

DISCLOSURE BROCHURE

(FORM ADV, PART 2A)

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This brochure provides information about the qualifications and business practices of Ramius Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (212)845-7900. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Ramius Advisors, LLC is registered as an investment adviser with the SEC. Registration does not imply a certain level of skill or training.

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

Please retain a copy of this brochure for your records.

Item 2

Material Changes

The following is a discussion of material changes that have occurred with respect to Ramius Advisors, LLC (the “Adviser”) since the last update of the Adviser’s Form ADV Part 2 dated January 2014.

Updates to Item 5 and 8:

Additional information and legal disclosures were added regarding the Fees and Compensation (Item 5), and Methods of Analysis, Investment Strategies and Risk of Loss (Item 8).

With respect to Fees and Compensation (Item 5), the direct expenses incurred by each Private Fund and/or Managed Account, which are outlined in detail in each of their respective offering materials, was updated to include additional disclosure regarding expenses associated with both U.S. and non-U.S. regulatory compliance and reporting obligations. While a summary of typical expenses has been provided in response to Item 5, investors are advised to read the client’s offering materials for a complete description.

With respect to Methods of Analysis, Investment Strategies and Risk of Loss (Item 8), while there were no material changes to types of investment strategies pursued by the Adviser on behalf of its clients, the descriptions of the strategies pursued and their respective risks were updated.

Ramius Advisors, LLC
January 2015

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Item 4. Advisory Business

Ramius Advisors, LLC (the "Adviser") is a Delaware Limited Liability Company formed in 1997. The Adviser is an indirect, wholly-owned subsidiary of Cowen Group Inc., a publicly traded company (NASDAQ: COWN). The Adviser provides discretionary investment management services to private investment partnerships and offshore investment funds that are offered to investors on a private placement basis (each a "Private Fund" and collectively, the "Private Funds") as well as discretionary investment management services to companies registered under the Investment Company Act of 1940 (each a "RIC" and collectively, the "RICs" and together with the Private Funds, the "Funds"). Additionally, the Adviser provides discretionary and/or non-discretionary investment advisory services to separately managed accounts (the "Managed Accounts"). As used herein, the term "client" generally refers to each Fund, RIC and each beneficial owner of a Managed Account.

This brochure generally includes information about the Adviser and its relationships with its clients and affiliates. While much of this brochure applies to all such clients and affiliates, certain information included herein applies to specific clients or affiliates only. This brochure does not constitute an offer to sell or solicitation of an offer to buy any securities.

The descriptions set forth in this brochure of specific advisory services that the Adviser offers to clients, and investment strategies pursued and investments made by the Adviser on behalf of its clients, should not be understood to limit in any way the Adviser's investment activities. The Adviser may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this brochure, that the Adviser considers appropriate, subject to each client's investment objectives and guidelines. The investment strategies the Adviser pursues are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any client will be achieved.

The Adviser's investment decisions and advice with respect to the Funds are subject to each Fund's investment objectives and guidelines, as set forth in its offering documents. Similarly, the Adviser's investment decisions and advice with respect to each Managed Account are subject to each client's investment objectives and guidelines, as set forth in the client's investment management agreement, as well as any written instructions provided by the client to the Adviser. The Adviser has full discretionary authority with respect to investment decisions for all of the Funds and Managed Accounts it advises and its advice with respect to all Funds and Managed Accounts is made in accordance with the investment objectives and guidelines as set forth in the Funds' respective offering memoranda or the investment management agreement covering the Managed Account, if applicable.

The Adviser does not participate in wrap fee programs.

As of December 31, 2014 the Adviser managed approximately US\$1,227,526,000 of regulatory assets under management and approximately US\$707,256,000 of net assets under management on a discretionary basis. These numbers are based on estimated and unaudited information as of such date and are therefore subject to change. The Adviser does not currently manage any non-discretionary client assets.

Item 5. Fees and Compensation

The fees applicable to each Fund are set forth in detail in each Fund's offering documents. The fees applicable to each Managed Account are set forth in detail in each Managed Account's investment management agreement. A brief summary of such fees is provided below. Generally, the Funds and Managed Accounts pay the Adviser a fee for investment management services (the "Management Fee") and the Private Funds and certain Managed Accounts may also charge performance-based fees or Fund profit allocations ("Performance Compensation").

Private Funds and RICS

Compensation received by the Adviser from the Private Funds and RICs will generally be comprised of a Management Fee based on a percentage of assets under management at annual rates which generally will approximate 1% to 2%. Asset-based fees for the Private Funds and RICs will generally be charged monthly or quarterly for such period during which the Adviser performed the services to which the fees related.

The Adviser may also charge the Private Funds Performance Compensation. Performance Compensation generally will be equal to between 10% and 20% of net realized and unrealized profits for each year after restoration of any losses carried forward from prior years and, in the case of certain Private Funds, after achieving a threshold annual return on invested capital at varying rates. Performance Compensation generally will be charged or allocated after the close of each calendar year. The Adviser will not require prepayment of advisory fees by any client. Performance Compensation will be charged in compliance with all applicable requirements of Rule 205-3 under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). In the sole discretion of the Adviser, the Management Fee and Performance Compensation may be calculated differently with respect to, or may not be charged to, certain investors in a Private Fund or Managed Account, including the Adviser or its affiliates.

Certain of the Funds may invest in underlying single strategy investment vehicles also managed by the Adviser or an affiliate of the Adviser. In order to avoid layering of fees, in such cases the Adviser may charge a fee with respect to such assets equal to the greater of the fee charged by either (i) the Fund or (ii) the applicable underlying single strategy investment vehicle. Certain Funds may also invest in exchange traded funds or other third party investment products; in such cases, advisory compensation charged by the applicable third party investment adviser will be paid by the Fund in addition to the advisory compensation outlined herein which is paid to the Adviser.

For the avoidance of doubt, the Adviser, in its sole and absolute discretion, may waive, reduce or rebate any Management Fee attributable to any class, sub-class or series of shares or limited partnership interests of any Fund held by or on behalf of any investor, including, without limitation, any employee, agent or affiliate of the Adviser. With respect to its RICs, the Adviser may implement a waiver or reduction in Management Fees in an effort to assist the RIC in ensuring that its net annual operating expenses do not exceed the RIC’s net annual fund operating expenses. Full details regarding the services, fees (and waivers, if any), investor suitability standards, and other terms applicable to the RICs are included in the prospectus of each RIC. With respect to its Private Funds, the Adviser has in the past entered (and may in the future enter) into individual agreements with certain investors with respect to fee arrangements and other terms. Full details regarding the services, fees, investor suitability standards, and other terms applicable to the Private Funds are included in the offering memorandum of each Private Fund.

Managed Accounts

Compensation received by the Adviser from Managed Accounts will generally be comprised of a Management Fee based on a percentage of assets under management at annual rates which generally will approximate 1% to 2%. With respect to certain Managed Accounts that acquire assets on margin, the Adviser may be compensated using a Management Fee based on the notional amount or exposure of the account. Other certain Managed Accounts have a flat fee and do not compensate the Adviser based on a percentage of assets under management.

Certain of the Managed Accounts may invest in underlying single strategy investment vehicles also managed by the Adviser or an affiliate of the Adviser. The layering of fees is generally addressed in the investment management agreement. Managed Accounts advised by the Adviser may also invest in exchange traded funds or other third party investment products; in such cases, advisory compensation charged by the applicable third party investment adviser will be paid by the Managed Account in addition to the advisory compensation outlined herein which is paid to the Adviser.

The Adviser may also charge the Managed Accounts Performance Compensation. Performance Compensation for the Managed Accounts will generally be charged daily, monthly or quarterly (depending upon the account) for such period during which the Adviser performed the services to which the fees related. Performance Compensation generally will be equal to between 10% and 20% of net realized and unrealized profits for each year after restoration of any losses carried forward from prior years and, in the case of certain Managed Accounts, after achieving a threshold annual return on invested capital at varying rates. Performance Compensation generally will be charged or allocated after the close of each calendar year. The Adviser will not require prepayment of advisory fees by any client. Performance Compensation will be charged in compliance with all applicable requirements of Rule 205-3 under the Advisers Act.

