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This brochure provides information about the qualifications and business practices of Numeric Investors LLC (“Numeric”). If you have any questions about the contents of this brochure, please contact us at 617-897-7800 or compliance@numeric.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Numeric also is available on the SEC’s website at www.adviserinfo.sec.gov.

Numeric is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

ITEM 2: MATERIAL CHANGES

This brochure dated July 31, 2015 includes the following material changes:

- Item 4. Numeric provides non-discretionary investment advice and recommendations to certain clients, who, in turn, may use such advice to make discretionary investment management decisions for and on behalf of their own accounts or their clients' accounts.
- Item 10. Numeric may utilize investment management, research and trading services of certain of its affiliates in providing services to its clients. In addition, Numeric's affiliates may utilize its investment management, research and trading services in providing services to their clients.
- Item 11. Certain accounts managed by Numeric are subject to Man's Cluster Munitions and Anti-Personnel Mines Policy, which is designed to ensure compliance with The Convention on Cluster Munitions and relevant laws. This may limit Numeric's flexibility to buy or sell securities of issuers that, among a range of other activities, are involved in cluster munitions or anti-personnel mines related activity for these accounts.

In the event of future material changes, we will provide you with a new brochure as necessary based on changes or new information without charge.

Only specific material changes that are made to the brochure since its last update are summarized in this Item. The date of the brochure's last update was March 31, 2015. Currently, Numeric's brochure may be requested by contacting Dunyelle Rosen, Chief Compliance Officer, at 617-897-7828 or dunyelle.rosen@numeric.com.

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

ITEM 3: TABLE OF CONTENTS

ITEM 1: COVER PAGE	i
ITEM 2: MATERIAL CHANGES	ii
ITEM 3: TABLE OF CONTENTS	iii
ITEM 4: ADVISORY BUSINESS.....	1
ITEM 5: FEES AND COMPENSATION	4
ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT.....	10
ITEM 7: TYPES OF CLIENTS	11
ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS	13
ITEM 9: DISCIPLINARY INFORMATION	19
ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....	20
ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.....	22
ITEM 12: BROKERAGE PRACTICES	26
ITEM 13: REVIEW OF ACCOUNTS	29
ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION.....	30
ITEM 15: CUSTODY	31
ITEM 16: INVESTMENT DISCRETION	32
ITEM 17: VOTING CLIENT SECURITIES.....	32
ITEM 18: FINANCIAL INFORMATION	35

ITEM 4: ADVISORY BUSINESS***Firm Background***

The firm was founded in 1989 as Numeric Investors L.P. After a reorganization in 2004, Numeric Investors LLC (“Numeric”) carried on the firm’s business. Numeric is a wholly owned subsidiary of Numeric Midco LLC, which is wholly-owned by Numeric Holdings LLC (“Numeric Holdings”), both Delaware limited liability companies.

In 2014, Numeric Holdings became a majority-owned indirect subsidiary of Man Group plc (“Man”), which is listed on the London Stock Exchange and a member of the FTSE 250 Index (Ticker: EMG). Through its investment management subsidiaries, Man is a global alternative investment management business that provides a range of fund products and investment management services for institutional and private investors globally. As of June 30, 2015, Man has approximately \$78.8 billion of funds under management.

Types of Advisory Services

Clients and Products. Numeric provides investment advisory services for U.S. and non-U.S. taxable and tax-exempt clients. Numeric’s clients are primarily institutions that invest through separately managed accounts (“Separate Accounts”); however, Numeric also provides investment advisory services to privately offered commingled funds sponsored by Numeric (“Private Funds”) in which both eligible institutions and individuals invest. Numeric also provides discretionary portfolio management services (“sub-advisory services”) to certain open-end investment companies (“Mutual Funds”) that are registered as such under the Investment Company Act of 1940, as amended (the “Investment Company Act”). Additionally, Numeric provides sub-advisory services to Undertakings for Collective Investment in Transferable Securities funds (“UCITS Funds” and, together with the Mutual Funds and the Private Funds, the “Funds”).

Separate Accounts. Discretionary investment advisory services are provided by Numeric through separately managed account arrangements pursuant to advisory and sub-advisory contracts, which incorporate investment guidelines and restrictions. Advisory contracts are typically negotiated to meet the specific needs of the particular client.

Private Funds. Numeric also provides investment advisory services to privately offered commingled funds sponsored by Numeric. The Private Funds rely upon the exemptions provided by Regulations S and D under the Securities Act of 1933, as amended, for all offerings and sales of the Private Funds. The Private Funds are not registered as investment companies under, or otherwise subject to the provisions of the Investment Company Act, in reliance upon an exclusion from the definition of “investment company” provided in the Investment Company Act. Investment guidelines and objectives for the Private Funds are set forth in the private placement memorandum and the organizational documents for each Private Fund.

Mutual Funds. Numeric provides portfolio management services to certain Mutual Funds that follow a “multi-manager” investment approach. The assets of a multi-manager Mutual Fund are typically allocated and re-allocated among multiple sub-advisers like Numeric. Each sub-adviser manages a portion of the Mutual Fund’s portfolio under the general supervision of a primary investment adviser. The selection of sub-advisers may be delegated to this investment adviser, subject to initial and ongoing approvals by the Mutual Fund’s board.

UCITS Funds. Numeric provides portfolio management services to certain UCITS funds, several of which are offered through the UCITS platform of an affiliated entity.

Non-Discretionary Investment Advice. Numeric provides non-discretionary investment advice and recommendations to certain clients, who, in turn, may use such advice to make discretionary investment management decisions for and on behalf of their own accounts or their clients’ accounts.

Strategies. Numeric manages assets in domestic and international strategies. All strategies invest primarily in publicly traded equity securities. Some strategies may also invest in single equity swaps while others may invest in equity index futures or swap contracts. Equity swaps are derivative contracts where a set of future cash flows are agreed to be exchanged between two counterparties at set dates in the future, thereby giving each party to a swap contract synthetic exposure to the underlying equity security. Equity index futures are futures contracts used to replicate the performance of an underlying stock market index. Equity index futures generally are used for hedging against an existing equity position or for speculating on future movements of an index.

Investment strategies are driven by quantitative investment principles which seek to maximize total return while controlling risk within specified parameters. Strategies offered currently include:

- Conventional portfolios (containing only long equity positions), for United States, European, Japanese, Global and Emerging Markets strategies;
- Hedged portfolios (containing offsetting long and short positions), for United States, European, Japanese, Global and Emerging Markets strategies;
- Equitized hedged portfolios (containing offsetting long and short positions plus index futures sufficient to give the portfolio equity market exposures), for United States, European, Japanese, Global and Emerging Markets strategies;
- Levered hedged portfolios (containing offsetting long and short positions in which total gross exposure, measured as total long exposure plus total short exposure, is

approximately 140%-500% of an account's value) for United States, European, Japanese, Global and Emerging Markets strategies;

- Hybrid long only and hedged portfolios (approximately 30% long and 30% short positions for a 60% market-neutral portfolio, coupled with a 40% traditional long-only portfolio) for United States and Emerging Markets strategies; and
- Absolute return portfolios (containing portfolio sleeves investing in a wide range of investment strategies, trading strategies, ideas and instruments) for United States, European, Japanese, Global and Emerging Markets strategies.

Quantitative Models. Numeric's quantitative process utilizes internally developed stock-selection models. By breaking up the investable universe of stocks into brackets along proprietary criteria, the most influential model or models in determining a stock's expected performance in that particular bracket can be emphasized. The combined score for each stock will drive the buy/sell decision.

Tailoring of Advisory Services

We will tailor our advisory services to the individual needs of our clients. Clients are able to impose reasonable restrictions on the securities or types of securities purchased on their behalf for a Separate Account, provided that the client supplies Numeric in advance with such information as it determines is reasonably necessary to apply the restrictions. Examples of types of restrictions include:

- Weapons dealers/manufacturers
- Tobacco dealers/manufacturers
- Gambling institutions
- Country specific restrictions
- Affiliate restrictions
- ERISA restrictions

Numeric's management of each Private Fund, and the terms of any investor's investment in a Private Fund, are governed exclusively by the terms of that Private Fund's organizational documents, private placement memorandum, limited partnership agreement or memorandum and articles of association, investment management agreement, and subscription agreement (collectively, the "governing documents"). The sub-advisory services provided by Numeric to the Mutual Funds and the terms of each investor's investment therein, are governed exclusively by the terms of each Mutual Fund's prospectus, Statement of Additional Information ("SAI") and other governing documents (collectively, the "Mutual Fund governing documents"). All discussions in this brochure of the Funds, their investments, the strategies Numeric uses in managing the Funds, and the fees associated with an investment in the Funds are qualified in their entirety by reference to the relevant Private Fund or Mutual Fund governing documents. **THIS BROCHURE SHALL**

NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF ANY OFFER TO BUY ANY SECURITY.

Client Assets Under Management

As of June 30, 2015, Numeric had approximately \$18.4 billion in net assets under management. All such assets are considered discretionary assets.

ITEM 5: FEES AND COMPENSATION

Fee Structures

Numeric offers fee structures that are based on assets under management, investment performance or a combination of both. Performance-based fees will be charged in compliance with Rule 205-3 of the Investment Advisers Act of 1940, as amended (the “Advisers Act”).

Numeric’s minimum portfolio size for Separate Accounts is typically between \$20 and \$30 million, depending on the strategy, although Numeric will accept smaller portfolios at its discretion.

Numeric’s strategies are available to investors through Separate Accounts and investment in Private Funds managed and sponsored by Numeric. Investments in Private Funds, depending on the Private Fund’s structure, involve purchasing either:

- (i) limited partnership interests in onshore or offshore limited partnerships of which Numeric is general partner; or
- (ii) shares in offshore corporations of which Numeric is appointed as investment manager.

