

Item I

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This Brochure provides information about the qualifications and business practices of Mako Investment Managers, LLP. If you have any questions about the contents of this Brochure, please contact the Chief Compliance Officer (“CCO”), Tony Ansell at +44 20 7862 0341 or by email at tony.ansell@makoinvestmentmanagers.com. Additional information about Mako Investment Managers, LLP also is available on the SEC’s website at www.adviserinfo.sec.gov. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Registration of an investment adviser does not imply that Mako Investment Managers, LLP or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

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Item 4: Advisory Business

Mako Investment Managers, LLP (“**MIM**”, the “**Adviser**”, “**Investment Manager**”, “**we**”, “**us**”, “**our**” or the “**Firm**”) is a limited liability partnership authorised and regulated by the Financial Conduct Authority in the U.K. MIM commenced operations as an investment adviser on February 17, 2003. MIM is an investment management firm that provides services which seeks to maximise total returns from the opportunities presented by the fixed income markets while maintaining risk levels consistent with those markets. MIM utilizes strategies that include arbitrage opportunities (including arbitrage between instruments with similar cashflows and stable funding spreads); convergence trades subject to a specific asset pricing model; and relative value trades subject to specific macro scenarios.

As of the date set forth hereof, MIM’s ultimate indirect principal owners are: Bruno Usai and Gaelle Usai.

As discussed in further detail in Item 7 herein, MIM advises a Cayman Islands exempted limited partnership (as defined in Item 7 herein as the Master Fund) that serves as a master fund and is comprised of two Feeder Funds (as defined in Item 7 herein) of which one is a Delaware limited partnership and the other is a Cayman Islands exempted company). The Feeder Funds and the Master Fund are collectively referred to herein as the “**Funds**”.

MIM invests the Master Fund’s assets in accordance with the investment objective and strategy set forth in the Feeder Funds’ confidential offering memorandum, as amended from time to time. Investors investing in a Feeder Fund cannot place investment restrictions on the Feeder Fund’s or the Master Fund’s investment strategy, or on MIM’s trading of assets pursuant to such strategy, but instead invest in a Feeder Fund with the strategy as set forth in the memorandum. The Funds have placed restrictions and parameters on the investment strategy in the investment management agreement it has entered into with MIM.

As of December 31 2014, MIM manages US\$540,770,776 of net assets based upon U.S. GAAP on a discretionary basis.

Item 5: Fees and Compensation

Pelagus Capital Fund (General Partner) Inc., an exempted company formed under the laws of the Cayman Islands, which serves as the general partner to the Onshore Feeder Fund (the “**General Partner**”), is entitled to receive a fixed management fee from the Onshore Feeder Fund, in arrears, on a monthly basis at an annual rate of two percent (2%) of the net asset value attributable to the limited partners of the Onshore Feeder Fund. The General Partner pays a portion of its management fee to MIM at no additional expense to limited partners of the Onshore Feeder Fund. MIM is entitled to receive a fixed management fee from the Offshore Feeder Fund, in arrears, on a monthly basis at an annual rate of two percent (2%) of the net asset value attributable to the shares held by each investor in the Offshore Feeder Fund.

The General Partner may waive the management fee with respect to any limited partner in the Master Fund or investor in a Feeder Fund. Management fees are not pro-rated for partial periods.

The Funds pay for their organizational and initial offering expenses as well as for their operating expenses, including but not limited to; all accounting, auditing, tax preparation, legal, administration, and trading costs. The Funds may incur brokerage and other

transaction costs. For further details on MIM's brokerage practices refer to Item 12 of this Brochure.

MIM and its employees do not accept compensation, including sales charges or service fees, from any person for the sale of securities or other investment products.

MIM and the General Partner are also entitled to receive performance based compensation as described in Item 6 below.