In the sole discretion of the Adviser, the Management Fee and Performance Compensation may be calculated differently with respect to, or may not be charged to, certain Managed Accounts.

Direct Expenses

The direct expenses incurred by each Private Fund, RIC and/or Managed Account, which are outlined in detail in their respective private placement memorandum, prospectus, or other offering documentation, may vary depending on the nature of the operations and activities of the Private Fund, RIC and/or Managed Account. Below is a summary of typical expenses for each type of client. The summary is not a complete list of all direct expenses; investors are advised to read the client's offering materials for a complete description.

Each Private Fund and/or Managed Account is responsible for expenses related to its respective operations and activities, including expenses associated with its investment portfolio and if applicable, its proportionate share of the direct expenses of the third party investment products in which it invests. Generally, expenses related to operations and activities include, but are not limited to, the following: organizational and offering expenses (with respect to Funds and any Managed Accounts formed as a "fund-of-one"), fees payable to the Adviser, third-party administrator and other investment expenses (e.g., expenses that the Adviser reasonably determines to be related to the investment of the Private Fund's and/or Managed Account's assets, such as brokerage commissions, expenses relating to short sales, clearing and settlement charges, custodial fees, bank service fees and interest expenses); operational expenses; expenses incurred with respect to due diligence; investment-related travel expenses; the cost of computer hardware and software to the extent used for research relating to the investments and software; legal and compliance expenses (including, without limitation, the fees and expenses of attorneys and compliance professionals retained by the Adviser on behalf of the Private Fund and/or Managed Account as well as the cost of salary and other compensation payable to one or more attorneys or compliance professionals who are employees of the Adviser or one or more of its affiliates, but only to the extent that such cost is attributable to work performed for the benefit of the Private Fund and/or Managed Account); professional fees (including, without limitation, expenses of consultants and experts) relating to investments; accounting expenses (including the cost of accounting software packages); auditing and tax preparation expenses (whether provided by the employees of the Adviser or another party); costs of printing and mailing reports and notices; taxes; corporate licensing; regulatory expenses (including the costs and expenses related to a Private Fund and/or Managed Account's U.S. and/or non-U.S. registration, regulatory and self-regulatory filings, reporting, registrations and memberships, and compliance including without limitation the costs of compliance reporting programs, third-party compliance consultants including the costs and expenses associated with complying with the requirements of any new or additional regulatory regime); insurance expenses; expenses incurred in connection with the offering and sale of the interest and other similar expenses related to the Private Fund and/or Managed Account; and extraordinary expenses incurred by or relating to the Private Fund and/or Managed Account or its activities and assets. For more information on brokerage costs please see Item 12.

Each RIC is responsible for its own operating expenses (all of which will be borne directly or indirectly by the RIC's shareholders), including among others, legal fees and expenses of counsel to the RIC and the RIC's independent trustees; insurance (including trustees' and officers' errors and omissions insurance); auditing and accounting expenses; taxes and governmental fees; listing fees; dues and expenses incurred in connection with membership in investment company organizations; fees and expenses of the RIC's custodians, administrators, transfer agents, registrars and other service providers; expenses for portfolio pricing services by a pricing agent, if any; other expenses in connection with the issuance and offering of shares; expenses relating to investor and public relations; expenses of registering or qualifying securities of the RIC for public sale; brokerage commissions and other costs of acquiring or disposing of any portfolio holding of the RIC; expenses of preparation and distribution of reports, notices and dividends to shareholders; expenses of the dividend reinvestment plan; compensation and expenses of trustees; any litigation expenses; and costs of shareholders' and other meetings.

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

The Adviser accepts Performance Compensation from certain clients. However, Performance Compensation may not be accepted from all clients. As described above in Item 5, the Adviser may charge Private Funds and Managed Accounts Performance Compensation in an amount up to 20% of net realized and unrealized profits for each year after restoration of any losses carried forward from prior years. These fees are in addition to the asset based fees charged to clients which are also described in Item 5 above. Full details regarding the services, fees, investor suitability standards, and other terms applicable to the Private Funds/Managed Accounts are included in the offering memorandum of each such Fund or the investment management agreement of the Managed Account.

Currently, the Adviser does not accept Performance Compensation for the Managed Accounts of its advisory affiliates or RICs. When applicable, Performance Compensation will only be charged in compliance with all applicable requirements of Rule 205-3 under the Advisers Act and the Adviser only accepts Performance Compensation from qualified clients.

The variation of Performance Compensation structures among the Adviser's clients may create an incentive for the Adviser to direct the best investment ideas to, or to allocate or sequence trades in favor of, clients that pay or allocate Performance Compensation or clients that pay a greater level of Performance Compensation than other clients. The Adviser is committed to allocating investment opportunities on a fair and equitable basis and has established policies and procedures to address the conflict of interest described above.

Item 7. Types of Clients

The Adviser's clients are Private Funds (formed as limited partnerships, offshore investment companies and other collective investment vehicles) as well as RICs. The Adviser also provides individual discretionary investment management services to institutional and non-institutional clients in the form of Managed Accounts. Under certain circumstances, Managed Accounts may be formed as a "fund of one." The Adviser may advise both US and non-US clients.

To help the U.S. Government fight the funding of terrorism and money laundering activities, an Adviser may seek to obtain, verify, and record information that identifies each investor who invests in a Fund and/or Managed Account (including a Managed Account formed as a fund-of-one) advised by the Adviser. In this regard, when an investor seeks to open an account or invest in a Fund, the Adviser may ask for a completed Form W-8/W-9, as applicable, which includes the name, address, Tax ID/Employer ID number (or any other registration number issued in the jurisdiction of location or incorporation) and other reasonably required information that will allow the Adviser to identify the investor. The Adviser may ask for information and documentation regarding source of funds to be invested. The Adviser also reserves the right to ask for more information regarding the individuals who are beneficial owners of the investor and/or exercise control over the investor. The Adviser may ask for the names of such beneficial owners and may also ask for address, date of birth, and other information that will allow the Adviser to identify such beneficial owners. The Adviser may also request such other information as may be necessary to comply with applicable law. Furthermore, the Adviser may verify any of the aforementioned information using third-party sources and may share that information as required by applicable law or in connection with the execution of trades on behalf of that investor. For certain investors, the Adviser may rely on the investor's broker-dealer, administrator, transfer agent, custodian or placement agent to obtain, verify and record the required information.

Private Funds (which may include certain Managed Accounts formed as a fund-of-one) may be organized as domestic or offshore (non-US) companies, limited partnerships, limited liability companies, corporate trusts or other legal entities, as determined appropriate by the Adviser. As a general matter, each Private Fund is managed in accordance with its investment objectives, strategies and guidelines and is not tailored to the individualized needs of any particular investor in the Private Fund. In addition, an investment in a Private Fund does not, in and of itself, create an advisory relationship between the investor and an Adviser. Therefore, investors must consider whether the Private Fund meets their investment objectives and risk tolerance prior to investing in a Private Fund. Information about each Private Fund, including its investment risk, can be found in its confidential private placement OM or other governing documents. In some cases, a Private Fund may be established for the benefit of a single investor, in which case the Private Fund may be tailored to the individualized needs of the investor. Certain non-US affiliates may act as placement agents with respect to the distribution of Private Funds to investors outside the US. While this brochure may be provided to, and include information relevant to investors, this brochure is designed solely to provide information about the Adviser and should not be considered to be an offer of interests in any Private Fund.

Typically, each investor in a Private Fund is required to qualify as a "qualified purchaser" within the meaning of Section 2(a)(51) of the Company Act and are required to certify that they are at least an "accredited investor" within the meaning of Rule 501 of Regulation D under the Securities Act of 1933 (the "Securities Act") and non-US investors are required to certify that they meet the requirements of the Regulation S safe harbor under the Securities Act; however, certain Private Funds and/or Managed Accounts advised by the Adviser do not collect Performance Compensation for services related to these Private Funds and/or Managed Accounts therefore only requiring

investors to qualify as an “accredited investor” within the meaning of Rule 501 of Regulation D under the Securities Act. As noted above in Item 6, if the Adviser collects Performance Compensation, investors will be required to meet the requirements of Rule 205-3 under the Advisers Act and certify that they are at least a “qualified client.” Please see the Private Placement Memorandum or other offering documentation for a Private Fund’s or Managed Account’s specific investor qualifications.

