise, which agreement cannot be guaranteed for operational, contractual, or other reasons. In particular, if a MAS Product terminates its relationship with MAS, it will lose the benefit of any reduced fees and revenue sharing rights (including the ability to monetize a revenue sharing right) that MAS has negotiated at the Portfolio Fund level.

Risks of Direct Trading by an MAS Product. If MAS deems it advisable for an MAS Product to take a direct position in a security, currency, or futures product, or if a Portfolio Fund sends an MAS Product a direct position as a payment-in-kind or otherwise, MAS may cause the MAS Product to trade directly in the markets (rather than investing through a Portfolio Fund). The risks described in this Brochure and in the Offering Documents would generally apply to any such trading, compounded with the risk that MAS may not generally have expertise at trading directly in any market, or extensive service provider and counterparty relationships that would typically support that trading.

Limited Information Regarding Portfolio Managers. MAS evaluates and monitors each Portfolio Manager based in part on the detailed information it receives from that Portfolio Manager regarding its operations, historical performance, and investment strategies. However, MAS will not have access to complete information regarding a Portfolio Manager.

Possibility of Fraud and Other Misconduct. When MAS allocates an MAS Product's assets to a Portfolio Fund, the MAS Product does not have custody of the assets or control over the investments that the Portfolio Manager makes on behalf of the MAS Product. A Portfolio Manager or its service providers could divert or abscond with the assets, fail to follow agreed upon investment strategies, provide false reports of operations, or engage in other misconduct. The Portfolio Managers to whom MAS allocates assets are generally private and have generally not registered their investment advisory operations, or the securities of their Portfolio Funds, under U.S. or non-U.S. securities or commodities laws. Additionally, those Portfolio Funds may themselves make investments that are subject to risk of loss due to fraud.

ITEM 9 DISCIPLINARY INFORMATION

MAS is required to disclose all material facts regarding any legal or disciplinary events that would be material to an Investor's or a prospective Investor's evaluation of MAS' advisory business or the integrity of MAS' management. As of the date of this Brochure, there are no legal or disciplinary events relevant to this Item.

ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

MAS is required to disclose its material financial industry activities and affiliations, as well as those of its employees and affiliates. MAS and its employees and affiliates have an affirmative duty to act in the best interests of the MAS Products and the Investors, particularly in situations where MAS' or the MAS employees' or affiliates' interests may conflict with those of the Investors. MAS endeavors at all times to put the interests of the MAS Products and the Investors first as part of its fiduciary duty.

MAS

MAS is registered with the SEC as an investment adviser, and with the U.S. Commodity Futures Trading Commission (the "**CFTC**") as a commodity trading advisor and a commodity pool operator. MAS is a member of the U.S. National Futures Association ("**NFA**"). These registrations and membership do not constitute an endorsement of MAS by the SEC, the CFTC, the NFA, or any other governmental or self-regulatory agency.

MAS has also claimed registration exemptions from certain non-U.S. jurisdictions, including certain Canadian provinces.

MAS serves as general partner or manager of the U.S. domiciled MAS Funds. MAS serves as investment manager of the Cayman Islands domiciled MAS Funds.

MAS Employees

Pursuant to CFTC rules, certain MAS employees and management personnel are registered as "associated persons" and/or "principals." In addition, certain MAS employees and management personnel are licensed registered representatives of MFI, a broker/dealer affiliated with MAS.

Certain MAS management personnel serve as directors of certain MAS Funds. These personnel do not receive compensation for their service as directors.

MAS Affiliates

MAS is a wholly-owned subsidiary of MFHI, a financial services holding company. MAS has a number of affiliated entities domiciled in the United States and non-U.S. jurisdictions.

- Mesirow Financial International UK, Limited ("**MFIUK**") is located in London and is authorized and regulated by the U.K. Financial Conduct Authority ("**FCA**") to advise and arrange deals in investments among other activities. This entity employs research analysts and client relationship personnel who provide services to the MAS Products and their Investors. In 2015, MFIUK applied with the FCA for a variation of permissions seeking permission to provide discretionary investment management services.
- Mesirow Financial Hong Kong, Limited is located in Hong Kong and is licensed with the Securities and Futures Commission to conduct Type 1 regulated activities. This entity employs research

analysts and client relationship personnel who provide services to the MAS Products and their Investors.