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

Onshore Feeder Fund: The General Partner is entitled to receive a performance allocation from the Onshore Feeder Fund equal to twenty percent (20%) of the net profits attributable to the capital account of each investor in the Onshore Feeder Fund but only if such investor's net profits exceed cumulative net losses that have been carried forward from prior periods. The performance allocation, if any, is calculated as of the end of each calendar year and is allocated within a reasonable time thereafter. Net profits are calculated net of management fees but before the performance allocation.

Offshore Feeder Fund: MIM is entitled to receive a performance fee from the Offshore Feeder Fund equal to twenty percent (20%) of the net profits attributable to the shares held by each investor in the Offshore Feeder Fund but only if such investor's net profits exceed cumulative net losses that have been carried forward from prior periods. The performance fee, if any, is calculated as of the end of each calendar year and is paid within a reasonable time thereafter.

In each instance net profits includes both net realized and unrealized profits and losses. Net profits are calculated net of management fees.

To the extent an investor in a Feeder Fund withdraws or redeems prior to a calendar year end, the General Partner or MIM (as the case may be) will be entitled to receive a performance allocation or performance fee, respectively, if any, with respect to the amount being withdrawn or redeemed.

Performance based fee arrangements may create an incentive for MIM to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement.

MIM is also entitled to receive asset-based compensation, in the form of management fees, indirectly from the Funds as described in Item 5 above.

Item 7: Types of Clients

As stated in Item 4 above, MIM's advisory client is Pelagus Capital Fund, LP, a Cayman Islands exempted limited partnership (the "**Master Fund**"). The Master Fund is comprised of two feeder fund investors which are Pelagus Capital Feeder Fund, LP, a Delaware limited partnership (the "**Onshore Feeder Fund**"), and Pelagus Capital Feeder Fund, Inc., a Cayman Islands exempted company (the "**Offshore Feeder Fund**") and together with the Onshore Feeder Fund, the "**Feeder Funds**"). The Feeder Funds are also clients of MIM however MIM's sole service provided to the Feeder Funds is to place all Feeder Fund assets at the Master Fund for investment. The Master Fund and the Feeder Funds are sometimes collectively referred to as the "**Funds**."

All investors in the Onshore Feeder Fund and only US investors in the Offshore Feeder Fund are required to meet certain suitability requirements including being an accredited investor (as defined in Regulation D of the Securities Act of 1933, as amended (the “**Securities Act**”)) and a qualified purchaser (as defined in Section 2(a)(51)(A) of the Investment Company Act of 1940, as amended (the “**Company Act**”)). All investors in the Feeder Funds (whether US investors or not) are required to meet general sophistication requirements.

The minimum initial investment in a Feeder Fund is US\$1,000,000, or the equivalent thereof in Euro or Japanese Yen, subject to the discretion of the General Partner or the Board of Directors of the Onshore Feeder Fund and the Offshore Feeder Fund, respectively, to reduce such amounts (but, in the case of the Offshore Feeder Fund not below US\$100,000 (or its equivalent in the relevant currency)). The minimum additional investment in a Feeder Fund is US\$50,000, or equivalent thereof in Euro or Japanese Yen.

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

Methods of Analysis & Investment Strategy

The Master Fund employs a discretionary fixed income, relative value strategy. The strategy focuses on liquid fixed income and interest rate markets, investing in a diversified portfolio of market neutral and relative value trades using quantitative investment and risk management processes. This is subject to pre-defined concentration, liquidity and position-size limits which seek to maintain risk levels consistent with those of the fixed income markets.

The main categories of typical strategies are:

- Swap spreads and bond spreads;
- Volatility trades;
- Yield curve trades;
- Inter-market spreads;
- Risk factors spreads;
- Breakeven inflation;
- Carry trades;
- Central Banks timing trades; and
- Inflation trades.

The portfolio consists of several independent strategies that are subject to a concentration limit of 20%. The strategy employs all cash and derivatives fixed income instruments (except corporate bonds or credit products), sovereign and sub sovereign bonds, futures, listed options, OTC interest rate and inflation derivatives, and Sovereign CDS. Foreign exchange trades may be employed for hedging and/or as part of a specific fixed income arbitrage strategy.