In some cases, the Private Funds are commodity pools for which an Adviser is a commodity pool operator that: (i) is exempt from certain reporting, recordkeeping and disclosure requirements pursuant to Rule 4.7 under the Commodity Exchange Act (“CEA”); (ii) may be a registered commodity pool operator; or (iii) may be exempt from registration and related requirements pursuant to CEA Rule 4.13(a)(3), or other provisions under the CEA and the rules of the Commodities Futures Trading Commission (“CFTC”) thereunder, and in connection with these exemptions, investors may be required to meet additional requirements. Additionally, investors in Private Funds may be subject to certain other eligibility requirements which are set forth in the offering materials or other governing documents for each of the Private Funds. The Adviser’s personnel (including, but not limited to, the Adviser’s investment strategy personnel responsible for the management of such Private Funds or other client accounts) who are qualified purchasers, “knowledgeable employees” (as defined in Rule 3c-5 under the Investment Company Act) or who meet the Private Fund’s eligibility criteria and certain other eligible personnel of the Adviser may invest in the Private Funds.

Certain of the Private Funds may operate using “master-feeder” structures, pursuant to which trading operations reside in a “master fund” while investors may access the master fund directly or may invest through one or more “feeder funds” that, in turn, invest (directly or indirectly) in the master fund.

The Adviser and its related persons may invest in and/or serve as general partner or managing member, or on the board of directors or advisory board, of a Private Fund and may provide services other than advice (including, but not limited to, administration, organizing and managing the business affairs, executing and reconciling trades, preparing financial statements and providing audit support, preparing tax related schedules or documents, legal and compliance support and sales and investor relations support, diligence and valuation services) to such funds, in some cases for a fee separate and apart from the advisory fee. A Private Fund may pay or reimburse the Adviser for certain organizational and initial offering expenses and operating expenses related to the Private Fund.

The minimum investment in the Private Funds is generally \$1 million, provided that the Adviser may accept subscriptions for a lesser amount. The minimum investment in a separately managed account is \$25 million; however, the Adviser may accept smaller accounts in its discretion. The minimum investment for the RICs is generally either \$1000 or \$1,000,000, depending upon the share class acquired by the investor.

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

The descriptions provided herein regarding the investment strategies pursued and investments made by the Adviser on behalf of its clients should not be understood to limit in any way the Adviser’s investment activities. The Adviser may offer any advisory services, engage in any investment strategy and make any investment, including any not described herein, that the Adviser considers appropriate, subject to each client’s investment objectives and guidelines. The investment strategies the Adviser pursues are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any client will be achieved.

The Adviser may engage in one or more of a number of strategies with respect to its clients, including but not limited to: investments in a transformative corporate events including merger arbitrage, shareholder activism and special situations; macro hedging and trading; hedging; private placements in public companies; mortgage-backed securities; distressed securities; long and short equity positions; equity-oriented positions; real estate related positions; and futures and commodities trading.

The Adviser may also purchase and/or sell on behalf of its clients securities offered in private placements, including interests in other private investment funds, provided that all eligibility criteria for the acquisitions of such interests are satisfied. The Adviser may also invest the assets of certain clients through other private investment funds managed by the Adviser or affiliates of the Adviser. In addition, the Adviser may utilize financial leverage to the

extent its use fits within a client's investment objectives and guidelines and/or enter into various derivative instruments including warrants, options, forwards, swaps and futures contracts on behalf of its clients. In addition, the Adviser may direct its clients to maintain assets in cash or cash-equivalent instruments as well as purchase loans, bank debts, trade claims and other bankruptcy claims. The foregoing is only an attempt to summarize the strategies and securities/instruments utilized on behalf of the Adviser's clients. As the market environment continues to change, the Adviser may engage in techniques and purchase instruments that are not even mentioned in a client's offering materials or equivalent disclosure documents if the Adviser, in its discretion, finds the new activity or instrument appropriate for the client.

On behalf of certain clients, the Adviser may engage in multiple strategies, including but not limited to the strategies noted above. The relative proportions of the strategies employed by a client is subject to the discretion of the Adviser within any stated investment objectives and guidelines, if applicable. The Adviser may also obtain advice from attorneys, accountants and other experts to assist in its analysis of the various asset classes that it trades.

The Adviser's strategy analysis and investment due-diligence process as well as its post-investment monitoring requires the commitment of substantial time and resources. Certain clients (e.g. a Fund) may have investment guidelines or limitations with respect to its investments that are not otherwise applicable to another client (e.g. a Managed Account) pursuing a similar strategy.

The risks discussed below are those that clients may be exposed to directly or indirectly through an investment in another private investment fund. Certain risks apply specifically to particular investment strategies or investments in different types of securities or other investments that clients and other investors should be prepared to bear. The Adviser's risk management approach seeks to isolate and mitigate, not eliminate, risk and there may be certain risks that the Adviser determines should not or cannot be hedged against. Accordingly, the Adviser's activities could result in substantial losses under certain circumstances. The following risk factors do not purport to be a complete list or explanation of all of the risks associated with the strategy, method of analysis or types of investment instruments utilized.

PAST PERFORMANCE RESULTS ARE NOT INDICATIVE OF FUTURE PERFORMANCE. NO ASSURANCE CAN BE MADE THAT PROFITS WILL BE ACHIEVED OR THAT SUBSTANTIAL LOSSES WILL NOT BE INCURRED.

CERTAIN RISK FACTORS

For purposes of the section below, unless otherwise individually identified, Private Funds, RICs and Managed Accounts (whether investing directly or indirectly) are collectively referred to as the "Fund."

Borrowing and Leverage. The Adviser may enter into borrowing arrangements on behalf of certain Funds. This may include entering into a credit facility or other means of borrowing with a service provider to a fund, an affiliate of the Fund or such service provider or another third-party lender. As a general matter, these borrowing arrangements are used to meet short-term investment and liquidity needs. However, in implementing any of the foregoing investment strategies, the Adviser may borrow for leverage or employ other forms of leverage to the extent permitted by investment guidelines or in the case of RICs, as permitted by the Investment Company Act. The use of leverage entails risks and may involve using reverse repurchase agreements and other borrowing methods, including: (i) dollar rolls; (ii) lending securities through repurchase agreements and other lending methods; (iii) employing hedging strategies that include the use of interest rate swaps, caps and floors; (iv) buying and selling options or futures to manage duration and risk in connection with securities portfolios; (v) entering into forward settlement transactions which may include when-issued securities; (vi) establishing equity futures positions to equitize cash holdings in an account; and (vii) operational leverage embedded in derivative instruments and other financial products. The investment strategies and risks associated with employing leverage are set forth in the relevant operating document and/or OM, if applicable, of each Private Fund and registration statement of each RIC.

Derivatives and Leverage Risk. Investments in derivatives, such as futures, forward contracts, options, swaps or tender-option bonds, which can be used to hedge a Fund's investments or to seek to enhance returns, entail specific risks relating to liquidity, leverage and credit that may reduce returns and/or increase volatility. Leverage may involve the use of various financial instruments or borrowed capital in an attempt to increase the return on an

investment and may be intrinsic to certain derivative instructions. The use of leverage involves risk, including the potential for higher volatility and greater declines of the Fund's value, and fluctuations of dividend and other distribution payments.

Liquidity Risk. Liquidity risk exists when particular investments are difficult to purchase or sell. Liquidity risk may also apply to collateral held on certain investments. This can reduce a Fund's returns because the Fund may be unable to transact at advantageous times or prices.

Valuations; Use of Estimates. Certain securities in which the Fund invests may not have a readily ascertainable market price. Such securities will nevertheless generally be valued by the Adviser, which valuation will be conclusive with respect to the Fund, even though the Adviser may face a conflict of interest in valuing such securities because the value thereof will affect their compensation. The Adviser may also have no ability to assess the accuracy of valuations received from an underlying private investment fund in which it invests. Valuation information received from the investment advisor of a private investment fund typically will be estimates only, subject to revision of its annual audit. In addition, the Adviser will have the ability to adjust estimated values provided to it by underlying investment advisers subject to the valuation guidelines set forth in the Fund's constituent documents.