Each of Numeric’s strategies is also available to clients investing in Separate Accounts for which Numeric is engaged as investment manager.

Standard Fee Schedules

Numeric’s standard fee schedule for Separate Account clients is detailed below.

Strategy	Strategy Category	Management Fee - Annual Rate	Performance Fee
AMPLIFIED CORE (130/30)	Hybrid Long Only & Hedged Strategy	1%	n/a
CORE	Conventional Long Only Strategy	0.60%	n/a
LARGE CAP CORE	Conventional Long Only Strategy	0.50%	n/a

ALL-CAP CORE	Conventional Long Only Strategy	0.75%	n/a
VALUE	Conventional Long Only Strategy	0.60%	n/a
EAFE CORE	Conventional Long Only Strategy	0.75%	n/a
SMALL CAP CORE	Conventional Long Only Strategy	0.90%	n/a
SMALL CAP GROWTH	Conventional Long Only Strategy	0.90%	n/a
SMALL CAP VALUE	Conventional Long Only Strategy	0.90%	n/a
SMID GROWTH	Conventional Long Only Strategy	0.90%	n/a
INTERNATIONAL SMALL CAP	Conventional Long Only Strategy	0.90%	n/a
INTERNATIONAL ALPHA	Hybrid Long Only & Hedged Strategy	1.00%	n/a
EMERGING MARKETS ALPHA	Hybrid Long Only & Hedged Strategy	1.10%	n/a
EMERGING MARKETS CORE	Conventional Long Only Strategy	0.90%	n/a
EMERGING MARKETS SMALL CAP CORE	Conventional Long Only Strategy	1.25%	n/a
EUROPEAN CORE	Conventional Long Only Strategy	0.75%	n/a
EUROPEAN CORE EX-UK	Conventional Long Only Strategy	0.75%	n/a
EUROPEAN ALPHA RESTRICTED	Hybrid Long Only & Hedged Strategy	1.00%	n/a
JAPANESE CORE	Conventional Long Only Strategy	0.75%	n/a
ASIA PACIFIC EX-JAPAN	Conventional Long Only Strategy	0.85%	n/a
GLOBAL CORE	Conventional Long Only Strategy	0.75%	n/a
GLOBAL CORE EX-US	Conventional Long Only Strategy	0.75%	n/a
GLOBAL SMALL CAP	Conventional Long Only Strategy	1.25%	n/a

GLOBAL EX-JAPAN	Conventional Long Only Strategy	0.75%	n/a
ACWI EX-US ACTIVE LOW VOLATILITY	Conventional Long Only Strategy	0.75%	n/a
U.S. MARKET NEUTRAL	Hedged Strategy	1.00%	20% over index
SMALL CAP AGGRESSIVE MARKET NEUTRAL	Hedged Strategy	1.00%	20% over index
JAPANESE MARKET NEUTRAL	Hedged Strategy	1.00%	20% over index
EUROPEAN MARKET NEUTRAL	Hedged Strategy	1.00%	20% over index
WORLD MARKET NEUTRAL	Hedged Strategy	1.00%	20% over index
ALTERNATIVE MARKET NEUTRAL	Hedged Strategy	1.50%	20% over index
SOCIALLY AWARE MULTI-STRATEGY	Hedged Strategy	1.50%	20% over index
ABSOLUTE RETURN	Hedged Strategy	1.50%	20%
INTEGRATED ALPHA	Hedged Strategy	2.00%	n/a

The fee schedule for each of the Private Funds is detailed below.

Name of Private Fund	Management Fee	Performance Fee
Numeric Multi-Strategy Market Neutral Levered Offshore Fund Limited	1.50%	20% T-bills
Numeric Socially Aware Multi-Strategy Fund Ltd.	1.50%	20% T-bills
Numeric World Market Neutral Onshore Fund II L.P.	1.00%	20% T-bills
Numeric Small Cap Core Onshore Fund I, L.P.	0.90%	n/a
Numeric Socially Aware U.S. Core Fund L.P.	0.40%	n/a
Numeric Emerging Markets Alpha Fund L.P.	1.10% on the first \$50m, 0.90% next \$50m, 0.80% next \$100m, 0.70% thereafter	n/a
Numeric Absolute Return Fund Offshore, Ltd.	1.50%	20%
Numeric Absolute Return Fund, L.P.	1.50%	20%
Numeric Emerging Markets Small Cap Core Offshore Fund Ltd.	1.25%	n/a
Man Numeric International Small Cap	0.90%	n/a
Man Numeric International Alpha	1.00%	n/a

Payment of Management Fees

Management fees accruing to Numeric as investment manager of a Separate Account are payable on a quarterly basis in arrears on the first day of the subsequent quarter. Management fees accruing to Numeric as investment manager of a Private Fund are payable on a monthly basis in arrears and calculated based on the value of the Private Fund's portfolio on the last day of that month. For Separate Accounts, fees are calculated on the basis of either the portfolio's value on the last day of

that quarter, or the average of the portfolio's value at the end of each of the three months in the quarter.

With respect to Separate Account clients, performance fees are paid to Numeric on the first anniversary of a client's investment and annually thereafter, usually on a quarter end date. In some cases, performance fees are payable on the date of any withdrawal of capital by the client and on the termination of the client's investment.

Performance fees accruing with respect to Private Funds structured as corporations generally are paid by such Private Funds to Numeric. When a Private Fund structured as a limited partnership provides for performance-based compensation, such compensation is paid by the partnership in the form of special profit allocations to Numeric, as general partner, rather than in the form of a fee payment. Performance compensation is measured over historical periods of one- to three -year periods, although in some cases a longer period may be used. Each Private Fund's governing documents specifies how its performance fee is calculated and paid or allocated by such Private Fund, and any discussion in this brochure is qualified in its entirety by the Private Fund's governing documents.

The type of investment strategy (such as long only, hybrid, equitized or leveraged) generally determines how performance is measured. For example, some strategies measure performance on a rolling four-quarter basis and others may measure performance on a one-year or three-year basis, or over the life of the account.

For the levered versions of its hedged strategies, Numeric may proportionally increase the rates of management and performance fees quoted in the standard fee schedules outlined above to reflect the increased equity exposure of levered Separate Accounts (or Private Funds), generally ranging from between one and a half and five times the capacity in the strategy as unlevered ones. In calculating the performance fee on levered accounts (or Private Funds), Numeric reduces the performance of the appropriate index that the account (or Private Fund) must outperform to accrue the performance fee, by the cost of financing such leverage so that the performance fee paid to Numeric is not reduced by this cost.

For equitized hedged portfolios (those that contain long and short positions plus index futures in order to give the portfolios equity market exposure), the index is the S&P 500 or a customized index selected by the Separate Account client (or specified in the Private Fund's governing documents).

With respect to Separate Accounts, fees are negotiable, but every effort is made to make fees (whether fixed or performance-based) comparable among all clients in a given strategy, provided they entered the strategy at the same time and the assets managed by Numeric are the same size.

Fees will vary between clients entering earlier or later in a strategy and smaller and larger accounts.

With respect to the Private Funds, Numeric reserves sole discretion to waive all or a portion of the management fee and/or performance fee with respect to any investor in any Private Fund; or, as agreed to by the investor, Numeric may charge a management fee and/or a performance fee that is lower than, or otherwise on different terms than, those described above.

Certain employees and officers of Numeric invest as limited partners in the Private Funds structured as partnerships for which Numeric acts as general partner and as shareholders in the Private Funds structured as offshore companies for which Numeric acts as investment adviser. Numeric generally waives or charges lower management fees and/or performance allocations to its current and former directors, employees, affiliates and their family members, as well as the directors or senior management of TA Associates, Inc. (firm that formerly had a private equity investment in Numeric) and their family members that invest in the Private Funds (collectively, "Insiders").

Clients investing in Separate Accounts are able to terminate advisory agreements with Numeric upon five business days' prior written notice to Numeric, although some clients have negotiated shorter termination periods. In the event that a client adds or withdraws assets under management during a quarter, management fees charged in arrears will be adjusted *pro rata* for the number of days during the quarter on which the assets were managed.

Clients investing in Numeric Small Cap Core Onshore Fund I, L.P. and Numeric Socially Aware U.S. Core Fund L.P. are able to withdraw their investments monthly by providing five business days' prior written notice unless the notification period is waived by Numeric. Clients investing in the other Private Funds are able to withdraw their investments monthly by providing twenty business days' prior written notice unless the notification period is waived by Numeric. Partial withdrawals or redemptions must be an amount equal to at least \$250,000 unless such minimum amount is waived by Numeric. Management fees and performance fees, if any, will be charged to a client's account before any such withdrawal. Withdrawals and redemptions also are subject to provision by Numeric for all Private Fund liabilities in accordance with governing law.

Withdrawals or redemptions made by an investor in a Private Fund within twelve months from the date of such investor's initial investment in the Private Fund, may be subject, in the discretion of Numeric, to an early withdrawal/redemption charge equal to an amount not exceeding 1% of the amount withdrawn or redeemed. These charges will be paid to the Private Fund and are intended to place the cost of withdrawal on the investor seeking liquidity. When a Private Fund's investors consist of a single entity or individual or a group of affiliated investors, withdrawal privileges may be negotiable. As a result, persons investing in a Private Fund with unaffiliated investors may have less advantageous withdrawal privileges than those investing in Separate Accounts or Private Funds that include only Insiders.

In the event that an investor purchases or redeems shares or interests in a Private Fund during a quarter, or in the event that a Private Fund begins or terminates during a quarter, management fees payable will be adjusted *pro rata* for the number of days during the quarter on which the assets were

managed. Numeric may, in its sole discretion, enter into agreements that have the economic effect of waiving, in whole or in part, the management and/or performance fee with respect to any investor, or charging a management and/or performance fee on a different basis or at a different rate, all without the consent or approval of, or notice to, any unaffected investor.