The Master Fund invest primarily in the most liquid G12, AUD and EU markets including the new EU markets, like the CEE4: Czech Republic, Slovakia, Poland and Hungary. Since the launch of the fund to-date, exposure has been to US, Euro, GBP, JPY (core) with some exposure to AUD, CAD, CHF, NOK and SEK. More information regarding the performance attribution can be reviewed in the marketing brochure.

The investment process starts with quantitative analysis to identify relative value strategies. Qualitative assessment of the economic fundamentals, supply/demand and liquidity conditions prevailing in the market is introduced to evaluate the trading opportunity and will be rationalised in the context of the long and short term market conditions before entering a trade. Quantitative models support each stage of the investment process, from trade identification and selection, to asset allocation and position management.

A proprietary optimisation tool drives portfolio allocation providing inputs on concentration limits, maximum daily portfolio volatility and maximum absolute drawdown. With these inputs, and by using different statistical approaches, model portfolios can be generated. These inputs take account of the qualitative assessments (i.e., market positioning and optimal trade sizes) and will also be considered in the final portfolio allocations.

We may modify the investment objectives and strategies at any time. Our right to modify strategies depends upon the terms of the agreements governing such accounts and vehicles.

Risk of Loss Factors

The following are the material risks involved in our investment strategy. This list does not purport to be a complete enumeration or explanation of the risks involved in such strategy.

Past Performance - There can be no assurance that the Funds will achieve their investment objective and past investment performance cannot be viewed as an indication of future results.

Conflicts of Interest - The prospect of performance compensation may lead MIM to make investments that are riskier than would otherwise be the case. Performance compensation is calculated on both realized and unrealized gains and may arise, despite the fact that the relevant gains are not realized.

Short Sales - The Master Fund enters into transactions, known as “short sales,” in which they sell a security they do not own in anticipation of a decline in the market value of the security. Short sales by the Master Fund that are not made “against the box” theoretically involve unlimited loss potential since the market price of securities sold short may continuously increase. The Master Fund may mitigate such losses by replacing the securities sold short before the market price has increased significantly. Under adverse market conditions, the Master Fund might have difficulty purchasing securities to meet its short sale delivery obligations, and might have to sell portfolio securities to raise the capital necessary to meet its short sale obligations at a time when fundamental investment considerations would not favor such sales.

Liquidity Risk - Certain investments positions may be illiquid and, for example, future positions may fluctuate in future contract prices during a single day (“**the daily limit**”). If the contract for a specific future has increased or decreased by an amount equal to the daily limit it is unable to be liquidated until traders are willing to affect the trade either at or within the limit. This may limit the prompt liquidation of unfavorable positions, potentially causing substantial losses to the Master Fund.

Options - The Master Fund may purchase and sell options on securities, currencies and commodities on a variety of commodities and securities exchanges and over-the-counter markets. The seller of a put or call option which is uncovered, meaning that either long or a short position has made in relation to the underlying security, currency or commodity, assumes the risk of a decrease or increase in the market price of the underlying security, currency or commodity below or above the sales or purchase price. This risk could

theoretically be unlimited. Trading in futures and options is a highly specialized activity and although it may increase total return it may also entail significantly greater than ordinary investment risk.

Redemptions - In the event that an investor redeems or withdraws its investments in an amount which exceeds the amount of the liquid assets or cash immediately available for redemption from the relevant Feeder Fund, such Feeder Fund may request the Master Fund to liquidate additional assets in order to fund the costs of the redemptions or withdrawals incurred. This may affect the ability of the Master Fund to operate or manage investment positions or strategies within the portfolio and could adversely affect the value of the assets in the Master Fund and ultimately the Feeder Funds.

