

Pennant Capital Management, LLC

March 2015

This brochure provides information about the qualifications and business practices of Pennant Capital Management, LLC (the “Adviser”), an investment adviser registered with the United States Securities and Exchange Commission (the “SEC”). If you have any questions about the contents of this brochure, please contact us at (908) 516-5800. This information has not been approved or verified by the SEC or by any state securities authority.

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

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

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Item 4. Advisory Business

A. General Description of Advisory Firm. The Adviser is an investment adviser with offices in Summit, New Jersey and New York, New York. The Adviser commenced operations as an investment adviser in 2001. Alan Fournier is the principal owner of the Adviser.

B. Description of Advisory Services. The Adviser provides investment supervisory services on a discretionary basis to its clients, which include pooled investment vehicles intended for sophisticated and institutional investors.

C. Availability of Tailored Services for Individual Clients. The Adviser provides advice to client accounts (the “Funds”) based on specific investment objectives and strategies, as set forth in each Fund’s governing or offering documents. Investment advice is provided directly to the Funds according to each Fund’s particular investment objectives and not individually to the Funds’ investors. The Adviser tailors its advisory services to the individual needs and specified investment mandates of each Fund.

D. Wrap Fee Programs. N/A

E. Client Assets Under Management. As of December 31, 2014, the Adviser had \$9,926,995,000 of client regulatory assets under management. All of these assets are managed on a discretionary basis.

Item 5. Fees and Compensation

A. Advisory Fees and Compensation.

Compensation received by the Adviser is typically comprised of fees based on a percentage of assets under management and performance-based amounts. Fee calculations are performed by the administrator of each Fund.

Asset-Based Compensation

The Adviser charges each client a quarterly investment management fee at a rate of 1.5% per annum.

Investment management fees are charged each quarter in advance based on the value of each investor's capital account in each Fund on the first day of the quarter. If a new client account is established during a quarter or an investor in a Fund makes an additional capital contribution to its capital account during a quarter, the investment management fee will be charged as of the effective date of the investment management agreement or the date of the additional capital contribution based on the value of the assets as of the applicable date and will be prorated for the number of days remaining in the quarter.

Investment management fees are waived for investors that are members, principals, directors, officers, employees or affiliates of the Adviser. Investment management fees may also be waived or reduced for certain investors of a Fund.

Performance-Based Compensation

The Adviser or its affiliate, Pennant General Partner, LLC, receives performance-based compensation which is based on the net profits attributable to each investor's capital account in each Fund, payable at the end of each fiscal year or upon redemption. This compensation rate is 20% and is subject to a loss carryforward provision.

Performance-based compensation is waived for investors that are members, principals, directors, officers, employees or affiliates of the Adviser. Performance-based compensation may also be waived or reduced for certain investors of a Fund.

B. Payment of Fees.

The Adviser deducts the asset-based fees from each Fund by instructing the Fund's custodian. Asset-based fees are deducted from the capital accounts of investors in each such Fund at the beginning of each quarter. These fees are aggregated by each Fund and paid to the Adviser.

Performance-based fees are deducted from the capital accounts of investors each Fund at the end of each fiscal year or upon redemption by a Fund investor and reallocated to the Adviser or its affiliate.

C. Other Fees and Expenses.

Each client of the Adviser generally bears all of its own expenses, including, but not limited to, expenses related to its operations and the investment of its assets. The list below is detailed but does not contemplate every possible expense a client may incur.

To the extent permitted under the applicable offering documents, one or more of the Adviser's clients may bear some or all of the following expenses, in addition to paying investment management fees and performance-based compensation: directors' fees, legal, accounting (including out-sourcing accounting and accounting software), auditing and other professional expenses, the cost of directors and officers or other insurance for a client and the Adviser, administration expenses, expenses of regulatory compliance, filings and reporting (including but not limited to Form PF, Section 13 and 16 filings) to the extent they are

in connection with, relate to or derive from a client or its investment activities, research expenses and investment expenses such as commissions, trading services and support, interest on margin accounts and other indebtedness, taxes, shareholder proxy services, custodial fees, bank service fees, expenses related to trade order management software and other expenses related to the purchase, sale or transmittal of the client's assets. Certain client offering documents also contain a provision in which an investor in a Fund may incur a withdrawal charge of 4% (payable to the Fund) in the event that an investor chooses to redeem its entire capital account balance during a period in which the Adviser or its affiliate invokes a limit on redemption amounts to all investors of a Fund.