Ability to Deduct Fees from Client Accounts or Bill Clients Directly

Clients investing in Separate Accounts can elect to be billed directly for fees or to authorize Numeric to directly debit fees from client accounts. For Private Funds, the management fees payable to Numeric are deducted directly from the Private Fund unless otherwise negotiated with Numeric. Any performance fees accrued by a Private Fund are deducted or allocated directly from each Private Fund and paid or allocated to Numeric unless otherwise negotiated with Numeric.

Other Fees and Expenses

Numeric's management and performance fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses. These additional costs and expenses will be incurred by the Separate Account client or Private Fund (and, therefore, indirectly by the Private Fund's investors). Charges may be imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Numeric's fee, and Numeric will not receive any portion of these commissions, fees, and costs (except for certain soft dollar benefits described in Item 12 Brokerage Practices below).

Each Private Fund bears its own expenses, including, but not limited to, organizational expenses, ongoing expenses in connection with the offering of the Private Fund's interests, and other operating expenses such as interest, taxes, custodial fees, regulatory fees and expenses, brokerage commissions and spreads paid in the course of the purchase or sale of securities, administrative fees and expenses (including without limitation fees and expenses of the Private Fund's administrator) and legal and accounting expenses associated with the Private Fund. Numeric generally is not responsible for any expenses or fees in connection with management of the Private Funds other than as set forth in each Private Fund's governing documents.

A more complete description of the fees to be paid to Numeric in connection with an investment in each Private Fund, as well as the expenses of each Private Fund, is available in the confidential offering memorandum and other governing documents of such Private Fund, which are made available to each prospective investor before, or by the time of, any investment in the Private Fund.

Item 12 further describes the factors that Numeric considers in selecting or recommending broker-dealers for Private Fund or Separate Account client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

Mutual Fund Compensation and Fees

When sub-advising Mutual Funds, Numeric typically receives a fee that is based on the amount of the Mutual Fund's assets allocated to Numeric for management. The sub-advisory fee may be paid to Numeric directly by the Mutual Fund or indirectly by the Mutual Fund's investment adviser (out of its advisory fee from the Mutual Fund).

In addition to advisory and sub-advisory fees, a Mutual Fund bears its own expenses, including, but not limited to compensation of the Mutual Fund's directors, employees and officers (excepting those paid by the investment adviser); legal, auditing and accounting expenses; expenses of registering shares under federal and state securities laws; insurance expenses; fees and expenses of the custodian, transfer agent, dividend disbursing agent, shareholder service agent, plan agent, administrator, accounting and pricing services agent and underwriter; expenses of the issue, sale, redemption or repurchase of Mutual Fund shares; the cost of preparing and distributing reports, notices, prospectuses and SAI to shareholders; expenses of shareholders' meetings and proxy solicitations; and, where authorized pursuant to Rule 12b-1 under the Investment Company Act, the advertising, promotional and other expenses incurred in connection with the distribution of the Mutual Fund.

Additional information about each Mutual Fund, including a full discussion of its fees, expenses and sales or redemption charges can be found in that Mutual Fund's prospectus, SAI and shareholder reports, which can be obtained from the EDGAR Database on the SEC's website at: <http://www.sec.gov>.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT***Performance-Based Fees***

Numeric has entered into performance fee arrangements with qualified clients as described in Item 5. Performance fees are subject to individualized negotiation with each Separate Account client and set forth in each Private Fund's governing documents. Numeric will structure any performance or incentive fee arrangement subject to Section 205(a)(1) of the Advisers Act in accordance with the available exemptions, including the exemption set forth in Rule 205-3. In measuring clients' assets for the calculation of performance-based fees, Numeric will include realized and unrealized capital gains and losses. Numeric has discretion in valuing assets if, in its opinion, market prices are not readily available or accurate and, with performance-based fees, there may be an incentive for Numeric to overvalue clients' assets to accrue a larger performance fee.

Side-by-Side Management of Accounts and Related Conflicts of Interest

Certain performance-based fee arrangements may create an incentive for Numeric to recommend investments which may be riskier or more speculative than those which might be recommended under a different fee arrangement. Performance fee arrangements may also create an incentive to favor Private Funds and Separate Account clients that pay a higher fee over others in the allocation of investment opportunities. Numeric has procedures designed and implemented to ensure that all

clients are treated fairly and equally. To counter the potential for overvaluation of clients' assets, Numeric has instituted valuation policies and procedures that portfolio managers must follow when valuing assets for which market prices are unreliable or unavailable. Other procedures are designed to prevent the channeling of riskier or more promising investments to the performance fee-paying accounts within a strategy by generally requiring pro rata or other equitable means of allocation of investment opportunities among all clients within a strategy irrespective of whether they are paying performance fees. Numeric also has procedures designed to prevent favoritism towards performance fee-paying accounts by requiring aggregation of trades for all accounts within a strategy. Accounts with performance fees are traded together with accounts that are not charged performance fees. All accounts in the strategy will be allocated the security traded with a daily average price to prevent preferential trading for performance-based fee accounts. For additional information on trade aggregation and allocation, please see Item 12.

Other Conflicts of Interest Associated with Side-by-Side Management of Accounts

Other types of side-by-side management of multiple accounts can also create incentives for Numeric to favor one account over the other.

Long Only/Long-Short Accounts. Numeric manages accounts that only allow long positions, as well as accounts that permit short sales. Numeric may, therefore, sell a security short in some client accounts while holding the same security long in other client accounts. This creates the possibility that Numeric is taking inconsistent positions with respect to a particular security in different client accounts.

Securities of the Same Kind or Class. Numeric may buy or sell securities of the same kind or class that are purchased or sold for another client, at prices that may be different. Numeric may also, at any time, execute trades of securities of the same kind or class in one direction for an account and in the opposite direction for another account, due to differences in investment strategy. Different strategies effecting trading in the same securities or types of securities may appear as inconsistencies in Numeric's management of multiple accounts side-by-side.

With respect to Numeric's side-by-side management of accounts, the security weightings (positive or negative) in each account are typically determined by a quantitative model. The Compliance Team periodically performs an independent review to assess whether any such positions would represent a departure from a quantitative model used to derive the positions in each portfolio. The review is intended to identify situations where Numeric would seem to have conflicting views of the same security in different portfolios. Such views may actually be reasonable and consistent due to differing portfolio constraints.

ITEM 7: TYPES OF CLIENTS

Numeric provides discretionary and non-discretionary investment advisory services for U.S. and non-U.S. taxable and tax-exempt clients. Numeric's clients are primarily institutions that invest

through separately managed accounts; however, Numeric also advises private investment funds sponsored by Numeric in which eligible institutions or individuals invest. Numeric generally provides portfolio management services to high net worth individuals, corporate pension and profit-sharing plans, Taft-Hartley plans, charitable institutions, foundations, endowments, municipalities, private investment funds, trust programs, sovereign funds, foreign funds such as UCITS and SICAV funds, and other U.S. and international institutions. Numeric also provides portfolio management services in a sub-advisory capacity to registered investment companies.

Numeric's account minimums for a Separate Account are generally between \$20 and \$30 million, depending upon the strategy. The typical minimum initial investment for Private Funds is \$1 million. These minimums may be waived in the discretion of Numeric and generally are waived for Insiders as defined in Item 5. Certain Mutual Funds may require a minimum initial investment and/or impose sales charges, both of which may vary by share class and be subject to waiver or reduction on terms set forth in the Mutual Fund governing documents.

To establish a Separate Account, Numeric generally requires the prospective client to execute an investment management agreement that sets forth the terms under which Numeric will provide its services.

To invest in a Private Fund, Numeric generally requires the prospective investor to complete and submit a subscription agreement binding them to the terms of a Private Fund's governing documents. Certain Private Funds admit only sophisticated U.S. taxable investors that are "accredited investors," as defined in Rule 501(a) of Regulation D under the Securities Act of 1933, and generally "qualified clients" as defined in Rule 205-3 of the Advisers Act (or "knowledgeable employees", as defined in the Investment Company Act) and the rules thereunder. Other Private Funds admit only sophisticated non-U.S. investors, or sophisticated U.S. tax-exempt investors that are "accredited investors" and generally "qualified clients." Private Funds may further limit investment to persons who are "qualified eligible persons" as defined in Rule 4.7 under the Commodity Exchange Act. Other limitations on establishing a Separate Account or investing in a Private Fund also may apply.

The Mutual Funds sub-advised by Numeric may be offered through financial intermediaries such as registered investment advisers, broker-dealers and other financial services organizations, including certain banks and bank trust departments. To invest in a Mutual Fund, please consult the Mutual Fund's prospectus and SAI, which can be obtained as described in Item 5.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**A. Methods of Analysis and Investment Strategies**

Numeric will generally, but may not always, employ quantitative models to select investments. There can be no assurance that these models will operate correctly or as expected in all market conditions.

A broad summary of Numeric's proprietary models follows:

- Valuation Models – designed to capture excess returns due to investor overreaction in the marketplace by combining model outputs from various proprietary valuation models.
- Information Flow Models – designed to capture catalysts in a stock's price. These models capture trends in prices and earnings as well as assess the quality of a company's financial statements.