OTC Derivatives - The Master Fund may make substantial investments in over-the-counter transactions including forward contracts or options. Although some OTC markets are highly liquid, transactions in OTC derivatives may involve greater risk than investing in exchange traded derivatives because there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position or evaluate the exposure to risk of such transactions. Bid and offer prices are not generally quoted it may be difficult to establish a fair price. In addition, the Master Fund is subject to counterparty risk failure or inability or refusal by a counterparty to perform in respect of its contracts. Disruptions or illiquidity cause by such risks may cause major losses to the Master Fund and ultimately the Feeder Funds.

The instruments, indices and rates underlying derivative transactions expected to be entered into by the Master Fund may be extremely volatile in the sense that they are subject to sudden fluctuations of varying magnitude, and may be influenced by, among other things government trade, fiscal, monetary and exchange control programmes and policies; national and international political and economic events; and changes in interest rates. Such fluctuations are impossible to anticipate and may result in substantial losses to the Master Fund and therefore to the Feeder Funds.

Exchange-Traded Futures Contracts and Options on Futures Contracts - The Master Fund's use of futures contracts and options on futures contracts will present the same types of volatility and leverage risks associated with transactions in derivative instruments generally. In addition, such transactions present a number of risks which might not be associated with the purchase and sale of other types of investment products.

Prior to exercise or expiration, a futures or option position can be terminated only by entering into an offsetting transaction. This requires a liquid secondary market on the exchange on which the original position was established. While the Master Fund will enter into futures and option positions only if, in the judgment of MIM, there appears to be a liquid secondary market for such instruments, there can be no assurance that such a market will exist for any particular contract at any point in time. In that event, it might not be possible to establish or liquidate a position.

The Master Fund's ability to utilise futures or options on futures to hedge its exposure to certain positions or as a surrogate for investments in instruments or markets will depend on the degree of correlation between the value of the instrument or market being hedged, or to which exposure is sought and the value of the futures or option contract. Because the instrument underlying a futures contract or option traded by the Master Fund will often be different from the instrument or market being hedged or to which exposure is sought, the correlation risk could be significant and could result in substantial losses for the Master Fund and therefore the Feeder Funds. The use of futures and options involves the risk that

changes in the value of the underlying instrument will not be fully reflected in the value of the futures contract or option.

The liquidity of a secondary market in futures contracts and options on futures contracts is also subject to the risk of trading halts, suspensions, exchange or clearing house equipment failures, government intervention, insolvency of a brokerage firm, clearing house or exchange or other disruptions of normal trading activity.

Cross Class Liability - The Funds each have multiple Classes and reserve the right to create new Classes at a future date. However, all the assets within each Fund can be made available to meet liabilities of the Fund and its different Classes, irrespective of whether they are retained in separate portfolios. In relation to this Cross Class liability may arise when one Class becomes insolvent or exhausts its assets and is unable to meet all its liabilities. Therefore, assets from other portfolios may be used to meet the liabilities of the insolvent Class.

Liability of Limited Partners - Limited partners are liable for the debts and obligations of both the Master Fund and will be liable in the event of insolvency.

Rehypothecation of Assets - The prime brokers may borrow, lend or otherwise use the Master Fund's investments for their own purposes or the purposes of any third party. Such investments will cease to be the property of the Master Fund and in the event of an insolvency of a Prime Broker the Master Fund may not be able to recover such assets in full.

Currency - Investments will be issued and redeemed in Dollars, Euros and Japanese Yen. However, investments may be made in other investments and securities denominated in other currencies. The value of the Dollar, Euro or Japanese Yen investment may be affected unfavorably or favorably by (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar (the currency in which the books of the Funds are maintained) and the various foreign currencies in which the Master Fund's portfolio securities will be denominated and costs associated with conversion of investment principal and income from one currency into another; (ii) differences between the U.S. and foreign securities markets, including the absence of uniform accounting, auditing and financial reporting standards and practices and disclosure requirements, and less government supervision and regulation; (iii) political, social or economic instability; and (iv) the extension of credit, especially in the case of sovereign debt.