Client assets may be invested in money market mutual funds, ETFs or other registered investment companies. In these cases, the Fund will bear its pro rata share of the investment management fee and other fees of the Fund, which are in addition to the investment management fee paid to the Adviser. Client assets may be invested in a master-feeder structure. Feeder funds bear a pro rata share of the expenses associated with the related master fund. In addition, clients will incur brokerage and other transaction costs. Please refer to Item 12 of this brochure for a discussion of the Adviser's brokerage practices.

D. Prepayment of Fees.

Clients are required to pay the Adviser's investment management fees in advance. The Adviser will refund the unearned portion of any pre-paid management fees if a redemption is made from a client account before the end of a billing period. The Adviser generally determines the amount of the relevant refund on a pro rata basis, based upon the portion of the relevant period during which it provided services.

E. Additional Compensation and Conflicts of Interest. N/A

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

The Adviser and its investment personnel provide investment management services to multiple portfolios for multiple clients. The Adviser's investment personnel may have significant investments in certain client accounts and may be compensated on a basis that includes a performance-based component. When the Adviser and its investment personnel manage more than one client account a potential exists for one client account to be favored over another client account. The Adviser and its investment personnel have a greater incentive to favor client accounts that pay the Adviser (and indirectly the portfolio manager) performance-based compensation or in which the Adviser's personnel have more significant investments.

Certain members or employees of the Adviser may be invested in the Funds. In connection with the tax obligations of such members or employees, the Adviser, in its sole discretion, may waive or reduce the notice period for such members or employees and may permit such members or employees to withdraw a portion of their capital account in the Funds other than on the last business day of each calendar quarter.

The Adviser has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple accounts and the allocation of investment opportunities. In addition, the Adviser has implemented procedures relating to the allocation of investment decisions and trading activity to client portfolios to ensure fair and equitable allocation among accounts. In general, the Adviser's portfolio managers determine trade order sizes for each master fund and are aggregated across all master funds participating in trade executions of the same security. Executed trades are allocated to each master fund based on each master fund's pro-rata share of the total trade order size. These areas are monitored by the Adviser's Chief Compliance Officer.

Item 7. Types of Clients

The Adviser's clients consist of pooled investment vehicles.

With respect to any client that is a pooled investment vehicle, any initial and additional subscription minimums are disclosed in the offering memorandum for the pooled investment vehicle.

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

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

Methods of Analysis and Investment Strategies

The Adviser utilizes a variety of methods and strategies to make investment decisions and recommendations. The methods of analysis include fundamental valuation as well as momentum/technical tools and approaches.

The Adviser employs the following investment strategies:

Buy and Hold. The Adviser engages in a buy and hold investment strategy wherein the Adviser buys securities and holds them for a relatively longer period of time, regardless of short-term factors such as fluctuations in the market or volatility of the stock price.

Long/Short Equity. The Adviser's long/short equity strategy focuses on a broad range of equity investment styles, including growth, value and identifying companies undergoing significant change. The Adviser invests in U.S. and non-U.S. equities and across all market capitalizations. Some client accounts may not participate in investment opportunities across all capitalization levels.

Fixed Income. The Adviser engages in a long-biased fixed income investment strategy, focused primarily in U.S. real estate-related and other asset-backed structured fixed income securities. The long strategy revolves around investing in distressed residential and commercial real estate-related and other asset-backed structured securities. The short strategy revolves around protecting certain long investments in extremely stressful scenarios. For example, this may involve purchasing credit default protection on the debt of companies likely to be negatively impacted by extended stress in the real-estate markets and in the economy in general.

Fundamental Value. The Adviser engages in a fundamental value investment strategy wherein the Adviser attempts to invest in asset-oriented securities the Adviser believes are undervalued by the market.

Growth. The Adviser engages in a growth investment strategy wherein the Adviser attempts to select securities of a company whose earnings the Adviser expects to grow at an above-average rate compared to the company's specific industry or the overall market.

Hedging. The Adviser utilizes a variety of financial instruments such as exchange-traded funds, derivatives, options, interest rate swaps, credit default swaps, swaptions, commodities, futures and forward contracts for risk management purposes as well as for profit.

Leverage. The Adviser's investment program utilizes a significant amount of leverage which involves the borrowing of funds from brokerage firms and banks in order to be able to increase the amount of capital available for marketable securities investments.