All portfolios at Numeric are team managed under the direction of Robert Furdak, co-Chief Investment Officer & Head of Portfolio Management. Each Private Fund is managed by Numeric in accordance with the investment objectives and strategies disclosed in the applicable Private Fund's governing documents. Investors and prospective investors in a Private Fund should consult the relevant governing documents to see which methods of analysis, investment strategies and risks are most relevant to that Private Fund. Numeric manages each Separate Account client in accordance with the terms of the investment management agreement and any other contractual arrangements between Numeric and such client. Numeric provides portfolio management services to Mutual Funds in accordance with each Mutual Fund's unique investment objective, policies and strategies, as well as any more specific parameters established by the Mutual Fund's investment adviser or board for a particular sub-adviser. Please see the applicable Mutual Fund's prospectus and SAI for a more complete discussion.

The entire investment process is overseen by the Investment Committee, which includes the Chief Investment Officers, senior investment professionals, and the Head of Trading.

Risk is managed by the portfolio managers and overseen by the Investment Committee. We have both internally and externally developed real-time risk monitors to predict and measure intended/unintended risks in the portfolio. In addition to real-time risk monitors, we also utilize internally developed risk models and compliance systems to monitor the portfolios. Portfolio managers review these models and the Compliance Team reviews the compliance systems on a daily basis. These risk parameters are incorporated into our daily quantitative model process to prevent the taking of unintended risks.

We address risk controls in three distinct areas: Alpha Construction, Portfolio Construction and Analytics/Compliance. Risk is controlled through portfolio construction rules, which are designed to result in a predictable performance tracking error range assuming overall market volatility remains relatively stable.

All portfolio managers and research analysts involved with each strategy review daily monitors prior to the market open to ensure the accounts are within appropriate risk levels. External risk tools include MSCI Barra. Internal risk systems are designed and monitored by Numeric employees not involved in the investment decision-making process. Further, reports/holdings/risk exposures are run daily and accessible for review across the firm.

In addition, there is an independent review of compliance with client investment guidelines and restrictions conducted by the Compliance Team and any infractions are recorded and reported to the portfolio managers and the Investment Committee.

B. Material, Significant or Unusual Risks Relating to Investment Strategies

Leverage. Certain Private Fund and Separate Account portfolios may utilize leverage. Leverage creates an opportunity for increased net income or capital appreciation but also creates special risk considerations. Leveraging will generally exaggerate the effect on the Private Fund or Separate Account client portfolio's value of any increase or decrease in the market value of the Private Fund's investments. Leveraging will create interest expenses for the Private Fund or Separate Account portfolio which can exceed the investment return from the borrowed funds. In this instance, the Private Fund or Separate Account's investment return will be greater if leverage were not used.

Short Sales. Certain Private Fund and Separate Account portfolios may engage in short sales by selling securities not owned at the time of the sale. The Private Fund or Separate Account is then obligated to purchase and deliver securities against the short position. In the event that the price of a security increase between the short sale and the Private Fund or Separate Account's subsequent purchase of shares of that security, the Private Fund or Separate Account will suffer a loss on that transaction and the value of the Private Fund or Separate Account will decrease accordingly. There can be no assurance that a Private Fund or Separate Account utilizing short sales will not suffer losses.

Foreign Currency. The value of foreign currencies relative to the U.S. dollar varies continually, causing changes in the dollar value of a Private Fund or Separate Account portfolio (even if the local market price of the investments is unchanged) and changes in the dollar value of a Private Fund or Separate Account portfolio's income available for distribution. The effect of changes in the dollar value of a foreign currency on the dollar value of a Private Fund's or Separate Account portfolio's assets and on the net investment income available for distribution may be favorable or unfavorable. A Private Fund or Separate Account portfolio will incur costs in connection with conversions between various currencies.

Derivatives. Certain Private Fund and Separate Account portfolios may invest in derivatives. Derivatives involve a number of risks including possible default by the other party to the transaction, illiquidity and, to the extent Numeric's view of certain market, interest rate or currency exchange rate movements is incorrect, the risk that the use of such derivatives could result in losses greater than if they had not been used. The writing of put and call options may result in losses to a Private Fund or Separate Account, force the purchase or sale, respectively, of portfolio securities at inopportune times or for prices higher than (in the case of purchases due to the exercise of put options) or lower than (in the case of sales due to the exercise of call options) current market values, limit the amount of appreciation the Private Fund or Separate Account can realize on its investments or cause the Private Fund or Separate Account to hold a security it might otherwise sell or sell a security it might otherwise hold.

Exchange Traded Funds. The risks of owning an exchange traded fund ("ETF") generally reflect the risk of owning the underlying securities they are designed to track, although lack of liquidity in an ETF could result in it being more volatile than the underlying securities and ETFs have management fees that increase their costs. As a shareholder of an ETF, a Private Fund or Separate Account portfolio would bear its *pro rata* portion of the ETF's expenses, including advisory fees. These expenses would be in addition to the fees and other expenses that a Private Fund or Separate Account bears directly in connection with its own operations. Investing in securities involves the risk of loss. Clients should be aware that past performance is not a guarantee of future results.

General Economic and Market Conditions. The success of a Private Fund's or Separate Account portfolio's investments may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, currency exchange rates and controls and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of security prices and the liquidity and the value of the securities held by a Private Fund or Separate Account portfolio. Unexpected volatility or illiquidity could impair a Private Fund's or Separate Account portfolio's profitability or result in its suffering losses.

In addition, the world's financial markets in recent history have experienced significant turmoil, resulting in reductions in available credit, significantly increased costs of credit, depression in equity values and the re-alignment of major investment banks and other financial institutions. These events have materially and adversely impacted the availability of financing to a wide variety of businesses, including hedge funds and other investment funds, and their portfolio companies. As a consequence, the global market has experienced a significant downturn in initial public offerings as well as merger and acquisition activities. The current state of the world's financial markets could have a material and adverse impact on a Private Fund or Separate Account portfolio and its investments, including their ability to obtain leverage where appropriate and/or identify and execute transactions and carry out a Private Fund's or Separate Account portfolio's objectives.

Model and Data Risk. Numeric relies heavily on quantitative models (both proprietary models developed by Numeric, and those supplied by third parties collectively “Models”) and information and data both developed by Numeric and those supplied by third parties (collectively “Data”) rather than granting trade-by-trade discretion to Numeric's investment professionals. Models and Data are used to construct sets of transactions and investments, to value investments or potential investments (including without limitation for trading purposes, and for the purposes of determining the Net Asset Value of the Account), to provide risk management insights and to assist in hedging the Account's investments. Models and Data are known to have errors, omissions, imperfections and malfunctions (collectively, “System Events”). System Events in third-party Models are generally entirely outside of the control of Numeric.

Numeric seeks to reduce the incidence and impact of System Events through a certain degree of internal testing and real-time monitoring, and the use of independent safeguards in the overall portfolio management system and often, with respect to proprietary models, in the software code itself. Despite such testing, monitoring and independent safeguards, System Events will result in, among other things, the execution of unanticipated trades, the failure to execute anticipated trades, delays to the execution of anticipated trades, the failure to properly allocate trades, the failure to properly gather and organize available data, the failure to take certain hedging or risk reducing actions and/or the taking of actions which increase certain risk(s)—all of which may have materially negative effects on the Account and/or its returns.

The Investment Strategies of Numeric are highly reliant on the gathering, cleaning, culling and analysis of large amounts of Data. Accordingly, Models rely heavily on appropriate Data inputs. However, it is not possible or practicable to factor all relevant, available Data into forecasts and/or trading decisions of the Models. Numeric will use its discretion to determine what Data to gather with respect to each Investment Strategy and what subset of that Data the Models take into account to produce forecasts which may have an impact on ultimate trading decisions. In addition, due to the automated nature of Data gathering, the volume and depth of Data available, the complexity and often manual nature of Data cleaning, and the fact that the substantial majority of Data comes from third-party sources, it is inevitable that not all desired and/or relevant Data will be available to, or processed by, Numeric at all times. If incorrect Data is fed into even a well-founded Model, it may lead to a System Event subjecting the Account to loss. Further, even if Data is input correctly, “model prices” anticipated by the Data through the Models may differ substantially from market prices, especially for securities with complex characteristics, such as derivatives.

Where incorrect or incomplete Data is available, Numeric may, and often will, continue to generate forecasts and make trading decisions based on the Data available to it. Additionally, Numeric may determine that certain available Data, while potentially useful in generating forecasts and/or making trade decisions, is not cost effective to gather due to either the technology costs or third-party vendor costs and, in such cases, Numeric will not utilize such Data. Clients should be aware that there is no guarantee that any specific Data or type of Data will be utilized in generating forecasts or making trading decisions with respect to the Models, nor is there any guarantee that the Data actually utilized in generating forecasts or making trading decisions underlying the Models will

be (i) the most accurate data available or (ii) free of errors. Clients should assume that the Data set used in connection with the Models is limited and should understand that the foregoing risks associated with gathering, cleaning, culling and analysis of large amounts of Data are an inherent part of investing with a process-driven, systematic adviser such as Numeric.

When Models and Data prove to be incorrect, misleading or incomplete, any decisions made in reliance thereon expose the Account to potential risks. For example, by relying on Models and Data, Numeric may be induced to buy certain investments at prices that are too high, to sell certain other investments at prices that are too low, or to miss favorable opportunities altogether. Similarly, any hedging based on faulty Models and Data may prove to be unsuccessful and when determining the Net Asset Value of the Account, any valuations of the Account's investments that are based on valuation Models may prove to be incorrect. In addition, Models may incorrectly forecast future behavior, leading to potential losses on a cash flow and/or a mark-to-market basis. Furthermore, in unforeseen or certain low-probability scenarios (often involving a market disruption of some kind), Models may produce unexpected results which may or may not be System Events. Errors in Models and Data are often extremely difficult to detect, and, in the case of proprietary models and third-party models, the difficulty of detecting System Events may be exacerbated by the lack of design documents or specifications. Regardless of how difficult their detection appears in retrospect, some System Events will go undetected for long periods of time and some will never be detected. The degradation or impact caused by these System Events can compound over time. Finally, Numeric will detect certain System Events that it chooses, in its sole discretion, not to address or fix, and the third party software will lead to System Events known to Numeric that it chooses, in its sole discretion, not to address or fix. Numeric believes that the testing and monitoring performed on its models and third party models will enable Numeric to identify and address those System Events that a prudent person managing a process-driven, systematic and computerized investment program would identify and address by correcting the underlying issue(s) giving rise to the System Events or limiting the use of proprietary and third party models, generally or in a particular application. Clients should assume that System Events and their ensuing risks and impact are an inherent part of investing with a process-driven, systematic investment manager such as Numeric. Accordingly, Numeric does not expect to disclose discovered System Events to the Client.