Eurozone - The Master Fund's strategy includes marking investments within the European Union. Due to the current market there is the risk of default or demise of certain European Union member states' economies. A departure of a member state would likely impact the currency market and cause a fluctuation in the value of the Euro. This could have a negative effect on the performance of the Master Fund's and ultimately the Feeder Funds' investments.

Leverage, Interest and Margin - Subject to applicable margin and other limitations, the Master Fund may borrow funds in order to make additional investments and thereby increase both the possibility of gain and risk of loss. Consequently, the effect of fluctuations in the market value of the Master Fund's (and ultimately the Feeder Funds') portfolio would be amplified. Interest on borrowings will be a portfolio expense of the Funds and will affect the operating results of the Funds. Also, the Master Fund could potentially create leverage via the use of instruments such as options and other derivative instruments.

Investing in options can provide a greater potential for profit or loss than an equivalent investment in the underlying asset. The value of an option may decline because of a change in

the value of the underlying asset relative to the strike price, the passage of time, changes in the market's perception as to the future price behavior of the underlying asset, or any combination thereof. In the case of the purchase of an option, the risk of loss of an Investor's entire investment (i.e., the premium paid plus transaction charges) reflects the nature of an option as a wasting asset that may become worthless when the option expires. Where an option is written or granted (i.e., sold) uncovered, the seller may be liable to pay substantial additional margin, and the risk of loss may be unlimited, as the seller will be obligated to deliver, or take delivery of, an asset at a predetermined price which may, upon exercise of the option, be significantly different from the market value.

Business and Regulatory Risks of Hedge Funds - Legal, tax and regulatory changes could occur during the term of the Fund that may adversely affect the Fund. The regulatory environment for hedge funds is evolving, and changes in the regulation of hedge funds may adversely affect the value of investments held by the Fund.

Diversification - Since the Master Fund's (and ultimately the Feeder Funds') portfolio will not necessarily be widely diversified, the investment portfolio of the Master Fund may be subject to more rapid changes in value than would be the case if the Master Fund were required to maintain a wide diversification among companies, securities and types of securities.

In view of the foregoing considerations, an investment in a Feeder Fund is suitable only for investors who are capable of bearing the relevant risks (including a total loss of investment) and conflicts of interest. To the extent that prospective investors/clients would benefit from an independent review, such benefit is not available through MIM, the General Partner or any of their respective affiliates. Prospective investors/clients are encouraged to seek the advice of independent legal counsel in evaluating the risks of the offering. In addition, as an investment program develops and changes over time, an investment may be subject to additional and different risks.

Item 9: Disciplinary Information

There are no legal or disciplinary, criminal or civil actions, administrative proceedings or self-regulatory proceedings that have been initiated against MIM or any of MIM's management persons currently or at least ten (10) years prior to the date set forth hereof.

Item 10: Other Financial Industry Activities and Affiliations

Neither MIM nor any of its management persons are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither MIM nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant or a commodity trading advisor or as an associated person of a futures commission merchant or a commodity trading advisor.

All investment management decisions are made at the sole discretion of MIM's investment management team. The management board of MIM is comprised of two corporate partners, BLU & Partners Ltd (owning directly and indirectly 74.625%) and the Mako Group (owning directly and indirectly 24.875%). All business related decisions are made via majority voting,

only decisions relating to a change to the limited partnership agreement or change in scope of the business require mutual consent.

The General Partner is registered as a commodity pool operator (with respect to the Onshore Feeder Fund, Offshore Feeder Fund and the Master Fund) with the Commodities Futures Trading Commission (“**CFTC**”) and maintains such registration with the National Futures Association (“**NFA**”). Bruno Usai, a principal of MIM, is registered as an associated person of the General Partner with the CFTC and maintains such registration with the NFA.

MIM is registered as a commodity pool operator (with respect to the Master Fund, Onshore Feeder Fund and Offshore Feeder Fund) with the CFTC and maintains such registration with the NFA.