- MAS' insurance affiliate, Mesirow Insurance Services, Inc., evaluates liability exposure and recommends insurance coverage for MAS.
- MAS has three affiliates that are registered investment advisers, Mesirow Financial Investment Management, Inc. ("**MFIM**"), Mesirow Financial Private Equity Advisors, Inc., and Mesirow Financial Alternative Investments, LLC.
- MAS currently engages MFIM to hedge non-U.S. currency exposure for non-U.S. dollar denominated classes of the MAS Funds. Given the aggregate amount of non-U.S. dollar currency invested in the MAS Funds and the number of non-U.S. dollar denominated classes, MAS believes it is prudent to engage MFIM for this function. Currently, each MAS Fund that utilizes MFIM pays MFIM an initial fee that is a percentage of each non-U.S. dollar currency subscription amount and an annual fee that is a percentage of the net asset value of the relevant class of shares. The non-U.S. dollar denominated classes that engage in currency hedging bear those fees. MAS believes that the fees MFIM charges are commensurate with market rates and that there are administrative efficiencies in the MAS Funds' currency hedging due to MFIM's involvement.
- MAS is an affiliate of Mesirow Financial Consulting, LLC ("**MFC**"), a consulting firm that provides valuation and compliance consulting services to hedge fund managers. Neither MAS nor the MAS Products retain MFC. However, certain Portfolio Managers or Portfolio Funds may use MFC for consulting or other services. MFC may receive compensation for those services.
- MAS is an affiliate of MFI, a registered broker/dealer. The MAS Products do not execute securities transactions through MFI except potentially in the case of an in-kind payment of securities from a Portfolio Fund, and then the MAS Product would pay only MFI's costs in executing those transactions (and no additional fees). MFI may act as a selling agent, prime broker, or derivatives counterparty to a Portfolio Manager or Portfolio Fund. In the past, MFI acted as selling agent for two Portfolio Funds in which MFI clients as well as MAS Products invest. MFI no longer acts as a selling agent for any Portfolio Fund in which MAS Products invest, but MFI continues to receive compensation for its clients' and the MAS Products' ongoing investment in those two Portfolio Funds. MFI allocates that compensation to MAS. In turn, MAS rebates back to the MAS Products the portion of that compensation that corresponds to their investment in those two Portfolio Funds. When they receive those rebates, these MAS Products effectively pay lower net fees to the relevant Portfolio Managers than if MFI had not acted as selling agent with respect to those two Portfolio Funds. If in the future MFI receives any "placement fee" or "introduction fee" directly from Portfolio Managers or Portfolio Funds, or rebates in lieu of fees, with respect to any MAS Product's investment, MFI will remit those fees to that MAS Product.

The arrangements described above may involve conflicts of interest, as the MAS Products' investment in certain Portfolio Funds and with certain Portfolio Managers may increase the fees paid to MAS' affiliates that have relationships with those Portfolio Funds and Portfolio Managers. In addition, a Portfolio Manager may believe that its retention of an MAS affiliate will increase MAS' willingness to invest with that Portfolio Manager. MAS does not consider a Portfolio Fund's or Portfolio Manager's use of an MAS affiliate in making allocations to Portfolio Funds and Portfolio Managers.

Selling Agents

Selling agents of the MAS Products and/or their affiliates may provide brokerage and certain other financial and securities services to MAS and/or Portfolio Managers. Selling agents, their affiliates, or their principals, officers, or employees that invest in the MAS Products may bear reduced or no management and/or incentive fees, and may receive other preferential terms.

Other Counterparties

MAS and/or certain MAS Products may engage service providers, including trading counterparties, administrators, custodians, and credit facility providers, that have relationships, including fiduciary relationships, with the Investors and their beneficiaries. MAS negotiates, for itself and on behalf of the MAS Products, the terms of all counterparty agreements in good faith.

Given the interrelationships among MAS and MAS' employees, affiliates, and other related persons, and the changing nature of the businesses and affiliates of MAS and its affiliates, there may be other or different potential conflicts of interest that arise in the future or that are not included in this section.

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

Code of Ethics

MAS has adopted a Code of Ethics (the "**Code**") that sets forth the ethical standards of business conduct that MAS requires of its employees, including compliance with applicable U.S. federal securities laws, rules, and regulations. The Code is a part of MAS' Compliance Manual. Some of the policies and procedures discussed below are set forth in other sections of the Compliance Manual, rather than the Code itself. The Code is available to prospective clients and Investors upon request by calling 312.595.7300.