The Account will bear the risks associated with the reliance on Models and Data including that the Account will bear all losses related to System Events unless otherwise determined by Numeric in accordance with its internal policies or as may be required by applicable law.

Obsolescence Risk. Numeric is unlikely to be successful in its quantitative trading strategies unless the assumptions underlying the Models are realistic and either remain realistic and relevant in the future or are adjusted to account for changes in the overall market environment. If such assumptions are inaccurate or become inaccurate and are not promptly adjusted, it is likely that profitable trading signals will not be generated. If and to the extent that the Models do not reflect certain factors, and Numeric does not successfully address such omission through its testing and evaluation and modify the Models accordingly, major losses may result all of which will be borne by

the Account. Numeric will continue to test, evaluate and add new Models which may lead to the Models being modified from time to time. Any modification of the Models or strategies will not be subject to any requirement that clients receive notice of the change or that they consent to it. There can be no assurance as to the effects (positive or negative) of any modification to the Models or Investment Strategies on the Account's performance.

Crowding/Convergence. There is significant competition among quantitatively-focused managers and the ability of Numeric to deliver returns that have a low correlation with global aggregate equity markets and other hedge funds is dependent on their ability to employ Models that are simultaneously profitable and differentiated from those employed by other managers. To the extent that Numeric is not able to develop sufficiently differentiated Models, the Account's investment objective may not be met, irrespective of whether the Models are profitable in an absolute sense. In addition, to the extent that the Models come to resemble those employed by other managers, there is an risk that a market disruption may negatively affect predictive Models such as those employed by the Account is increased, as such a disruption could accelerate reductions in liquidity or rapid re-pricing due to simultaneous trading across a number of funds utilizing Models (or similar quantitatively focused investment strategies) in the marketplace.

Involuntary Disclosure Risk. The ability of Numeric to achieve its investment goals for the Account is dependent in large part on its ability to develop and protect its models and proprietary research. The models and proprietary research and the Models and Data are largely protected by Numeric through the use of policies, procedures, agreements, and similar measures designed to create and enforce robust confidentiality, non-disclosure, and similar safeguards. However, aggressive position-level public disclosure obligations (or disclosure obligations to exchanges or regulators with insufficient privacy safeguards) could lead to opportunities for competitors to reverse-engineer Numeric's models, and thereby impair the relative or absolute performance of the Account.

Trade Error Risk. The complex trading programs operated by Numeric and the volume of transactions invariably result in occasional trades being executed which, with the benefit of hindsight, were not required by the trading program. To the extent an error is caused by a counterparty, such as a broker, Numeric generally attempts to recover any loss associated with such error from such counterparty. To the extent an error is caused by Numeric, a formalized process is in place for the resolution of such errors. Given the volume, diversity and complexity of transactions executed by Numeric on behalf of the Account, the Client should assume that trading errors (and similar errors) will occur. If such errors result in gains to the Account, such gains will be retained by the Account. However, if such errors result in losses, they will be borne by Numeric in accordance with its internal policies.

Turnover and Trading Costs. The investment strategy to be employed by a Private Fund or a Separate Account portfolio will result in the portfolio having a high degree of turnover which will result in higher transaction costs than would be the case if a Private Fund or Separate Account portfolio employed a buy-and-hold strategy. The transaction costs associated with an active trading

strategy may lower returns. If a Private Fund or Separate Account portfolio is successful, it will also generate significant amounts of short-term capital gain related to the sale of securities held for less than one year and relatively little long-term gain, which may have disadvantageous tax consequences for a Private Fund or a Separate Account. Furthermore, trading costs outside the United States are typically higher than those found in the United States.

Limitations of Risk Disclosures. The above discussions of the various risks associated with an investment with Numeric are not, and are not intended to be, a complete enumeration or explanation of the risks involved in an investment. Private Fund investors should refer to their offering documents, and consult with their own advisors before deciding whether to invest.

Mutual Funds. The risks associated with investing in a Mutual Fund will vary depending on its investment objective, policies and strategies. Many of the above risks are applicable to the portion of the Mutual Fund's portfolio sub-advised by Numeric. However, certain restrictions and limitations under the Investment Company Act applicable to the management of mutual funds will cause these risks to vary. Also, the aggregate risks of a multi-manager Mutual Fund may be very different from the risks associated with the sleeve of the Mutual Fund's portfolio sub-advised by Numeric. For a more complete description of the applicable risks, please see the applicable Mutual Fund's prospectus and SAI, which can be obtained as described in Item 5.

Non-Discretionary Investment Advice. When providing non-discretionary investment advice to a client, Numeric makes recommendations and the client is solely responsible for making all security purchase and sale decisions for and on behalf of its own accounts or its clients' accounts. There is a potential disadvantage related to the timing of the delivery of Numeric's recommendations. A delay between a client's receipt of Numeric's recommendations and the client's execution of a particular transaction may render some or all of Numeric's recommendations obsolete due to potential market or issuer events. In addition, Numeric may buy or sell positions in securities included in its recommendations for itself or other clients prior to, at the same time as or after the time that Numeric makes such recommendations. Such transactions could impact the prices at which a client is able to effect transactions based on Numeric's recommendations. As of the date that the transactions are executed, the recommendations may no longer reflect Numeric's ideal recommendations due to changes in market activity or Numeric's outlook.

ITEM 9: DISCIPLINARY INFORMATION

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

On September 7, 2006, the SEC instituted and simultaneously settled Administrative and Cease-and-Desist proceedings against Numeric in connection with Numeric's provision of investment

advisory services to RBB Fund, Inc. (“RBB”). The SEC found that Numeric improperly received more than \$919,000 in performance-based fees from n/i Small Cap Value Fund (the “Small Cap Fund”), one of RBB’s portfolio funds. The SEC found that Numeric’s advisory contract with the Small Cap Fund did not provide for assessing the performance-related portion of its total advisory fee against the Small Cap Fund’s average net assets over the same period in which performance was measured, in violation of Section 205(a) of the Advisers Act.

Upon notification by the SEC that Numeric was charging the Small Cap Fund a total advisory fee based on a method that did not comply with Section 205, Numeric’s management discontinued the method and subsequently reimbursed the Small Cap Value Fund in December 2006, \$919,857 plus interest of \$110,230, for a total payment of \$1,030,087.

In addition, the SEC found that Numeric used the same method of calculating its performance fees for two other portfolio funds of RBB, resulting in underpayments to Numeric. Upon notification by the SEC of such finding, Numeric discontinued this method of performance fee calculation for the other two funds. However, Numeric did not seek reimbursement from either of the two funds for any underpayments.

Numeric settled this matter with the SEC, pursuant to which the SEC issued an order in which Numeric neither admitted nor denied the SEC’s findings. The order censured Numeric and required it to cease-and-desist from committing or causing violations of Section 205(a) of the Advisers Act.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Broker-Dealer Registration Status

Numeric is not registered as a broker-dealer and does not have any application pending to register with the SEC as a broker-dealer. Numeric utilizes the sales team of its affiliate, Man Investments Inc. (“MII”), to assist in the marketing of its investment services. MII is a limited purpose broker-dealer registered with the SEC and a member of Financial Industry Regulatory Authority, Inc. (“FINRA”). MII may act as a solicitor for Separate Accounts or a solicitor, selling agent and/or investor servicing agent for certain of the Private Funds for which it may or may not be compensated.

B. Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Adviser Registration Status

Numeric is registered with the U.S. Commodity Futures Trading Commission (“CFTC”) as a commodity pool operator (“CPO”) and a member of the National Futures Association (“NFA”). Certain Numeric employees are registered as “associated persons” or “principals” of Numeric in its capacity as a CPO.

C. Material Relationships or Arrangements with Industry Participants

Numeric is affiliated with the following London based entities that are authorized and regulated by the Financial Conduct Authority: AHL Partners LLP, an investment adviser registered with the SEC, a commodity trading adviser and commodity pool operator registered with the CFTC and a member of the NFA; GLG Partners International Limited, an investment adviser registered with the SEC; and GLG Partners LP, an investment adviser registered with the SEC, a commodity pool operator registered with the CFTC and a member of the NFA. Numeric is also affiliated with FRM Investment Management Limited, an exempt reporting adviser based in Guernsey and regulated by the Guernsey Financial Services Commission. FRM Investment Management Limited may, on behalf of its clients and/or funds, invest in the funds advised by Numeric or its affiliates. Nevertheless, FRM Investment Management Limited undergoes the same due diligence process for investments it considers in funds advised by Numeric as it would for unaffiliated funds. Numeric is also affiliated with Man Investments AG (“MIAG”), located in Switzerland and registered with the Swiss Financial Market Supervisory Authority as a Representative. Numeric has entered into a distribution agreement with MIAG and certain other Man Group plc companies, as listed in the Global Distribution agreement, as amended from time to time.