Other than as described below, the Firm, its principals and its employees do not maintain any outside relationships or arrangements. In the interests of disclosure the following outside business interests are being disclosed as it relates specifically to the Firm’s CEO, COO and CIO/majority owner:

Mr. Christopher Welsh has the following outside business interests:

- Mako Europe Ltd, CEO & Director since 10 May 2010
- Mako Computer Systems Ltd, Director since 8 June 2010
- Mako Global Derivatives Limited, Director since 8 June 2010

Mr. Peter Jayawardena has the following outside business interest:

- Vanguard Intelligence Solutions LLP, Member since 11 May 2012.

Mr. Bruno Usai has the following business interests:

- BLU & Partners Limited, Director since 27 April 2009
- Pelagus Capital Fund (General Partner) Inc, Director since 18 December 2012
- Pelagus Capital Feeder Fund Inc, Director since 18 December 2012
- MIM Investments Limited, Director since 1 August 2013
- MIM Investments 2 Limited, Director since 1 August 2013
- MIM Investments 3 Limited, Director since 20 May 2014
- Attiva SGR Societa per Azioni, Director since 13 July 2011

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

Participation or Interest in Client Transactions

We serve as the investment adviser to the Master Fund. Principals, employees, affiliates of the employees, and relatives of the employee may make investments in the Feeder Funds. We may or may not receive any compensation from such investments from principals or employees.

We and our employees may have a financial interest in the Funds through a direct investment interest in the Funds. As such, we could be considered to have recommended to investors that they buy or sell securities or investments in which the Firm or a related person has some financial interest. All direct investment interest in the Funds by key investment persons (‘Key Persons’) are disclosed to other investors in the Funds.

Code of Ethics & Personal Trading

We have adopted a Code of Ethics and an Employee Investment Policy that establishes various procedures with respect to investment transactions in accounts in which our employees or related persons have a beneficial interest or accounts over which any principal or employee has investment discretion.

The foundation of the Code of Ethics and Employee Investment Policy is based on the underlying principles that:

- Employees must at all times place the interests of the Clients first;
- Employees must make sure that all personal securities transactions are conducted consistent with the Code of Ethics and Personal Account Dealing Policy; and
- Employees should not take inappropriate advantage of their position at MIM.

All MIM employees are deemed to be “Access Persons” and are required to adhere to a comprehensive Code of Ethics and Employee Investment Policy, which covers the duty of confidentiality as well as personal trading. All employees are required to certify their adherence to the Code of Ethics and Personal Account Dealing Policy upon commencement of employment and quarterly thereafter.

In general, employees (and members of their immediate households) are permitted to invest in equities, options or futures but must obtain written pre-approval from the CCO. The spirit of the Code of Ethics and the Personal Account Dealing Policy is to discourage frequent trading in employee personal accounts.

This policy does not apply to transactions involving government securities or open-end mutual funds, ETFs or other instruments which afford the employee no discretion over individual securities transactions.

All MIM employees must direct their brokers to send duplicate copies of trade confirmations and brokerage statements to the CCO. These records are used to monitor compliance with the foregoing policies.

Employees must also obtain pre-approval from the CCO before engaging in any outside business activities or receiving an allocation of an Initial Public Offering (“IPO”).

Insider Trading Policies and Procedures

MIM maintains Insider Trading policies and procedures (the “**Insider Trading Policies**”) that are designed to prevent the misuse of material, non-public information. Among other things, such policies seek to control and monitor the flow of inside information to and within MIM, as well as prevent trading based on inside information. On a periodic basis, our employees are required to certify to their compliance with the Compliance Manual, Code of Ethics and Personal Account Dealing Policy, including the Insider Trading Policies.

Our Code of Ethics and Personal Account Dealing Policy is available to Clients (including prospective clients) upon request.

Privacy Policy

We are committed to maintaining the confidentiality, integrity and security of investors' personal information and we maintain a privacy policy which is provided to all new investors and distributed to investors on an annual basis.