It is MAS' policy that all employees should comply with the highest ethical, business, and legal standards in the conduct of their business and in their dealings with business contacts. In particular, MAS personnel owe a duty of loyalty, fairness, and good faith towards clients, and have an obligation to comply with not only the specific provisions of the Code but also the general principles that guide the Code.

The Code includes policies and procedures governing employee securities transactions, gifts and entertainment, outside business activities, confidentiality of information and information barriers, and charitable and political contributions. The Code also prohibits the misuse of material non-public information and emphasizes the avoidance of conflicts of interest with Investors. Additionally, the Code contains oversight, enforcement, and recordkeeping provisions. Each MAS employee must acknowledge the terms of the Code on an annual basis. Possible actions, which may include enhanced supervision, censure, suspension, or termination could be imposed on any employee who violates the Code. The MAS Compliance department monitors compliance with the provisions of the Code and provides periodic updates to the management team.

Participation or Interest in Client Transactions

Qualified MAS employees (including those on the Investment Committee), employees of MAS' affiliates, and their family members have substantial investments in certain MAS Products, including MAS Funds that are not offered to outside investors. Those investments may create the incentive for MAS or its principals to favor those MAS Funds over other MAS Products. Any one of those MAS Funds may outperform other MAS Products for a variety of reasons, including because those MAS Funds invest with the objective of having higher volatility than MAS believes would be appropriate for other MAS Products, because those MAS Funds invest using leverage, because those MAS Funds are concentrated in a particular strategy, and for other reasons. MAS has adopted policies and procedures designed to address the conflicts of interest inherent in the side-by-side management of those MAS Funds and other MAS Products, including policies designed to prevent giving those MAS Funds priority with respect to limited investment and/or redemption opportunities.

MAS may cause an MAS Product to purchase, sell, or transfer interests in Portfolio Funds from or to another MAS Product when MAS believes that those transactions are appropriate and in the best interests of those MAS Products. Any such purchase, sale, or transfer will take place at the stated net asset value of the Portfolio Fund being purchased, sold, or transferred. In addition, MAS may recommend that an MAS Product purchase or sell an investment that is being sold or purchased, respectively, at the same time by MAS, an MAS affiliate, MAS' officers, employees, or directors, or another advisory client. In relation to cross trades and those simultaneous purchases and sales, MAS may have a conflict of interest between acting in the best

interests of that MAS Product and assisting another MAS Product by selling or purchasing a particular Portfolio Fund interest or investment. MAS will complete any principal or cross trades in compliance with applicable laws, including the Company Act, other U.S. securities laws, and the U.S. Employee Retirement Income Security Act of 1974, as amended.

MAS has addressed the conflicts described above by adopting policies and procedures reasonably designed to ensure that, over time, all MAS Products are treated fairly in the allocation and redemption of investment opportunities. Those allocation policies and procedures are discussed in Item 6.

MAS employees may benefit from educational events that service providers to the MAS Products, such as prime brokers, law firms, audit firms, and other professional service firms sponsor.

Personal Trading

MAS and its employees (including those on the Investment Committee) and their family members may invest in securities and other financial instruments for their own accounts, including investing in Portfolio Funds in which, or with Portfolio Managers with which, the MAS Products may invest or consider investing. That proprietary trading may be in competition with the MAS Products. The Code requires that MAS personnel obtain preapproval from MAS' compliance department for certain securities transactions and certain types of outside business activities, including those transactions and activities that MAS believes may give rise to a conflict of interest. MAS' compliance department maintains, and updates from time to time, a "restricted list" of securities in which personnel generally may not trade, which is intended to prevent the misuse of non-public information by MAS employees. MAS' compliance department reviews MAS' personnel's personal securities transactions and outside business activities to monitor compliance with the Code.

ITEM 12 BROKERAGE TRADING PRACTICES

As MAS is a fund of hedge funds manager, it does not direct brokerage transactions or have any soft dollar arrangements. Funds of hedge funds' investments in Portfolio Funds or with Portfolio Managers generally do not involve brokers or dealers. Neither MAS nor the MAS Products control or direct which brokers and dealers Portfolio Funds and Portfolio Managers use.