Furthermore, Numeric is affiliated with the following New York based entities: Man Investments Inc., a limited purpose broker dealer registered with the SEC and member of FINRA, which provides placement agent services to certain of the Private Funds; GLG LLC an investment adviser registered with the SEC; and FRM Investment Management (USA) LLC, an investment adviser registered with the SEC, a commodity trading adviser and commodity pool operator registered with the CFTC and a member of the NFA. Numeric is also affiliated with Connecticut based Silvermine Capital Management, LLC, an investment adviser registered with the SEC and a commodity pool operator registered with the CFTC and a member of the NFA.

Numeric may utilize investment management, research and trading services of certain of its affiliates in providing services to its clients. In addition, Numeric’s affiliates may utilize its investment management, research and trading services in providing services to their clients.

Numeric, its affiliates and its personnel serve as investment advisers and investment managers to multiple pooled investment vehicles and managed accounts. Numeric, its affiliates and its personnel may take action or give advice with respect to certain clients and accounts that differs from the advice given to other clients and accounts. Numeric, its affiliates and its personnel will devote as much time to the activities of each client or account as they deem necessary and appropriate and the amount of time devoted to different clients and accounts may vary.

In addition to providing investment advisory services, Numeric sponsors the Private Funds, each of which is an unregistered commingled investment fund. Numeric serves as general partner of the Private Funds that are structured as limited partnerships and, as such, receives the management fee

for its services. Certain Private Funds pay performance-based compensation to Numeric. Please see our discussion of performance-based compensation in Item 5 above.

D. Material Conflicts of Interest Relating to Other Investment Advisers

Numeric does not recommend or select other third-party investment advisers for its clients.

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

A. Code of Ethics

Potential and actual conflicts of interest may arise from the activities described herein. Numeric has established policies and procedures to monitor and to the extent possible resolve conflicts and will endeavor to resolve conflicts with respect to investment opportunities in a manner it deems equitable to the extent possible under the prevailing facts and circumstances.

Numeric strives to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, honesty and trust. Accordingly, Numeric has adopted a Code of Ethics pursuant to the Advisers Act that is applicable to all of Numeric's employees. The Code of Ethics contains policies and procedures that, among other things:

- Require employees to observe fiduciary duties owed to clients;
- Prohibit employees from taking personal advantage of opportunities belonging to clients;
- Prohibit trading on the basis of material nonpublic information;
- Place limitations on personal trading by employees and impose pre-clearance and reporting obligations with respect to such trading (except for US open-ended mutual funds, US Treasury securities, or other investments listed in the Code of Ethics);
- Impose limitations on the giving or receiving of gifts and entertainment;
- Restrict employees' outside business activities;
- Require pre-clearance on political contributions; and
- Prohibit disclosure by employees of confidential information of Numeric and its clients.

Numeric's employees are also subject to the prohibition on trading on the basis of material nonpublic information and to the limitations and pre-clearance requirements on personal trading. Employee personal trades in securities covered by the Code of Ethics are monitored by the Chief Compliance Officer or designee and governed by the procedures set forth in the Code of Ethics. Employees may from time to time have proprietary investments in which clients advised or sub-advised by Numeric also take a position, may trade and invest simultaneously with such clients, and may take investment positions that are different from or opposite to the positions taken by such clients. In general, all personal securities transactions (except for US open-ended mutual funds, US

Treasury securities, or other permitted investments listed in the Code of Ethics) are subject to pre-clearance by the Chief Compliance Officer, or designee. A copy of Numeric's Code of Ethics is available to clients and prospective clients upon request.

Furthermore, Numeric has adopted procedures to prevent and detect misuse of material nonpublic information. Specifically, Numeric's procedures prohibit any employee from trading, either personally or on behalf of others (such as client accounts advised or sub-advised by Numeric), while in possession of material, nonpublic information, and prohibit employees from communicating material, nonpublic information to others in violation of the law.

From time to time, as part of its business activities, Numeric or its affiliates may come into possession of non-public information concerning specific issuers. Under applicable laws and Numeric's procedures, this may limit Numeric's flexibility to buy or sell securities of such issuers.

Certain accounts managed by Numeric are subject to Man's Cluster Munitions and Anti-Personnel Mines Policy, which is designed to ensure compliance with The Convention on Cluster Munitions and relevant laws. This may limit Numeric's flexibility to buy or sell securities of issuers that, among a range of other activities, are involved in cluster munitions or anti-personnel mines related activity for these accounts.

Related persons and personnel of Numeric and its affiliates (the "Advisory Affiliates") may invest in or have a financial interest in the Funds and may not invest in all such Funds. It is expected that the size of these investments or the financial interest will change over time. Potential conflicts may arise due to the fact that the Advisory Affiliates may have investments or financial interests in some Funds but not in others or may have different levels of investments or financial interests in various Funds, and because the Funds may pay different levels of fees.

In addition, certain Advisory Affiliates may from time to time make personal investments in securities or financial instruments which may be appropriate for, may be held by, or may fall within client investment guidelines. Such Advisory Affiliates may buy, sell, or hold securities or other financial instruments for their own accounts while entering into different investment decisions for one or more clients. These activities may adversely affect the prices and availability of securities or financial instruments held by or potentially considered for one or more clients.

From time to time, Numeric or Advisory Affiliates may form and manage additional pooled investment vehicles and advise other client accounts with similar or different investment strategies as the Funds or Separate Accounts currently advised or sub-advised by Numeric. It may be appropriate for more than one Fund or Separate Account advised by Numeric to trade in the same securities at the same time. Numeric has policies and procedures regarding such trades.

B. Securities in Which Numeric or a Related Person Has a Material Financial Interest

As noted in Items 5 and 10, Numeric acts as either general partner or investment manager to each of the Private Funds sponsored by Numeric. For its services as general partner or investment manager, Numeric generally receives a management fee calculated as a percentage of the Private Fund's net assets and, in most cases, a performance-based fee. Also, certain of Numeric's current and former directors, Employees, affiliates and their family members (as well as the directors or senior management of TA and their family members) have accounts advised by Numeric ("Affiliate Accounts") that are permitted to own, buy and/or sell interests in the Private Funds. Accordingly, Numeric and its Affiliate Accounts may from time to time have a substantial interest in certain of the Funds managed by the Numeric which could create an incentive for Numeric to favor such Private Funds over other Private Funds and Separate Account clients. If Numeric's or its Affiliate Accounts' interests in a Private Fund or Separate Account are substantial, such Private Fund or Separate Account may also be treated as an Affiliated Account for certain purposes. Affiliated Accounts may have more restrictions than non-affiliated accounts due to their relationship with Numeric. Please see Item 10 above for more details about our Private Funds.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Numeric's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Numeric will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a *pro rata* basis. Any exceptions will be explained on the order.

Numeric may engage in securities "crosses" among portfolios managed by Numeric. Such crosses are executed when Numeric determines that it is appropriate for one or more clients to purchase securities from another client to rebalance portfolios, execute contributions or withdrawals or modify sector exposure or for other reasons. Crosses are executed only in accordance with any client or regulatory restrictions.

C. Investing in Securities that the Investment Adviser or a Related Person Recommends to Clients

The Code of Ethics places restrictions on personal trades by employees, including that they disclose their personal securities holdings and transactions to Numeric on a periodic basis, and requires that employees pre-clear certain types of personal securities transactions. Generally, and subject to certain exceptions, Numeric's employees may not engage in personal securities trading without pre-clearance. Accordingly, under certain circumstances, Numeric, its affiliates and its employees may invest on behalf of themselves in securities and other instruments that would be appropriate for, held by, or may fall within the investment guidelines of clients.

Numeric, its affiliates and its employees may give advice or take action for their own accounts that may differ from, conflict with or be adverse to advice given or action taken for clients. These activities may adversely affect the prices and availability of other securities or instruments held by or potentially considered for one or more clients. Potential conflicts also may arise due to the fact that Numeric and its personnel may have investments in some Private Funds but not in others or may have different levels of investments in the various Private Funds.

Numeric has established policies and procedures to monitor and resolve conflicts with respect to investment opportunities in a manner it deems fair and equitable, including the restrictions placed on personal trading in the Code of Ethics, as described above, and regular monitoring of employee transactions and trading patterns for actual or perceived conflicts of interest, including those conflicts that may arise as a result of personal trades in the same or similar securities made at or about the same time as client trades.

D. Conflicts of Interest Created by Contemporaneous Trading

Under certain circumstances, Numeric may take inconsistent positions in the same security on a particular trading day. This can happen in one of two cases:

- account rebalancing (for example, in connection with a contribution or withdrawal or the commencement or termination of an account); or
- our investment models provide conflicting signals (buy or sell) for different strategies with different objectives.

In the former case, these transactions are client directed. In the latter case, these situations can arise, for example, when the model for a strategy that is focused on longer-term valuation might be positive for a particular stock at the same time that the model for a strategy that is focused on shorter-term momentum is negative.

In order to mitigate potential conflicts that arise from these situations, Numeric has implemented two controls. The first is a pre-trade check that warns a portfolio manager if he or she has placed an order that is contrary to the model for the applicable strategy. When such an order is placed, the system will not allow the order to proceed without being expressly overridden in the order management system. This check is designed to ensure that conflicting orders in the same strategy (for example, in the case of a contribution, withdrawal or commencement or termination of an account) are intentional and not the result of an error. In addition to the pre-trade check, we ensure that opposite way trades that are handled manually are never handled by the same trader and opposite way trades that are handled algorithmically are handled through tools that cannot favor one account to the detriment of another.

Numeric will have no obligation to purchase or sell a security for, enter into a transaction on behalf of, or provide an investment opportunity to any client solely because Numeric purchases or sells

the same security for, enters into a transaction on behalf of, or provides an opportunity to any client if, in its reasonable opinion, such security, transaction or investment opportunity does not appear to be suitable, practical or desirable for the client.