It is our policy to collect only information necessary or relevant to our management business and use only legitimate means to collect such information. We do not disclose any non-public personal information about investors or former investors to anyone except for servicing and processing transactions and as required by law. We restrict access to non-public personal information about investors to those employees with a legitimate business need for the information. We maintain security practices, physical, electronic, and procedural safeguards to guard investor's non-public personal information. Please contact the Chief Compliance Officer for more information.

Item 12: Brokerage Practices

As an investment adviser and fiduciary, we require that our clients' interests always be placed first and foremost. Our trading practices and procedures prohibit unfair trading practices and seek to disclose and avoid any actual or potential conflicts of interests or resolve such conflicts in our clients' favor. The Firm has adopted the following policies and practices to meet the Firm's fiduciary responsibilities and to ensure its trading practices are fair to our clients and that no client is advantaged or disadvantaged over any other.

Aggregation and Allocation

We currently only provide investment management services to the Master Fund, and hence aggregation and allocation of client transactions is not relevant at this present time. Should this position change, we will update our Form ADV to reflect this change and outline our policy and procedures.

Best Execution

As an investment adviser, we have a fiduciary duty to seek best execution for client transactions. As a matter of policy and practice, we seek to obtain best execution for client transactions, i.e., seeking to obtain not necessarily the lowest commission but the best overall qualitative execution in the particular circumstances. Other components that we analyze in seeking best execution are timeliness of having a transaction executed by a broker, the value of research provided, the responsiveness of the broker to us and the financial responsibility of the broker.

Principal Trading

Our policy and practice is to not engage in any principal transactions.

Soft Dollars

We do not enter into "soft dollar" commission arrangements generated by the Master Fund's trading activities to purchase research services or products that would otherwise have been an expense of the Firm. If we did enter any such arrangements they would be within the parameters of Section 28(e) of the Securities Exchange Act of 1934, as amended.

Trade Errors

As a fiduciary, we have the responsibility to effect orders correctly, promptly and in the best interests of our client. In the event any error occurs in the handling of any client transactions, due to our actions, or inaction, or actions of others, our policy is to assess each trade error on a case-by-case basis. Such loss will be borne by the client unless an error is the result of the Firm's wilful misconduct, recklessness, or gross negligence.

Item 13: Review of Accounts

Review of Accounts

We review the Master Fund's trading activity on a continual basis to assure conformity with investment objectives and guidelines. We engage in active management for the Master Fund and we review our transactions, positions and cash balances on a daily basis. This is undertaken by the portfolio managers who are supervised by Mr Bruno Usai, as CIO. Further, positions and cash are reconciled on a daily basis by the Master Fund's appointed middle and back office service providers.

Reporting

We distribute the audited financial report for each Fund with respect to the previous fiscal year to all investors in such Fund within 120 days of fiscal year end. In addition, each Fund will generally distribute written net asset value updates and performance reports on a monthly basis.

Item 14: Client Referrals and Other Compensation

Neither MIM nor any related person receives any economic benefits from third parties in connection with the provision of investment advice to our clients. Additionally, neither MIM nor any related person is directly or indirectly compensated by any third party for investor referrals.

Item 15: Custody

We do not have custody and therefore not subject to the requirements of the Rule 206(4)-2 of the Advisers Act with regards to custody of assets of the Funds ("**Custody Rule**").

Item 16: Investment Discretion

We generally have discretionary authority to determine, without obtaining specific consent, the securities and financial instruments to be bought or sold, the amount of securities or financial instruments to be bought or sold, the broker-dealers to be used and the commission rates to be paid. Any limitations on authority are included in the offering documents, investment management agreement, or governing documents, as applicable.

Item 17: Voting Client Securities

Given our fixed income relative value investment strategy this section is not relevant. Should this position change, we will update our Form ADV to reflect this change and outline our procedures.

Item 18: Financial Information

Not applicable.