Changes in Allocations. The Adviser will, from time to time, change the percentage of assets allocated to a specific position(s), an investment strategy (if a multi-strategy portfolio) and/or an underlying private investment fund (if a fund of funds). These changes will be made in the Adviser's discretion. The Fund's success will depend on the ability of the Adviser to allocate the Fund assets among new and existing investments. Asset allocation does not assure profit or diversification and do not protect against loss.

Multiple Portfolio Managers. The Fund may employ multiple underlying investment advisers, each of which trades independently of the others. There can be no assurance that the use of multiple investment advisers will not effectively result in losses by certain investment advisors offsetting any profits achieved by others. Such offsetting could result in significant reduction in the Fund's assets, as incentive fees may be allocable to the investment advisor that recognized profits irrespective of the offsetting losses.

Tiered Fee Structure. If the Fund has a multi-manager portfolio and invests in a non-affiliated investment advisor, the Fund may bear multiple investment management fees, which may include incentive fees or incentive allocations that in the aggregate will exceed the fees that would typically be incurred by an investment in a fund that does not allocate to third-party investment advisors.

Equity Securities Risk. Equity securities are subject to changes in value and their values may be more volatile than other asset classes. The price of equity securities fluctuate based on changes in a company's financial condition and overall market, and other conditions. All equity investments involve market and other risks. Multiple Funds may make equity investments; however, one Fund may have higher levels of risk and volatility compared to other.

Counterparty Risk. A transaction entered into directly with a counterparty is subject to the risk that the counterparty will not settle the transaction in accordance with the agreed terms and conditions. A counterparty may become bankrupt or otherwise fail to perform its obligations due to financial difficulties, resulting in significant delays in obtaining any recovery in a bankruptcy or other reorganization proceeding or no recovery in such circumstances.

Interest Rate and Credit Risk. The two main risks related to fixed-income investing are interest rate risk and credit risk. Typically, when interest rates rise, there is a corresponding decline in the market value of bonds. Credit risk refers to the possibility that the issuer of the bond will not be able to make principal and interest payments. The principal on mortgage-backed or asset-backed securities may normally be prepaid at any time, which will reduce the yield and market value of these securities. Obligations of US Government agencies and authorities are supported by varying degrees of credit, but generally are not backed by the full faith and credit of the US Government. Investments in non-investment-grade debt securities ("high-yield bonds" or "junk bonds") may be subject to greater market fluctuations and risk of default or loss of income and principal than securities in higher rating categories.

Convertible Bond Arbitrage. The success of the investment activities involving convertible bond arbitrage will depend on the Adviser's ability to identify and exploit price discrepancies in the market. Identification and exploitation of the market opportunities involve uncertainty. No assurance can be given that the Adviser will be

able to locate investment opportunities or to correctly exploit price discrepancies. A reduction in the pricing inefficiency of the markets in which the Adviser will seek to invest will reduce the scope for the Adviser's investment strategies. In the event that the perceived mis-pricings underlying the Fund's positions were to fail to materialize as expected by the Adviser, the Fund could incur a loss.

Non-Investment Grade Convertible Securities. Many convertible securities, including high income convertible securities, are not investment grade. Because the Fund may invest in convertible securities and other fixed-income securities that are rated in the lower rating categories by the various credit rating agencies or are not rated, the Adviser must take into account the special nature of such securities and certain special considerations in assessing the risks associated with such investments. Securities in the lower-rated and non-rated categories are subject to greater risk of loss of principal and interest than higher-rated securities and are generally considered to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than securities with higher ratings in the case of deterioration of general economic conditions.

Activist Trading Strategy. The success of the Fund's investments that pursue an activist trading strategy may require, among other things: (i) that the Adviser properly identify companies whose securities prices can be improved through corporate and/or strategic action; (ii) that the Fund acquire sufficient securities of such companies at a sufficiently attractive price; (iii) that the Fund avoid triggering anti-takeover and regulatory obstacles while aggregating its position; (iv) that management of companies and other security holders respond positively to the Adviser's proposals; and (v) that the market price of a company's securities increases in response to any actions taken. There can be no assurance that any of the foregoing will succeed. Successful execution of an activist strategy will depend on the cooperation of security holders and others with an interest in the company. Some security holders may have interests which diverge significantly from those of the Fund and some of those parties may be indifferent to the proposed changes. Moreover, securities that the Adviser believes are fundamentally undervalued or incorrectly valued may not ultimately be valued in the capital markets at prices and/or within the time frame the Adviser anticipates, even if the Fund's strategy is successfully implemented. Even if the prices for a company's securities have increased, there is no assurance that the Fund will be able to realize any increase in the price of such securities.

Event-Driven Strategies. Event-driven strategies generally incur significant losses when proposed transactions are not consummated. The consummation of mergers, tender offers, exchange offers and other significant corporate events can be prevented or delayed by a variety of factors, including: (i) regulatory intervention; (ii) efforts by the target company to pursue a defensive strategy, including a merger with, or a friendly tender offer by, a company other than the offeror; (iii) failure to obtain the necessary shareholder approvals; (iv) adverse market or business conditions resulting in material change or termination of the pending transaction; (v) additional requirements imposed by law; and (vi) inability to obtain adequate financing.

Merger Arbitrage. Merger arbitrage is a strategy that seeks to profit from changes in the price of securities of companies involved in extraordinary corporate transactions. The difference between the price paid for securities of a company involved in an announced extraordinary corporate transaction and the anticipated value to be received for such securities upon consummation of the proposed transaction will often be very small. Since the price bid for the securities of a company involved in an announced extraordinary corporate transaction will generally be at a significant premium above the market price prior to the announcement, if the proposed transaction appears likely not to be consummated or in fact is not consummated or is delayed, the market price of the securities will usually decline sharply, perhaps by more than the Adviser's anticipated profit, even if the security's market price returns to a level comparable to that which existed prior to the announcement of the deal. Numerous factors, such as the possibility of litigation between the participants in a transaction, the requirement to obtain mandatory or discretionary consents from various governmental authorities or others, or changes in the terms of a transaction either by the initial participants or as a result of the entry of additional participants, make any evaluation of the outcome of an arbitrage situation uncertain. These uncertainties may be increased by legal and practical considerations that limit the access of the Adviser to reliable and timely information concerning material developments affecting pending transactions, or that cause delays in the consummation of transactions resulting in an increase of the Fund's costs.

General Real Estate Risks. Real estate investments generally will be subject to the risks incident to the ownership and operation of commercial real estate and/or risks incident to the making of nonrecourse mortgage loans secured by real estate, including (i) risks associated with both the domestic and international general economic climate; (ii) local real estate conditions; (iii) risks due to dependence on cash flow; (iv) risks and operating problems arising out of the absence of certain construction materials; (v) changes in supply of, or demand for, competing properties in an area (as a result, for instance, of over-building); (vi) the financial condition of tenants, buyers and sellers of properties; (vii) changes in availability of debt financing; (viii) energy and supply shortages; (ix) changes in the tax, real estate, environmental and zoning laws and regulations; (x) various uninsured or uninsurable risks; (xi) natural disasters; and (xii) the ability of the Fund or third-party borrowers to manage the real properties. With respect to investments in the form of real property owned by the Fund, the Fund will incur the burdens of ownership of real property, which include the paying of expenses and taxes, maintaining such property and any improvements thereon, and ultimately disposing of such property. With respect to investments in equity or debt securities, the Fund will in large part be dependent on the ability of third-parties to successfully operate the underlying real estate assets. In addition, the Fund may invest in mortgage loans that are structured so that all or a substantial portion of the principal will not be paid until maturity, which increases the risk of default at that time. The Fund's investment strategy, which may frequently involve the acquisition of distressed or underperforming assets in a leveraged capital structure, will involve a high degree of legal and financial risk, and there can be no assurance that the Fund's rate of return objectives will be realized or that there will be any return of capital. There is no assurance that there will be a ready market for resale of investments because investments in real estate generally are not liquid.