However, MAS may conduct certain limited direct trading activities (i.e., not through a Portfolio Fund or a Portfolio Manager) on behalf of the MAS Products. If MAS deems it advisable for an MAS Product to take a direct position in a security, currency, over-the-counter derivative, or futures product, MAS may cause that MAS Product to trade directly in the markets or indirectly through an MAS Master Fund that MAS created to pool assets from MAS Products that engage in direct trading activities. This may be particularly the case for MAS Products that invest directly in securities as part of a co-investment opportunity that a Portfolio Manager Offers. In addition, if a Portfolio Fund or Portfolio Manager provides an MAS Product with securities as an in-kind payment, MAS may cause that MAS Product to trade those securities, typically by liquidating them as promptly as MAS deems advisable under the circumstances. Finally, the MAS Products may buy or sell interests in Portfolio Funds through secondary market transactions. If the MAS Products engage in any direct trading, MAS will utilize brokerage services within the soft dollar safe harbor established by Section 28(e) of the U.S. Securities Exchange Act of 1934, as amended.

The MAS Products do not execute securities transactions through MFI except potentially in the case of an in-kind payment of securities from a Fund, and then the MAS Product would pay only MFI's costs in executing those transactions (and no additional fees).

MAS does not select or recommend brokers or dealers based on whether the broker or dealer refers Investors to MAS.

MAS does not request, require, or recommend that an Investor direct brokerage transactions to a specific broker/dealer. Investors in Managed Accounts may direct which custodian, which may be a broker/dealer, will custody the assets of the account.

ITEM 13 REVIEW OF ACCOUNTS

Review of Accounts

The Investment Committee oversees the entire investment process for the MAS Products, including asset allocation determinations, portfolio construction, and risk management. The Investment Committee has ultimate authority for determining whether an MAS Product will invest in (or redeem from) a Portfolio Fund or Portfolio Manager.

The Investment Committee meets regularly to review the asset allocations of the MAS Products. MAS may, and frequently does, rebalance the MAS Products' portfolios on a monthly basis. For instance, MAS may determine that an MAS Product's multi-strategy portfolio should reduce its exposure to Portfolio Funds that implement credit strategies. MAS may cause that reduction in exposure by redeeming from a credit-focused Portfolio Fund.

MAS' Client Portfolio Management Team (under the supervision of MAS' Co-Chief Investment Officers) is responsible for performing ongoing and formal periodic reviews of MAS' compliance with investment guidelines, limitations, or restrictions. The Client Portfolio Management Team formally documents and submits to MAS' Legal and Compliance Team those reviews if an MAS Product's investment portfolio is not within applicable investment guidelines, limitations, or restrictions. The Client Portfolio Management Team documents and reports the non-compliance to all relevant parties, and develops a plan for becoming compliant.

Reports to Investors

Investors in an MAS Fund or a RIC generally receive written unaudited monthly account statements that include beginning and ending balances, account activity, and performance information based on estimates, from that MAS Fund's or RIC's administrator. MAS personnel review the MAS Funds' statement information prior to distribution to Investors. Additionally, Investors in an MAS Fund generally receive written quarterly reports that include an analysis of the various portfolio strategies that the MAS Fund employs. Annually, Investors in an MAS Fund or a RIC receive written audited financial statements and, if applicable, tax reporting information with respect to that MAS Fund or RIC.

The reports that MAS provides to Investors in Managed Accounts are often customized to the Investor's specifications.

Upon request, MAS provides certain information regarding an MAS Product or a Portfolio Fund's investments to certain Investors that is not proactively offered to other Investors, or is offered in a different format. That information could give the Investors that receive the information an actual or perceived advantage in determining whether to invest in or redeem from an MAS Product. MAS will not enter into such an arrangement if it determines that the arrangement would have a material adverse effect on the other Investors in the MAS Product.

ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION

Client Referrals

MAS engages selling agents to solicit investors for the MAS Products. MAS – and not the MAS Products – compensates selling agents for their solicitation services, typically through sharing a portion of the management and/or incentive fees that MAS receives from the Investors that those selling agents solicit. That fee sharing does not increase the fees MAS charges to any Investor. However, in certain circumstances, selling agents may also have an agreement with an Investor where the selling agent receives

an upfront selling commission from the Investor's subscription amount. Any selling arrangement between MAS and an unaffiliated selling agent is pursuant to a written selling agreement and in compliance with applicable securities laws, including requiring the delivery of the relevant MAS Fund's Offering Document and other materials, such as MAS' Form ADV Part 2.

Similarly, MAS may pay referral compensation to its affiliates, joint venture partners, related persons, and/or their employees. That referral compensation does not increase the fees that MAS charges to any Investor.