ITEM 12: BROKERAGE PRACTICES

A. Factors Considered in Broker Selection

Numeric will place orders for the execution of transactions for client accounts in accordance with its best execution policies, which take into account a number of factors including, among other things, commission rates (and other transactional charges), the broker's financial strength, ability to commit capital, stability and responsibility, reputation, reliability, overall past performance of services, research capability and coverage, responsiveness to Numeric as well as means of communication, quality of recommendations, deal calendar, ability to execute trades based on the characteristics of a particular trade, technology and trading systems, trading activity in a particular security, block trading and block positioning capabilities, nature and frequency of sales coverage, net price, depth of available services, arbitrage operations, bond capability and options operations, investment banking coverage, capacity of syndicate operations, the availability of stocks to borrow for short trades, willingness to execute related or unrelated difficult transactions, order of call, back office, settlement processing and special execution capabilities, efficiency and speed of execution, and error resolution. Accordingly, transactions will not always be executed at the lowest available price or commission.

Numeric does not adhere to any rigid formulas in selecting brokers, but weighs a combination of factors. There is, however, no formulaic correlation between this evaluation and the allocations of brokerage for client accounts advised or sub-advised by Numeric. Because of the range of factors considered by Numeric, it is possible that Numeric's clients may pay brokerage commissions in excess of that which another broker might have charged for effecting the same transaction. Nevertheless, Numeric will make a good faith determination that the amount of commission is reasonable in relation to the value of the products and services received, the broker's execution ability, and other factors.

1. ***Research and Soft Dollar Benefits.*** Ongoing research and live data feeds are critical elements of Numeric's investment management process. Accordingly, Numeric is a significant user of broker-provided research and brokerage related products and services which assist Numeric in carrying out its investment decision making responsibilities. These services may include, but are not limited to, research, data feeds, and analytical software. Numeric adheres to Section 28(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") in connection with its use of soft dollars. In some cases, Numeric acquires a research product or service with soft dollars which also has non-research uses. In these cases, Numeric makes a reasonable allocation of the cost of the product or service according to its use. That portion of the product or service which provides administrative or other non-research services is paid for by Numeric in hard dollars. Soft dollar services include the following, among other services:

- indices data
- pricing data
- equity research analysis
- research newsletters
- exchange data (*e.g.*, Bloomberg)
- news services
- SWIFT fees
- FIX engine
- EDGAR data
- Trade affirmation fees
- SAS Sunfire

Soft dollars earned may be used for the benefit of accounts over which Numeric has investment discretion that did not participate in a particular trade, or for the benefit of an account or accounts that have not generated or do not generate soft dollar credits (*i.e.*, do not pay the portion of the commission attributable to research and brokerage related services). Numeric reserves the right to charge such accounts a higher fee. Numeric also reserves the right to purchase (and from time to time purchases) research and brokerage related services with “hard dollars”.

All research services received from broker-dealers to whom commissions are paid are used collectively. There is no direct relationship between commissions received by a broker-dealer from a particular client’s transactions and the use of any or all of that broker-dealer’s research material in relation to that client’s account. Numeric may cause a client to pay a broker-dealer a brokerage commission in excess of that which another broker-dealer might have charged for the same transaction in recognition of research and brokerage related services provided by the broker-dealer.

Numeric may share products and/or services obtained with commissions generated by trades made by Numeric clients with certain of its affiliates to be used in servicing such affiliate’s clients. Numeric may also receive products and/or services obtained with commissions generated by trades of such affiliate’s clients that it will use in servicing its clients.

Soft dollar arrangements present a potential conflict of interest. When soft dollar arrangements are not used, research and brokerage services are treated as a direct expense of the investment adviser. When soft dollar arrangements are used, such services are paid for with commissions on client transactions. As a result an investment adviser may have an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products, rather than on the client’s interest in receiving most favorable execution. To mitigate this potential conflict, Numeric actively manages its soft dollar budget to ensure compliance with Section 28(e) of the Exchange Act and to ensure that the overall expenditures are reasonable in relation to Numeric’s business.

2. **Brokerage for Client Referrals.** Numeric does not receive client referrals from any broker-dealers or third parties with which it trades, so no such referrals are considered by Numeric when selecting or recommending broker-dealers to clients. Subject to best execution, Numeric may consider, among other things, capital introduction and marketing assistance with respect to investors in the Funds in selecting or recommending broker-dealers for the Funds.

3. **Directed Brokerage.** Numeric does not accept client-directed brokerage (“Directed Brokerage”). Notwithstanding the foregoing, Numeric is able to accommodate clients with limited restrictions on their ability to trade with certain brokers (*e.g.*, affiliates, fiduciaries or other brokers due to legal or regulatory considerations). However, it should be understood that such arrangements could result in investment performance that is different, and potentially lower than, that of other accounts in the same strategy. Directed Brokerage can result in a client paying higher commissions than would be the case if Numeric were able to select brokers freely. Directed Brokerage in many cases would limit Numeric’s ability to negotiate commissions for all clients and its ability to aggregate orders, resulting in an inability to obtain volume discounts or best execution for the client in some transactions.

B. Trade Aggregation and Allocation

Numeric has established policies and procedures for, and engages in, the aggregation and allocation of trades for its clients. As a general principle, Numeric seeks to allocate trading and investment opportunities among all accounts in a manner it deems equitable over time. However, there can be no assurance that any Separate Account client or Fund will participate in any particular trade or investment opportunity on an equal or *pro rata* basis with other clients. The Trade Aggregation and Allocation policies and procedures set forth the conditions that determine how Numeric will aggregate and/or allocate a given investment opportunity or trade among clients, including without limitation conditions relating to Investment Company Act restrictions on trade aggregation, the establishment of a trading threshold (*i.e.*, a percentage of predicted average daily trading volume of a security), the principles and exceptions to the policy and procedures, IPO allocations, eligibility to participate in IPOs, commingled fund IPO allocations and compliance review of the policies and procedures.

C. Incident Policy

In the event that Numeric experiences an error with respect to trades made on behalf of clients, a formalized process is in place for the resolution of such errors. Numeric will correct such error in accordance with its policies and procedures. If Numeric, in its sole discretion determines that a client should be reimbursed as a result of a trade error caused by Numeric, interest will generally not be paid on such losses.

The systematic approach to the investment strategies utilized by Numeric harnesses complex econometric and statistical theories, research and modeling which may result in “a system incident” (*e.g.*, errors regarding trading systems, coding/programming/modeling, etc.). Numeric will

correct such error in accordance with its policies and procedures. Any losses or gains arising from system incidents shall be borne by the Separate Account or Fund. The Separate Account or Fund will benefit from any gains and bear any losses unless it otherwise determined by Numeric.

ITEM 13: REVIEW OF ACCOUNTS

A. Frequency and Nature of Review of Client Accounts or Financial Plans

Ordinarily, the portfolios managed by Numeric on behalf of Funds and Separate Account clients are reviewed against Numeric's quantitative models and against client investment objectives and risk constraints every day before the market opens by portfolio managers for the appropriate investment strategy (the "Portfolio Management Team"). In addition, corporate and earnings news is received and interpreted as it happens during the day to identify specific stocks whose model scores may change enough to elicit a trade. A member of the Portfolio Management Team reviews all final model scores from the firm's quantitative models in order to determine that the inputs are accurate and the models were run correctly. All portfolios managed on behalf of Funds and Separate Accounts receive this treatment from the Portfolio Management Team.

Numeric has no specific policy with respect to the number of Fund or Separate Account client portfolios assigned to each reviewer. This varies depending on the nature and complexity of the portfolio.

In addition to the reviews performed by the Portfolio Management Team, Numeric's Compliance Team reviews portfolios for adherence with Fund and Separate Account client guidelines daily. A member of the Portfolio Management Team is responsible for entering new client guidelines and restrictions into our in-house, proprietary automated guideline monitoring application, which is integrated into our order management system. In addition to our in-house monitoring system, compliance with client guidelines and restrictions is monitored using third-party monitoring software. Reports from both monitoring systems are generated daily and any discrepancies are reconciled by the Compliance Team. All guideline exceptions are sent to the Portfolio Managers.

B. Factors Prompting Review of Client Accounts Other than a Periodic Review

A review of a client account may be triggered by changes in market conditions; change of security positions; changes in investment objectives or policies; capital inflows/outflows; and other reasons.

C. Content and Frequency of Account Reports to Clients

Most Separate Account clients receive performance and valuation reports each month with their portfolio's return and value for the preceding month. In some cases, preliminary returns are

provided to Separate Account clients. At the end of each quarter, such Separate Account clients receive a letter showing portfolio returns versus their benchmark's returns. In such letters, the portfolio's holdings may be compared with the benchmark's concentrations in each market sector.

Investors in each Private Fund receive, on a monthly basis, an unaudited calculation of the performance return earned by the Private Fund's portfolio during the quarter. These investors also receive audited financial information from the Private Fund on an annual basis.

All assets in the Private Fund and Separate Account client portfolios are maintained with prime brokers, broker-dealers, banks or other qualified custodians. Numeric's Separate Account clients are responsible for the selection and appointment of their own qualified custodians. Numeric forms a reasonable basis for belief, after due inquiry, that the custodian is obligated to send to its Separate Account client an account statement, at least quarterly, identifying the amount of funds and of each security in the account at the end of the period and setting forth all transactions in the account during that period. Some Separate Account clients request that, in addition to the statements they receive from their qualified custodians, Numeric separately provide account statements. When doing so, Numeric urges such clients to compare the account statements they receive from their qualified custodians with the statements they receive from Numeric.