Commercial Mortgage-Backed Securities. The Fund's portfolio may include commercial mortgage-backed securities, which are securities backed by obligations (including certificates of participation in obligations) that are principally secured by interests in real property having a multifamily or commercial use, such as regional malls, other retail space, office buildings, industrial or warehouse properties, hotels, nursing homes and senior living centers. Commercial mortgage-backed securities have been issued in public and private transactions by a variety of public and private issuers using a variety of structures, including senior and subordinated classes. Commercial mortgage loans generally lack standardized terms, tend to have shorter maturities than residential mortgage loans and may provide for the repayment of all or substantially all of the principal only at maturity. All of these factors increase the risk involved with commercial real estate lending. Commercial properties tend to be unique and are more difficult to value than single-family residential properties. Commercial lending is generally viewed as exposing a lender to a greater risk of loss than residential one-to-four family lending since it typically involves larger loans to a single borrower than residential one-to-four family lending.

Commercial mortgage lenders typically look to the debt service coverage ratio of a loan secured by income-producing property as an important measure of the risk of default on a loan. Commercial property values and net operating income are subject to volatility, and net operating income may be sufficient or insufficient to cover debt service on the related mortgage loan at any given time. The repayment of loans secured by income-producing properties is typically dependent upon the successful operation of the related real estate project as well as upon the liquidation value of the underlying real estate. The value of commercial real estate is also subject to a number of laws and regulations, such as regulations and laws regarding environmental clean-up and limitations on remedies imposed by bankruptcy laws and state laws regarding foreclosures and rights of redemption.

Most commercial mortgage loans underlying mortgage-backed securities are effectively nonrecourse obligations of the borrower, meaning that there is no recourse against the borrower's assets other than the collateral. If borrowers are not able or willing to refinance or dispose of encumbered property to pay the principal and interest owed on such mortgage loans, payments on the subordinated classes of the related mortgage-backed securities are likely to be adversely affected. The ultimate extent of the loss, if any, to the subordinated classes of mortgage-backed securities may only be determined after a negotiated discounted settlement, restructuring or sale of the mortgage note, or the foreclosure (or deed in lieu of foreclosure) of the mortgage encumbering the property and subsequent liquidation of the property. Foreclosure can be costly and delayed by litigation and/or bankruptcy. Factors such as the property's location, the legal status of title to the property, its physical condition and financial performance, environmental risks and governmental disclosure requirements with respect to the condition of the property may make a third-party unwilling to purchase the property at a foreclosure sale or to pay a price sufficient to satisfy the obligations with respect to the related mortgage-backed securities. Revenues from the assets underlying such mortgage-backed securities may be retained by the borrower and the return on investment may be used to make

payments to others, maintain insurance coverage, pay taxes or pay maintenance costs. Such diverted revenue is generally not recoverable without a court-appointed receiver to control collateral cash flow.

Commercial mortgage-backed securities may pay fixed or floating rates of interest. Fixed-rate commercial mortgage-backed securities, like all fixed income securities, generally decline in value as rates rise. Moreover, although generally the value of fixed income securities increases during periods of falling interest rates, the inverse relationship may not be as marked in the case of commercial mortgage-backed securities due to the increased likelihood of prepayments during periods of falling interest rates. This effect is mitigated to some degree for mortgage loans providing for a period during which no prepayments may be made. Certain commercial mortgage-backed securities lack regular amortization of principal, resulting in a single "balloon" payment due at maturity. If the underlying mortgage borrower experiences business problem, or other factors limit refinancing alternatives, such balloon payment mortgages are likely to experience payment delays or even default.

Non-US Securities Risk. Investments in the securities of non-US issuers are subject to the risks associated with non-US markets in which those non-US issuers are organized and operate, including but not limited to, risks related to foreign currency, limited liquidity, less government regulation, and the possibility of substantial volatility due to adverse political, economic or other developments, differences in accounting, auditing and financial reporting standards, the possibility of repatriation, expropriation or confiscatory taxation, adverse changes in investment or exchange control or other regulations and potential restrictions on the flow of international capital. These risks are often heightened for investments in smaller capital markets or emerging/developing/frontier markets.

Options. The Adviser may cause the Fund to invest in options. Purchasing put and call options, as well as writing such options, are highly specialized activities and entail greater than ordinary investment risks. Although an option buyer's risk is limited to the amount of the original investment for the purchase of the option, an investment in an option may be subject to greater fluctuation than is an investment in the underlying securities. In theory, an uncovered call writer's loss is potentially unlimited, but in practice the loss is limited by the term of existence of the call. The risk for a writer of a put option is that the price of the underlying securities may fall below the exercise price. The ability to trade in or exercise options may be restricted in the event that trading in the underlying securities interest becomes restricted.

Unlike exchange-traded options, which are standardized with respect to the underlying instrument, expiration date, contract size and strike price, the terms of over-the-counter options (options not traded on exchanges) are generally established through negotiation with the other party to the option contract. While this type of arrangement allows the Adviser greater flexibility to tailor an option to the Fund's needs, over-the-counter options generally involve greater credit risk than exchange-traded options, which are guaranteed by the clearing organization of the exchanges where they are traded.

Futures and Related Options. The Adviser has the ability, to the extent permitted by applicable law and any relevant investment objectives or guidelines, to buy and sell futures contracts and related options on behalf of the Fund at any time. A futures contract is an agreement between two parties to buy and sell a specific quantity of a commodity (including a securities index or an interest-bearing security) for a set price at a future date. The Fund may also buy and sell call and put options on futures or on securities indexes in addition to or as an alternative to purchasing or selling futures contracts, or, to the extent permitted by applicable law, to earn additional income.

The use of futures and options involves certain special risks. Futures and options transactions involve costs and may result in losses. Certain risks arise because of the possibility of imperfect correlations between movements in the prices of futures and options and movements in the prices of the underlying securities, securities index, currencies or other commodities or of the securities or currencies in the Fund's portfolio that are the subject of the hedge (to the extent the Fund uses futures and options for hedging purposes).

The successful use of futures and options further depends on the Fund's ability to forecast market or interest rate movements correctly. Other risks arise from the Fund's potential inability to close out its futures or options positions, and there can be no assurance that a liquid secondary market will exist for any futures contract or option at a particular time. The use of futures and options for purposes other than hedging is regarded as speculative. Certain regulatory requirements may also limit the Fund's ability to engage in futures and options transactions.

Other Instruments and Future Developments. The Adviser may take advantage of opportunities in the area of swaps, options on various underlying instruments and swaptions and certain other customized synthetic or derivative investments in the future. In addition, the Adviser may take advantage of opportunities with respect to certain other synthetic or derivative instruments that are not presently contemplated for use by the Fund or that are currently not available, but which may be developed to the extent such opportunities are both consistent with such Fund's investment objective and legally permissible. As a result of such practices, special risks may apply to the Fund's investments in the future.

Cash and Other Investments. The Fund may invest all or a portion of its assets in cash or cash items, in whole or in part, for investment purposes, pending other investments or as provision of margin for futures or forward contracts. These cash items are generally of high quality at the time of investment and may include a number of money market instruments such as negotiable or non-negotiable securities issued by or short-term deposits with the U.S. and non-U.S. governments and agencies or instrumentalities thereof, bankers' acceptances, high quality commercial paper, repurchase agreements, bank certificates of deposit and short-term debt securities of U.S. or non-U.S. issuers deemed to be creditworthy by the Adviser. While these investments generally involve relatively low risk levels, they may produce lower than expected returns, and could result in losses.

Small- and Medium-Capitalization Companies. A portion of the Fund's capital may be invested in the securities of companies with small- to medium-sized market capitalizations, including growth stage companies. The securities of certain companies, particularly smaller-capitalization companies, involve higher risks in some respects than do investments in securities of larger companies. For example, prices of small-capitalization and even medium-capitalization stocks are often more volatile than prices of large-capitalization stocks, and the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) is higher than for larger, "blue-chip" companies. In addition, due to thin trading in the securities of some small-capitalization companies, an investment in those companies may be illiquid.

Issuer Risk. A Fund's performance depends on the performance of individual assets in which it invests. Changes to the financial condition or credit rating of an issuer of those assets may cause the value of the assets of the Fund to decline or even become worthless.

Concentration Risk. Concentrating investments in a particular country, region, market, industry or asset class means that performance will be more susceptible to loss due to adverse occurrences affecting that country, region, market, industry or asset class. A Fund concentrating in a single state is subject to greater risk of adverse economic conditions and regulatory changes than a fund with broader geographical diversification.