Option Trading. The Adviser engages in an option trading investment strategy. Options are investments whose ultimate value is determined from the value of the underlying investment. The Adviser engages in call and put option trading strategies related to individual company positions, commodities and market indices.

Short Selling. The Adviser engages in short selling strategies. In a short sale transaction, the Adviser sells a security it does not own in anticipation that the market price of that security will decline. The Adviser makes short sales as a form of hedging to offset potential declines in long positions and for profit.

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

Commodities. Commodity investments are affected by business, financial market or legal uncertainties. There can be no assurance that the Adviser will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on its commodity investments. Prices of commodity investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Adviser's portfolio and the value of its investments. In addition, the value of the Adviser's portfolio may fluctuate as the general level of interest rates fluctuates.

Distressed Situation Risk. Investment in distressed situations exposes the client to significant risks, including: the difficulty in obtaining information as to the issuer's true condition; regulatory risk, including laws relating to fraudulent conveyances, voidable preferences, lender liability and bankruptcy; litigation risk; liquidity risk; and collection risk.

Hedging. There can be no assurances that a particular hedge is appropriate, or that certain risk is measured properly. Further, while the Adviser may enter into hedging transactions to seek to reduce risk, such transactions may result in poorer overall performance and increased (rather than reduced) risk for the Adviser's investment portfolios than if the Adviser did not engage in any such hedging transactions.

Interest Rate Risks. Generally, the value of fixed income securities changes inversely with changes in interest rates. As interest rates rise, the market value of fixed income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed income securities tends to increase. This risk is greater for long-term securities than for short-term securities.

Issuer-Specific Changes. Changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic or political conditions can increase the risk of default by an issuer or counterparty, which can affect a security's or instrument's value. The value of securities of smaller, less well-known issuers can be more volatile than that of larger issuers. Smaller issuers can have more limited product lines, markets, or financial resources.

Lack of Diversification. Client accounts will not be diversified among a wide range of types of securities, countries or industry sectors. Accordingly, client portfolios are subject to more rapid change in value than would be the case if the Adviser were required to maintain a wider diversification among types of securities and other instruments.

Leverage. Performance may be more volatile if a client's account employs leverage.

Short Selling Risk. The Adviser's investment program includes a significant amount of short selling. Short selling transactions expose the Adviser to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed by the Adviser in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, wherein the Adviser might be compelled, at the most disadvantageous time, to replace the borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

C. Risks Associated With Types of Securities that are Primarily Recommended (Including Significant or Unusual Risks).

Asset-Backed Securities. Asset-backed securities are subject to interest rate risk and, to a lesser degree, prepayment risk. Asset-backed securities are subject to additional risks in that, unlike mortgage-backed securities, asset-backed securities generally do not have the benefit of a security interest in the related collateral. Each type of asset-backed security also entails unique risks depending on the type of assets involved and the legal structure used. In addition, asset-backed securities experience credit risk. There is also the possibility that recoveries on repossessed collateral may not be available to support payments on these securities because of the inability to perfect a security interest in such collateral.

Commodity Futures and Options. Commodity futures markets are highly volatile and are influenced by factors such as changing supply and demand relationships, governmental programs and policies, national and international political and economic events and changes in interest rates. In addition, because of the low margin deposits normally required in commodity futures trading, a high degree of leverage may be typical of a pooled investment vehicle engaging in commodity futures trading. As a result, a relatively small price movement in a commodity futures contract may result in substantial losses to such a pooled investment vehicle. Commodity options, like commodity futures contracts, are speculative, and their use involves risk. Specific market movements of the cash commodity or futures contract underlying an option cannot be predicted and no assurance can be given that a liquid offset market will exist for any particular futures option at any particular time.

Derivatives. Swaps and certain options and other custom derivative or synthetic instruments are subject to the risk of nonperformance by the counterparty to such instrument, including risks relating to the financial soundness and creditworthiness of the counterparty. In addition, investments in derivative instruments require a high degree of leverage, meaning the overall contract value (and, accordingly, the potential for profits or losses in that value) is much greater than the modest deposit used to buy the position in the derivative contract. Derivative securities can also be highly volatile. The prices of derivative instruments and the investments underlying the derivative instruments may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the client or the Adviser. Further, transactions in derivative instruments are not undertaken on recognized exchanges, and will expose the client's account to greater risks than regulated exchange transactions that provide greater liquidity and more accurate valuation of securities.