Ongoing solicitation compensation may differ for different Investors or selling agents.

The payment of solicitation compensation may cause a solicitor to recommend MAS over another adviser that does not pay solicitation compensation. In any case in which a selling agent receives payment from MAS, the selling agent will have a conflict in advising Investors with respect to subscriptions and withdrawals. Further, selling agents may receive different amounts of compensation with respect to different MAS Products, or variations in terms applicable to their personal investments in MAS Products, and therefore may have incentives to favor one or more products over others.

Other Compensation

MAS does not permit its employees to accept any form of compensation, including cash, sales awards, or other prizes, from non-clients for providing advisory services to the MAS Products.

MAS maintains written policies and procedures with respect to the giving and receipt of gifts and entertainment and the giving of donations and contributions, which are reasonably designed to comply with applicable law, including pay-to-play restrictions. Those policies and procedures prohibit giving or receiving gifts, entertainment, donations, and contributions that MAS determines are lavish or excessive under the circumstances.

MAS and its affiliates also receive Investor referrals from unaffiliated consultants that Investors retain. MAS and its affiliates may make cash payments to these consultants to participate in conferences that those consultants sponsor in order to, among other things, obtain information about industry trends and Investor investment needs. In addition, MAS and its affiliates may purchase products or services from these consultants or their affiliates. MAS and its affiliates do not pay those cash payments for conferences, products, or services in connection with any Investor that consultants refer.

ITEM 15 CUSTODY

Under the Rule 206(4)-2 of the Advisers Act (the "**Custody Rule**"), MAS is deemed to have custody of most of the MAS Products' assets, although it is MAS' policy not to receive or have actual physical custody of the assets of any MAS Product. Instead, those assets reside with third-party custodians or banks.

MAS is exempt from many of the provisions of the Custody Rule because it delivers to the Investors audited financial statements (presented in accordance with the requisite accounting principles) within the requisite timeframe specified in the Custody Rule. The auditor for each MAS Fund is an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board.

MAS has implemented written policies and procedures to ensure compliance with the Custody Rule's requirements. MAS periodically reviews the effectiveness of its custody controls.

ITEM 16 INVESTMENT DISCRETION

In general, MAS manages the MAS Products on a discretionary basis. The MAS Products usually provide MAS with discretionary authority pursuant to an IMA, limited partnership agreement, limited liability company agreement, subscription agreement, power of attorney, or other appropriate legal document. In all cases, MAS exercises its discretionary authority, including, but not limited to, the selection of Portfolio Funds and Portfolio Managers, in a manner consistent with the stated investment objectives and strategies for the particular MAS Product and any applicable investment limitations, restrictions, and guidelines.

In a few instances, MAS provides its services on a non-discretionary basis.

ITEM 17 VOTING CLIENT SECURITIES

MAS has established procedures for exercising proxy voting rights as required under Rule 206(4)-6 of the Advisors Act. MAS' proxy voting policy is reasonably designed to ensure that proxies are voted in the best interests of the MAS Products and their Investors, after taking into account all relevant facts and circumstances at the time of the vote, and in accordance with MAS' fiduciary duties and applicable regulations. MAS does not take into account social, political, or other non-investment-related goals or interests in voting or abstaining from voting a proxy.

Voting With Respect to Portfolio Fund Investments

Because the MAS Products are funds of hedge funds, and rarely engage in direct trading of equities, the exercise of proxy voting rights typically involves votes with respect to terms and structure changes governing the Portfolio Funds. In evaluating these proxies, MAS considers numerous factors relating to each MAS Product's investment in the Portfolio Fund, which may include how the vote could affect the value of the MAS Product's investment in the Portfolio Fund, the liquidity of the Portfolio Fund in the overall context of the MAS Product's portfolio as well as in comparison to peer Portfolio Funds implementing similar strategies, and other factors that broadly relate to whether the Portfolio Fund continues to fulfill its role in the MAS Product's portfolio with the terms or structure changes. In voting or abstaining from voting a proxy, MAS will act as it deems is in the best interest of the MAS Products and their Investors, and in accordance with MAS' proxy voting policy.

MAS serves as the sub-adviser to a RIC, and may serve as investment adviser or sub-adviser to other RICs in the future. The RICs may invest in the same Portfolio Funds as the other MAS Products. For purposes of this Item 17, the RICs and the other MAS Products are referred to as the **"Affiliated Products."** The side-by-side investment by the Affiliated Products in a Portfolio Fund may create conflicts of interest.