Securities Believed to Be Undervalued or Incorrectly Valued. Securities that the Adviser believes are fundamentally undervalued or incorrectly valued may not ultimately be valued in the capital markets at prices and/or within the time frame the Adviser anticipates. As a result, the Fund may lose all or substantially all of its investment in any particular instance. In addition, there is no minimum credit standard that is a prerequisite to the Fund's investment in any instrument and some obligations and preferred stock in which the Fund invests may be less than investment grade.

Stock Index Options. The Fund may also purchase and sell call and put options on stock indices listed on securities exchanges or traded in the over-the-counter market for the purpose of realizing its investment objectives or for the purpose of hedging the Fund's portfolio. A stock index fluctuates with changes in the market values of the stocks included in the index. The effectiveness of purchasing or writing stock index options for hedging purposes will depend upon the extent to which price movements in the Fund's portfolio correlate with price movements of the stock indices selected. Because the value of an index option depends upon movements in the level of the index rather than the price of a particular stock, whether the Fund will realize gains or losses from the purchase or writing of options on indices depends upon movements in the level of stock prices in the stock market generally or, in the case of certain indices, in an industry or market segment, rather than movements in the price of particular stocks. Accordingly, successful use by the Adviser of options on stock indices will be subject to the Adviser's ability to correctly predict movements in the direction of the stock market generally or of particular industries or market segments. This requires different skills and techniques than predicting changes in the price of individual stocks.

Short Selling. Short selling entails special risks. If a portfolio makes short sales in securities that increase in value, the portfolio will lose value. Certain securities may not be available or eligible for short sales and short sales may be forced to be covered at times inconsistent with a portfolio's intended strategy. Any loss on short positions may or may not be offset by investing short-sale proceeds in other investments. If short sales are effected on a non-U.S. exchange, such transactions will be governed by local law. A short sale involves the risk of a theoretically unlimited increase in the market price of the security. In addition, a short sale involves the risk that borrowed securities will have to be returned to the lender at a time when such securities cannot be borrowed from other sources, potentially requiring the Fund to close a short sale transaction at an inopportune time or under disadvantageous circumstances. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

Complexity of Trading Strategy; Reliance on Technology. Many of the investments that the Fund is expected to trade are highly complex. In certain cases, the successful application of the Adviser's trading strategy may require relatively sophisticated mathematical calculations and relatively complex computer programs. While the Adviser intends to use "good faith" efforts to carry out such calculations and such programs correctly and to use the aforementioned investments and strategies effectively, there can be no assurance that it will prove successful in doing so. Any errors in this regard could have a material adverse effect on the Fund. In addition, in formulating its trading strategy, the Adviser will be highly dependent upon information received from third party sources. The Adviser may not be in a position to verify the accuracy or completeness of the information received from such third party sources and will rely upon the accuracy and completeness of such information to the extent reasonable. Any inaccuracy or incompleteness with respect to the information provided by such third party sources could adversely affect the Adviser's trading strategy and, in turn, the performance of the Fund.

The trading strategy expected to be used by the Adviser is dependent in part upon various computer and telecommunications technologies. The successful deployment of the strategy, the implementation and operation of the strategy, and various other critical activities of the Adviser could be severely compromised by telecommunications failures, power loss, software-related "system crashes," fire or water damage, or various other events or circumstances. The Adviser does not provide comprehensive and foolproof protection against all such events (because it believes such to be impractical or prohibitively expensive in terms of financial expenditures and/or scheduling delays, or for other reasons), and is not expected to secure such comprehensive or foolproof protection. Any event that interrupts the Adviser's computer and/or telecommunications operations, however, could result in, among other things, the inability to establish, modify, liquidate, or monitor the Fund's investment portfolio, and, for those and other reasons, could have a material adverse effect on the operating results, financial condition, activities, and prospects of the Fund.

Hedging Transactions. The Fund may utilize financial instruments, both for investment purposes and for risk management purposes. The success of the hedging strategy of the Fund will be dependent upon the Adviser's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the positions being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Fund's hedging strategy will also be subject to the Adviser's ability to continually recalculate, readjust, and execute hedges in an efficient and timely manner. In addition, unanticipated changes in interest rates, securities prices, currency exchange rates and other factors may result in a poorer overall performance for the Fund than if it had not entered into such hedging transactions.

While the Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Fund than if it had not engaged in any such hedging transactions. For a variety of reasons (e.g., cost and probability of occurrence of risk), the Fund may not hedge against particular risks or may not establish a perfect correlation between such hedging instruments and the positions being hedged. An imperfect correlation may prevent the Fund from achieving the intended hedge, and failure to hedge or an imperfect hedge may expose the Fund to risk of loss.

Management Risk. The investment strategies, techniques and risk analyses employed, while designed to enhance returns, may not produce the desired results. The assessment of a particular security or assessment of market, interest rate or other trends could be incorrect, which can result in losses.

Systematic Strategies. The Adviser may implement technical, systematic strategies. The widespread use of technical trading systems frequently results in numerous managers attempting to execute similar trades at or about the same time, altering trading patterns and adversely affecting market liquidity. When executing a systemic strategy, securities or other financial instruments selected may perform differently than expected, or from the market as a whole, as a result of a system's component factors, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction, implementation and maintenance of the system (e.g., data problems, software issues, etc.). There can be no assurance that a systemic strategy will achieve its objective.

Discretionary Strategies. Certain of the Adviser's strategies are discretionary rather than systematic. Discretionary trading may be prone to emotionalism and a lack of discipline in their trading. Relying on subjective trading judgment may produce less consistent results than those obtained by more systematic approaches.

Fundamental Analysis. Certain strategies pursued by the Adviser may require the use of fundamental analysis. Fundamental analysis is premised on the assumption that markets are not perfectly efficient, that informational advantages and mis-pricings do occur and that econometric analysis can identify trading opportunities. Fundamental factors include inflation, trade balances, inventories and interest rates, all factors extrinsic to the market. Fundamental analysis may incur substantial losses if such economic factors are not correctly analyzed, not all relevant factors are identified and/or market forces cause mis-pricings to continue despite the traders having correctly identified such mis-pricings. Fundamental analysis may also be more subject to human error and emotional factors than technical analysis.

Technical Analysis. Certain of the Adviser's strategies may make use of mathematical analysis of technical data such as price, volume, and momentum. These strategies do not generally take into account fundamental factors except insofar as such factors may influence the technical data constituting input information for the strategy. Accordingly, technical systems may be unable to respond to markets reacting to fundamental causative events until after the impact of these events has ceased. Consequently, technical trading strategies can incur major losses when factors exogenous to the markets themselves — political events, natural catastrophes, acts of war or terrorism, etc. — dominate the markets. For example, even though a pending political or economic event may appear very likely to cause a major price movement, a number of underlying investment advisors would not adjust their trading positions until their programs indicated, as a result of market price movements, that they should do so.

Use of Trend Following Systems. Many technical trading systems are trend-following. Trend-following systems generally anticipate that a majority of their trades will be unprofitable and depend for overall profitability on making substantial gains from capturing major price trends. In trendless markets, such systems are likely to incur substantial losses.

One risk in trend-following is the difficulty in determining the precise beginning and end of a trend. For example, the currency derivative and cash markets normally show some price volatility in both directions on most days. To avoid entering a market too soon or exiting a market early, the Adviser tends to wait until the trend is established and retain the position until after the trend is clearly over, thereby missing or losing some profit.

A second issue stems from the popularity of trend-following. Because of competition in the market, the Adviser may have to pay more to obtain a position or may receive a lower price when it liquidates a position. A third is the tendency of related markets over prolonged periods of time to trade in narrow bands rather than to trend. In these circumstances, the opportunities for profitable trading will be limited or non-existent.

Profitable trading often depends on anticipating trends or trading patterns. Markets subject to random price fluctuations, rather than defined trends or patterns, may generate a series of losing trades. There have been periods in the past when the markets have been subject to limited and ill-defined price movements, and such periods may recur. Any factor which may lessen major price trends (such as governmental monetary policies affecting the markets) may reduce the prospect for future trading profitability. Any factor which would make it difficult to execute trades, such as reduced liquidity or extreme market developments resulting in limit moves, could also be detrimental to profits. The best trend-following strategy, whether based on fundamental or technical analysis, will not be profitable if there are no trends of the kind it seeks to follow.