Investors in Mutual Funds are entitled to receive, on a semi-annual basis, a report to shareholders containing information required by the Investment Company Act, including audited financial statements at least annually. The Investment Company Act also requires that a Mutual Fund's assets be maintained with a qualified custodian that is subject to board review and approval. For additional information regarding review and reporting of Mutual Funds, please see the applicable Mutual Fund's prospectus and SAI, which can be obtained as described in Item 5.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

A. Economic Benefits for Providing Services to Clients

Numeric does not receive economic benefits from non-clients for providing investment advice and other advisory services.

B. Compensation to Non-Supervised Persons for Client Referrals

From time to time, Numeric or its affiliates may engage affiliated and non-affiliated entities, which may include SEC-registered broker-dealers, to solicit investors or act as selling agent, marketing consultant or investor services agent for a Fund, for which such parties receive compensation. Such compensation generally may be an upfront selling commission, a percentage of the management fees and/or performance-based compensation earned by Numeric or any of its affiliates based on investments by such investors, ongoing services compensation, a fixed amount or other agreed upon compensation. Numeric or its affiliates may benefit from the arrangements where clients are referred directly to it and/or investors are referred directly to a Fund, since the management fees

are generally based upon a percentage of such client's assets under management. Thus the more assets Numeric or its affiliates has under management, the higher the management fee income. If applicable, any such arrangement with a third-party solicitor will comply with Rule 206(4)-3 under the Advisers Act.

MII, a U.S. based affiliate of Numeric, acts as a third-party solicitor for Separate Accounts and the selling agent and/or investor servicing agent for certain Private Funds in the U.S. Numeric may pay a portion of its fees to MII for its services. MII may also receive compensation directly from a Private Fund. In addition, MII has entered into agreements with other broker-dealers and certain financial advisers to solicit interests in Private Funds and/or to provide ongoing investor services and account maintenance services to investors. Each such broker-dealer and financial adviser generally receives compensation based on the aggregate value of outstanding interests held by investors that receive services from such persons, fixed amounts or other agreed upon compensation. Such compensation generally will be paid by MII from the fees that it receives from a Private Fund or Numeric.

Numeric has also entered into a distribution agreement with MIAG and certain other Man Group plc companies, as listed in the Global Distribution agreement, as amended from time to time.

ITEM 15: CUSTODY

As noted in Item 13, all of the Funds' and Separate Account clients' funds and securities are held by qualified custodians. Investors in the Private Funds receive the applicable Private Fund's annual financial statements audited by an independent public accounting firm. Investors in Mutual Funds receive the applicable Mutual Fund's annual financial statements audited by an independent public accounting firm in an annual shareholder report. Separate Account clients will typically receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains client's investment assets. Numeric urges clients to carefully review such reports or statements and, in the case of Private Fund investors and Separate Account clients, to compare such official custodial records to any account statements provided by Numeric. Numeric's statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Please see Item 13 for additional information.

With regards to the Private Funds organized as limited partnerships (the "LP Private Funds"), Numeric is subject to Rule 206(4)-2 under the Advisers Act (the "Custody Rule"). However, it is not required to comply (or is deemed to have complied) with certain requirements of the Custody Rule with respect to each LP Private Fund because it complies with the provisions of the so-called "Pooled Vehicle Annual Audit Exception", which, among other things, requires that each LP Private Fund be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that each LP Private Fund distribute its audited financial statements to all investors within 120 days of the end of its fiscal year.

Numeric generally does not have custody of the assets held by Separate Accounts. To the extent Numeric is deemed to have custody of a Separate Account's assets, Numeric is required to comply with the Custody Rule.

ITEM 16: INVESTMENT DISCRETION

Numeric usually receives discretionary authority from the Separate Account client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

Numeric exercises discretion in managing the investments of each Private Fund, based on the Private Fund's applicable investment objectives, policies and strategies set forth in its governing documents.

Numeric typically receives broad discretion from a Mutual Fund to select portfolio securities for a segment of the portfolio. However, Numeric must operate within each Mutual Fund's investment objectives, restrictions and policies, as well as any more specific parameters communicated to Numeric by the Mutual Fund's board or investment adviser. Numeric's discretion may also be limited by certain federal securities and tax laws applicable to Mutual Funds that, for example, require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to Numeric in writing.

ITEM 17: VOTING CLIENT SECURITIES

A. Proxy Voting

Numeric has adopted policies and procedures to ensure that any proxy voted on behalf of its clients is voted in a manner which is in the best interests of such clients.

Proxies may be voted for clients at Numeric's discretion, where Numeric has been specifically instructed by a client to vote proxies or where Numeric is required to vote a proxy for a client (each a "Proxy Client"). In such cases, proxies will be evaluated and voted in the best interest of the relevant Proxy Client(s) with the goal of increasing the overall economic value of the investment. It should be noted that there may be times whereby Portfolio Managers invest in the same securities/assets while managing different investment strategies and/or client accounts; accordingly, it may be appropriate in certain cases that such securities/assets are voted differently across different investment strategies and/or client accounts, based on their respective investment thesis and other portfolio considerations. Numeric will only vote proxies on securities currently held by clients. Proxies received for securities that are loaned will generally not be voted.

Numeric will endeavor to identify material conflicts of interest, if any, which may arise between Numeric and one or more issuers of clients' portfolio securities, with respect to votes proposed by and/or affecting such issuer(s), in order to ensure that all votes are voted in the overall best interest of clients. Numeric has established a Proxy Voting Committee to be responsible for resolving proxy voting issues when deemed necessary; making proxy voting decisions where a material conflict of interest may exist; monitoring compliance with the Global Proxy Voting Policy; and setting new and/or modifying existing policy.

In the case of ERISA Separate Account clients, if the Investment Management Agreement reserves to the ERISA client the authority to vote proxies when Numeric determines it has a material conflict that affects its best judgment as an ERISA fiduciary, Numeric will give the ERISA client the opportunity to vote the proxies themselves, or special ERISA proxy voting procedures must provide for a pre-determined voting policy that eliminates the discretion of Numeric when voting proxies if such a conflict exists.

Numeric has appointed, and will appoint from time to time, one or more proxy voting service companies, to provide it with proxy voting services for certain Proxy Clients. Where applicable, Numeric will generally vote proxies for the relevant Proxy Clients in accordance with the relevant proxy voting service company's proxy voting guidelines, unless otherwise specifically instructed to vote otherwise by the Proxy Client.

Such guidelines generally provide that (i) when the view of the company's management is favorable, Numeric will generally support current management initiatives with exceptions as noted below and (ii) when the view is that changes to the management structure would probably increase shareholder value, Numeric will not necessarily support current management initiatives. Exceptions in supporting current management initiatives may include:

- Where there is a clear conflict between management and shareholder interests, the Proxy Voting Guidelines may call to elect to vote against management.
- In general, the Proxy Voting Guidelines will call to oppose proposals that act to entrench management.
- In some instances, even though Numeric may support management, there may be corporate governance issues that, in spite of management objections, Numeric believes should be subject to shareholder approval.

Furthermore, with respect to certain proxy issues including, but not limited to, option re-pricing and the terms and conditions of members of the Board of Directors, Numeric may choose to vote on a case-by-case basis, which may be different from the recommendations set forth in relevant proxy voting guidelines. Nevertheless, in voting proxies, Numeric will take into account what is the overall best economic interest of its Proxy Clients. Numeric will maintain documentation memorializing the decision to vote a proxy in a manner different from what is stated in the relevant proxy voting guidelines.

Numeric may abstain from voting a proxy when it is determined that the cost of voting the proxy exceeds the expected benefit to the client. Documentation will be maintained of all proxies that are not voted for Proxy Clients and the reasons therefor where Numeric has been instructed by the Proxy Client to vote.

Separate Account clients may contact a member of Numeric's Client Service Group via e-mail: clientservice@numeric.com or via telephone at: (617) 897-7800, in order to obtain information on how Numeric voted such client's proxies, and to request a copy of these policies and procedures. If a Separate Account client requests this information, the Client Service Group will prepare a written response to the client that lists, with respect to each voted proxy that the client has inquired about:

- (1) the name of the issuer;
- (2) the proposal voted upon; and
- (3) how Numeric voted the client's proxy.

Numeric has authority to vote proxies on behalf of the Private Funds in accordance with Numeric's written proxy voting policy. Each Private Fund, acting through its general partner or board of directors, may request information from Numeric with respect to such Private Fund regarding how Numeric voted any proxies on behalf of the applicable Private Fund. Where Numeric votes proxies with respect to the assets of a Mutual Fund, it reports how it exercises such voting rights. Information regarding how each Mutual Fund voted proxies relating to portfolio securities held during its most recent 12-month period ended June 30 can be obtained from the EDGAR Database on the SEC's website at: <http://www.sec.gov>.

B. Class Actions and Securities Litigation

Where possible and practical, Numeric will generally participate in class actions on behalf of the Private Funds. Unless specifically stated in the client's investment management agreement, Numeric generally will not participate in class actions on behalf of Separate Accounts. Numeric utilizes the services of a third party class actions service provider to file claims and participate in class action settlements. Only current Private Fund investors will receive any proceeds received from class action recoveries. Investors that have fully redeemed will not receive any class action proceeds.

Numeric may from time to time receive notification of and/or determine to engage or participate in litigation regarding investments held in client accounts. It is Numeric's policy to review each lawsuit and to participate in those lawsuits where Numeric has made the determination that the potential benefit to its client(s) outweighs the costs of participation in the litigation. Any monies recovered as a result of any such litigation will be allocated on a pro rata or other appropriate basis to the client account(s) which hold/held the investment at issue. Numeric will not be responsible for reimbursing any client(s) or investor(s) who may have been invested during the period that is

the subject of any litigation but had redeemed or withdrawn such investment prior to such a recovery.

ITEM 18: FINANCIAL INFORMATION

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Numeric's financial condition. Numeric has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.