To avoid becoming subject to certain Company Act prohibitions with respect to affiliated transactions, the Affiliated Products that invest in the same Portfolio Fund will elect to collectively own less than 5% of the voting securities of that Portfolio Fund, although their aggregate economic investment in that Portfolio Fund may exceed 5%. This limitation on owning voting securities is intended to ensure that a Portfolio Fund is not deemed an "affiliated person" (as that term is defined in the Company Act) of the RICs for purposes of the Company Act, which may, among other things, impose limits on transactions with that Portfolio Fund by the Affiliated Products. The Affiliated Products that invest in a Portfolio Fund may enter into contractual arrangements under which they irrevocably waive some or all of their rights (if any) to vote their interests in that Portfolio Fund. MAS will decide whether the Affiliated Products will waive voting rights and, in making those decisions, will consider the size of the Affiliated Products' investments in a Portfolio Fund. These voting waiver arrangements may increase the ability of the Affiliated Products to invest in certain Portfolio Funds. However, if the Affiliated Products contractually forgo the right to vote their interests in a Portfolio Fund, the Affiliated Products will be unable to vote on, or may have more limited voting rights with respect to, matters that require the approval of the investors in that Portfolio Fund, including matters adverse to the Affiliated Products' interests.

Similarly, to avoid the Affiliated Products owning, in the aggregate, 25% or more of the interests of a Portfolio Fund, which may lead to the RICs becoming subject to the Company Act prohibitions with respect to affiliated transactions, the Affiliated Products may be precluded from making additional investments in that Portfolio Fund, even though MAS may determine that it would be appropriate for the Affiliated Products to make additional investments in that Portfolio Fund.

MAS has a conflict of interest in causing the MAS Products' voting rights and investment opportunities to be limited as described above in order to allow MAS to advise the RICs and be compensated for doing so.

Voting With Respect to Direct Investments

In certain circumstances, an MAS Product may have a direct position in a publicly-traded equity security. For example, a Portfolio Fund may provide an MAS Fund with a position in a publicly-traded equity security as an in-kind redemption payment from a Portfolio Fund. In the past, MAS has acted promptly to liquidate those positions, rather than holding them for investment. MAS anticipates similarly acting in the future with respect to securities received as in-kind payment. Because proxies are normally relevant only to investors who intend to hold the security through the event that is the subject of the proxy vote, a proxy received in respect of a security that is in the process of being liquidated will likely not affect the liquidation value of the security. Therefore, MAS does not currently intend to vote any proxies received in respect of securities that MAS is in the process of liquidating. However, there are certain circumstances in which MAS may choose to invest directly or indirectly in a publicly-traded security through co-investment opportunities or otherwise. If an MAS Product anticipated holding a publicly-traded equity security for a significant period of time and the MAS Product was solicited to vote a proxy, MAS would vote that proxy as MAS deems is in the best interest of that MAS Product and its Investors and in accordance with MAS' proxy voting policy.

Voting in General

Although MAS has not currently identified any material conflicts of interest that would affect its proxy voting decisions, certain MAS Products (including those in which MAS principals or affiliates have a material interest) may vote differently on Portfolio Fund proxies due to differing investment objectives, guidelines, or portfolio constraints. Additionally, certain MAS principals or employees may invest directly in a Portfolio Fund, and may vote differently on Portfolio Fund proxies due to differing investment objectives or for other reasons. In some instances, differing votes may not adversely impact any MAS Product involved (for instance, if one MAS Product elects to accept a payment-in-kind from a Portfolio Fund while another MAS Product elects to remain invested in the Portfolio Fund). In other instances one MAS Product's vote may prevent a Portfolio Fund from implementing certain changes or taking other actions that another MAS Product supports, or may permit a Portfolio Fund to implement certain changes or take other actions that another MAS Product is opposed to. Due to the difficulty of predicting and identifying material conflicts with respect to proxy voting ahead of time, MAS will address those conflicts as they arise. Investors may request a copy of MAS' Proxy Policy by contacting MAS at 312.595.7300.

ITEM 18 FINANCIAL INFORMATION

MAS has never filed for bankruptcy and is not aware of any financial condition that impairs or is reasonably expected to impair its ability to meet contractual and fiduciary commitments to the MAS Products or the Investors.