Portfolio Concentration. The similarities among a number of the Adviser's strategies may reduce Fund diversification. It is possible that the Adviser might take a substantial position in the same or related markets at or about the same time, reducing the Fund's diversification and increasing risk. Less diversification exposes the Fund to the risk that the market will move against a large number of positions held by the Adviser at the same time, increasing losses. In the case of a multi-manager portfolio, position transparency (to the extent possible) will permit the Adviser to monitor any such concentrations, short of terminating the underlying investment advisor the Adviser will not have authority to require the underlying investment advisor to change their positions nor will they be aware of positions held by other managers in the Fund's portfolio.

Market Disruption and Geopolitical Risk. The Fund is subject to the risk that war, terrorism, and related geopolitical events may lead to increased short-term market volatility and have adverse long-term effects on the U.S. and world economies and markets generally, as well as adverse effects on issuers of securities and the value of a Clients' investments. Those events, as well as other changes in U.S. and non-U.S. economic and political conditions, also could adversely affect individual issuers or related groups of issuers, securities markets, interest rates, credit ratings, inflation, investor sentiment and other factors affecting the value of a Fund's investments. At such times, a Fund's exposure to a number of other risks described elsewhere in this section can increase.

Conflicts of Interest. The Adviser and its affiliates expect to advise multiple clients whose accounts may purchase or sell the same securities. The Adviser and its affiliates are not under any obligation to share any investment opportunity, idea or strategy with any particular client. As a result, other clients of the Adviser or its affiliates may compete with one another for appropriate investment opportunities. The Adviser's investment allocations are designed to provide a fair allocation of purchases and sales of securities among the various clients managed by the Adviser, while preserving incentives for the Adviser to find new investment opportunities, and to ensure compliance with appropriate regulatory requirements.

The Adviser and its affiliates have the ability to trade in financial instruments for their own accounts. This may on occasion create conflicts of interest with regard to such matters as allocation of opportunities to participate in particular investments or to dispose of certain investments. In addition, if as a result of the aggregation requirements set forth under the law, applicable position limits were exceeded, the Adviser, or its respective affiliates could have a conflict of interest in determining which positions to liquidate.

By reason of the investment advisory and other activities of its affiliates, the Adviser may acquire confidential information or otherwise be restricted from initiating transactions in certain securities. It is acknowledged and agreed that, except as required by the applicable law, the Adviser may not be free to divulge, or to act upon, any such confidential information and that, due to such a restriction, the Adviser may not initiate certain transactions the Adviser otherwise might have initiated. It is further acknowledged and agreed that the Adviser shall, for itself and on behalf of its clients, disclose such information to governmental and regulatory authorities as may be required by law.

From time to time, the Adviser may permit certain client investors to acquire interests on different terms than other investors (including, without limitation, with respect to minimum investment amounts, fees, expanded reporting and withdrawal terms). The Adviser is not required to notify any or all of the other investors of any such terms, nor is the client or the Adviser required to offer such additional and/or different rights and/or terms to any or all of the other investors.

Please refer to the relevant Fund offering materials for a more detailed discussion of risk factors.

Item 9. Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of the Adviser's advisory business or the integrity of the Adviser's management.

Item 10. Other Financial Industry Activities and Affiliations

The Adviser is registered as a commodity pool operator (“CPO”) with the CFTC and is a member of the National Futures Association (“NFA”). Certain management persons of the Adviser are registered as associated persons with the National Futures Association.

The Adviser is affiliated with Cowen and Company, LLC and ATM Execution LLC, both SEC registered broker-dealers. The Adviser is also affiliated with Cowen International Limited, a UK FCA registered broker dealer and Ramius UK Limited, which is currently not active but is registered with the UK FCA with respect to certain investment advisory activities. The above referenced entities are all (directly or indirectly) wholly owned subsidiaries of Cowen Group, Inc., a publicly traded company (NASDAQ: COWN).

The Adviser generally operates separately from its broker-dealer affiliates and does not direct any client business to its broker-dealer affiliates (however, the Adviser is permitted to direct business to its affiliated broker-dealers for the affiliate-owned Managed Accounts it advises). To the extent that any conflict may arise with respect to its affiliated broker-dealers, the potential conflict is addressed by Cowen Group, Inc.’s Conflicts Committee which is headed by Cowen Group, Inc.’s General Counsel. At this time, the Adviser does not believe there is any material conflict related to this relationship.

The Adviser is also affiliated with the following investment advisors which also manage funds and/or advise managed accounts: Ramius LLC, Ramius Alternative Solutions LLC, Ramius Trading Strategies LLC, Ramius Asia LLC, Cowen Structured Credit Group LLC, Starboard Value LP, Healthcare Royalty Management, LLC, HCRP MGS Account Management, LLC, Quadratic Capital Management LLC, RCG Longview Equity Management, LLC, RCG Longview Management, LLC, RCG Longview Debt Fund IV Management, LLC and RCG Longview Partners II, LLC. All of the affiliated investment advisors are registered with the U.S. Securities and Exchange Commission but for Quadratic Capital Management, LLC which is registered as an investment advisor with the State of Connecticut. Ramius Alternative Solutions LLC and Ramius Trading Strategies LLC are also CPOs and members of the NFA. Additionally, the Adviser is affiliated through Ramius with Ramius Trading Strategies GP LLC, a CPO and NFA member.

There are no material conflicts related to these affiliations. For a complete description of these advisors and the funds they manage, please refer to their Form ADV Part I’s.

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

The Adviser has adopted a Code of Ethics (the “Code”) that is applicable to all of its access persons, supervised persons and virtually all of its employees (for purposes of this section of the brochure, references to “employees” include access persons and supervised persons). The Code reflects the Adviser’s belief in the absolute necessity to conduct all business, make all decisions and carry on all personal activities at the highest ethical and professional levels. The Adviser’s senior management heartily endorses the ethical imperative implicit in the Code, and, as has been the practice since Adviser’s founding, relies on its employees’ personal behavior to embrace those same standards.

All persons that are covered by the Code must avoid activities, interests and relationships that may interfere or appear to interfere with making decisions in the best interests of clients. More specifically, the Code seeks to place the interests of clients over the interests of any employee; imposes standards of business conduct for all of the Adviser’s employees; requires employees to comply with the federal securities laws; regulates employee personal securities transactions, including requiring all covered persons to obtain pre-approval before investing in hedge fund or private placement investments; and requires reporting and review of personal securities transactions.

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

The Adviser may cause the Funds and/or Managed Accounts to purchase securities and other instruments that are also being purchased by the Adviser or its employees for their own accounts. The Adviser in all cases purchases securities and other instruments for the Funds and/or Managed Accounts on terms at least as favorable as the terms on which the same securities or instruments are purchased for the account of the Adviser, proprietary accounts of

it's members or the personal accounts of the Adviser's employees to the extent that such securities or instruments are purchased at approximately the same time and in the same direction as a Fund and/or Managed Account. If this procedure results in the employees of the Adviser or the proprietary accounts of its members acquiring securities or other instruments on more favorable terms than the Funds and/or Managed Accounts, such employees or members will reimburse the Fund and/or Managed Account, respectively, so that such inequity is corrected. The Adviser reserves the right, in its sole discretion, to not require such reimbursement if it determines the benefit to the Fund and/or Managed Account would be outweighed by the administrative costs associated with processing the reimbursement.

When it is determined that it would be appropriate for one or more Fund and/or Managed Account to participate in an investment opportunity, the Adviser will seek to execute orders for all of the participating investment accounts on an equitable basis, taking into account such factors as the investment objectives of the participating investment accounts, the availability of leverage, the relative amounts of capital available for new investments, relative exposure to market trends, transaction costs, the portfolio positions of the participating investment accounts, the eligibility of the Fund and/or Managed Account, respectively, and the other investment accounts under applicable law to make the investment in question and the manner in which the investment is likely to affect the amount of available capital after the investment is made.

Notwithstanding the foregoing, the Adviser is not obligated to allocate to a Fund and/or Managed Account all potential transactions for which it might be eligible pursuant to its investment guidelines and procedures. Depending on the circumstances, the Adviser may allocate certain transactions on a disproportionate basis among their other respective Funds and/or Managed Accounts and/or may allocate all of certain other transactions to other Funds and/or Managed Accounts, including funds in which one or more of the principals or employees of the Adviser or its affiliates may have an interest. In addition, varying compensation arrangements among the Funds and/or Managed Accounts could incentivize the Adviser to allocate investments opportunities to certain Funds and/or Managed Accounts over others, or to otherwise manage the Funds and/or Managed Accounts differently.

Item 12. Brokerage Practices

The Adviser will be responsible for, among other things, the placement of any securities transactions entered into by the client, and for the negotiation of any commissions paid on such transactions. Such securities may be purchased over the counter, through brokers on securities exchanges or directly from the issuer or from an underwriter or market maker for the securities. Purchases of portfolio securities through brokers involve a commission to the broker, and purchases from dealers serving as market makers include the spread between the bid and the ask price. The Adviser will seek to obtain the best execution for the client, taking into account such factors as price (including the applicable dealer spread or commission, if any), size of order, difficulty of execution, operational facilities of the firm involved and the firm's risk in positioning a block of securities.

The Adviser may execute a portion of the securities trades entered into by the client through one or more customer brokerage accounts maintained by the client with certain clearing brokers (the "Clearing Brokers") pursuant to the terms of one or more clearing agreements with the Adviser under which the Adviser allocate to the Clearing Brokers a portion of the brokerage commissions it charges the client. Floor brokers selected by the Adviser that will execute transactions in listed securities will receive a portion of the brokerage commissions that the floor brokers charge the client at rates negotiated by the Adviser and each floor broker.

The Adviser generally does not enter into directed brokerage arrangements, unless otherwise directed by a client and as approved by the Adviser.

Brokerage transactions will be executed by brokers and dealers selected by the Adviser on the basis of a variety of factors, including, without limitation, some or all of the following: net price; settlement capabilities and error resolution; electronic reconciliation capability; special execution capabilities; ability to execute large orders, to commit capital, and to minimize trading costs associated with implementing investment decisions; commission rates; reputation, including regulatory issues; financial strength and stability; efficiency of execution of small lots; offering on-line access to computerized data regarding open orders; the ability or inability of electronic trading networks to handle trades instead of other broker-dealers; value of research; and other matters involved in the receipt of brokerage services generally. Research services furnished by brokers may include written information and

analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; statistics and pricing or appraisal services, as well as discussion with research personnel. The Adviser may, in the future, pay higher prices for the purchase of securities from, or accept lower prices for the sale of securities to, brokerage firms that provide it with such investment and research information or to pay higher commissions to such firms if the Adviser determines such prices or commissions are reasonable in relation to the overall services provided. Any research services provided by broker-dealers used by the client may be utilized by the Adviser or its affiliates in connection with their respective investment services for other accounts and, likewise, any research services provided by broker-dealers used for transactions of other accounts may be utilized by the Adviser in performing its services for the client.

The Adviser does not currently make use of “soft dollars” and does not currently have any “soft dollar” accounts with any of its brokerage relationships; however, in the event an account was opened, any use of “soft dollars” would fall within the safe harbor created by Section 28(e) of the Exchange Act. Under Section 28(e), research obtained with soft dollars generated by the client may be used by the Adviser to service accounts other than the client.

The client’s securities transactions can be expected to generate a substantial amount of brokerage commissions and other compensation, all of which the client, not the Adviser, will be obligated to pay. The Adviser will have complete discretion in deciding what brokers and dealers the client will use and in negotiating the rates of compensation the client will pay. In addition to using brokers as “agents” and paying commissions, the client may buy or sell securities directly from or to dealers acting as principals at prices that include markups or markdowns, and may buy securities from underwriters or dealers in public offerings at prices that include compensation to the underwriters and dealers.

Brokers sometimes suggest a level of business they would like to receive in return for the various services they provide. Actual brokerage business received by any broker may be less than the suggested allocations, but can (and often does) exceed the suggestions, because total brokerage is allocated on the basis of all of the considerations described above. A broker is not excluded from receiving business because it has not been identified as providing research services. The investment information received from the client’s brokers may be used by the Adviser in servicing all of its accounts, and not all such information need be used by the Adviser in connection with the client. Nonetheless, the Adviser believes that such investment information provides the client with benefits by supplementing the research otherwise available to the client.

The Adviser may aggregate or “block” purchase and sale orders of securities to seek the efficiencies that may be available in larger transactions when it determines that aggregation is consistent with its duty to seek best execution for its Clients, although it has no obligation to do so.

Item 13. Review of Accounts

The Adviser performs various daily, weekly, monthly, quarterly and periodic reviews of each Fund and/or Managed Account portfolio (as needed). Such reviews are conducted by the Adviser’s portfolio managers and research associates. Each Fund and/or Managed Account portfolio is reviewed to ensure: (1) suitable investments are maintained in each Fund and/or Managed Account portfolio; (2) securities are within appropriate risk levels for the Fund and/or Managed Account; (3) an appropriate asset allocation is maintained; and (4) any additional requirements communicated by the Managed Account client to the Adviser in writing are met. A review of a Fund and/or Managed Account portfolio may be triggered by any unusual activity or special circumstances.

Investors in the Funds generally receive a monthly letter from the Adviser documenting the performance of their Fund, along with a commentary by the Adviser, although the Adviser may provide certain investors with information on a more frequent and detailed basis if agreed to by the Adviser. In addition, the Adviser issues investors tax reports (if applicable) and audited financial statements concerning their respective Funds or Managed Accounts within 120 days (180 days where applicable for fund of hedge funds) of the end of such client’s fiscal year. The Adviser will also provide investors tax reports (if applicable); however, no assurances can be made as to when investor tax information will be provided. As a result, client’s investors may be required to obtain extensions of the filing date for their income tax returns at the U.S. federal, state, and local level.

Item 14. Client Referrals and Other Compensation

The Adviser does not receive economic benefits from non-clients for providing investment advice and other advisory services. Neither the Adviser nor any related person directly or indirectly compensates any person who is not a supervised person, including placement agents, for client referrals. However, the Adviser or its affiliates have entered into placement agreements with certain placement agents ("Placement Agents"), pursuant to which the Placement Agents have agreed to introduce potential investors to the Funds. The Placement Agents may receive compensation for such services from the Adviser or its affiliates.

Item 15. Custody

The Adviser is deemed to have custody of client funds and securities because it has the authority to obtain client funds or securities, for example, by deducting advisory fees from a client's account or otherwise withdrawing funds from a client's account. Actual custody of Funds and other client assets, however, is at a broker-dealer, bank or trust company, not at the Adviser. Account statements related to the Funds are sent by qualified custodians to the Adviser, which provides certain administrative services to the Adviser and its clients.

Item 16. Investment Discretion

With respect to Private Funds, RICs and discretionary Managed Accounts, the Adviser has discretionary trading authority with respect to each account. The Adviser's investment decisions and advice with respect to each Fund are subject to each Fund's investment objectives and guidelines, as set forth in its offering documents. Similarly, the Adviser's investment decisions and advice with respect to each Managed Account are subject to each client's investment objectives and guidelines, as set forth in the client's investment management agreement, as well as any written instructions provided by the client to the Adviser.

The Adviser has entered into an investment management agreement, or similar agreement, with each Fund or beneficial owner of each Managed Account, pursuant to which the Adviser or an affiliate of the Adviser was granted discretionary trading authority.

The Adviser does not currently advise any non-discretionary Managed Accounts.

Item 17. Voting Client Securities

In compliance with Advisers Act Rule 206(4)-6, the Adviser has adopted proxy voting policies and procedures. All decisions about how to vote a proxy will be made in accordance with the Adviser's proxy voting policies and procedures, which are designed to take into account the best interests of the client, as determined by the Adviser in its discretion. The Adviser may take into account all relevant factors when making such determination.

Clients and investors may request a copy of the proxy policy and the proxy voting records by contacting the Adviser at the address, telephone number or e-mail on the cover of this Brochure.

Item 18. Financial Information

The Adviser is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonable likely to impair its ability to meet contractual commitments to clients, and has not been the subject of a bankruptcy petition at any time during the past ten years.