Distressed Securities. Investments in unrated or low grade debt securities of distressed companies are subject to greater risk of loss of principal and interest than higher-rated debt securities. Also, securities of distressed companies are generally more likely to become worthless than the securities of more financially stable companies. In addition, evaluating credit risk for foreign debt securities involves greater uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult.

Equity Securities. The value of equity securities fluctuates in response to issuer, political, market, and economic developments. Fluctuations can be dramatic over the short as well as long term, and different parts of the market and different types of equity securities can react differently to these developments. For example, large cap stocks can react differently from small cap stocks, and "growth" stocks can react differently from "value" stocks. Issuer, political, or economic developments can affect a single issuer, issuers within an industry or economic sector or geographic region, or the market as a whole. Changes in the financial condition of a single issuer can impact the market as a whole. Terrorism and related geopolitical risks have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally.

Fixed-Income and Debt Securities. Investment in fixed-income and debt securities such as bonds, notes and asset-backed securities, subject a client's portfolios to the risk that the value of these securities overall will decline because of rising interest rates. Similarly, portfolios that hold such securities are subject to the risk that the portfolio's income will decline because of falling interest rates. Investments in these types of securities will also be subject to the credit risk created when a debt issuer fails to pay

interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that debt to decline. Lastly, investments in debt securities will also subject the investments to the risk that the securities may fluctuate more in price, and are less liquid than higher-rated securities because issuers of such lower-rated debt securities are not as strong financially, and are more likely to encounter financial difficulties and be more vulnerable to adverse changes in the economy.

Illiquid Instruments. Certain instruments may have no readily available market or third-party pricing. Reduced liquidity may have an adverse impact on market price and the Adviser's ability to sell particular securities when necessary to meet liquidity needs or in response to a specific economic event, such as the deterioration of creditworthiness of an issuer. Reduced liquidity in the secondary market for certain securities may also make it more difficult for the Adviser to obtain market quotations based on actual trades for the purpose of valuing a fund's portfolio.

Mortgage-Backed Securities. Mortgage-backed securities are subject to credit risk associated with the performance of the underlying mortgage properties. Factors such as consumer spending habits, local economic and competitive conditions, tenant occupancy rates and regulatory or zoning restrictions, or the loss of a major tenant may adversely affect the economic viability of a mortgaged property. In addition, these securities are subject to prepayment risk. Some securities have a structure that makes their reaction to interest rates and other factors difficult to predict, making their value highly volatile.

Non-U.S. Securities. Foreign securities, foreign currencies, and securities issued by U.S. entities with substantial foreign operations can involve additional risks relating to political, economic, or regulatory conditions in foreign countries. These risks include fluctuations in foreign currencies; withholding or other taxes; trading, settlement, custodial, and other operational risks; and the less stringent investor protection and disclosure standards of some foreign markets. All of these factors can make foreign investments, especially those in emerging markets, more volatile and potentially less liquid than U.S. investments. In addition, foreign markets can perform differently from the U.S. market.

REITs. REITs in which the Adviser invests client accounts are affected by underlying real estate values, which may have an exaggerated effect to the extent that REITs in which the Adviser invests concentrate investments in particular geographic regions or property types. Investments in REITs are also subject to the risk of interest rate volatility. Further, rising interest rates will cause investors in REITs to demand a higher annual yield from future distributions, which will in turn decrease market prices for equity securities issued by REITs. REITs are subject to risks inherent in operating and financing a limited number of projects because they are dependent upon specialized management skills, and have limited diversification. REITs depend generally on their ability to generate cash flow to make distributions to investors.

Security Futures and Options. In connection with the use of futures contracts and options, there may be an imperfect correlation between the change in market value of a security and the prices of the futures contracts and options in the client's account. In addition, the Adviser's investments in security futures and options may encounter a lack of a liquid secondary market for a futures contract and the resulting inability to close a futures position prior to its maturity date.

Item 9. Disciplinary Information

Pursuant to an agreement (the "Agreement") entered into between the Adviser and the Autorité Des Marchés Financiers (the "Autorité") as of July 13, 2007, the Adviser paid an administrative monetary penalty in the amount of Cdn\$ 20,000 in connection with the events described below. In connection with the acquisitions of certain shares of Transat A.T. Inc. ("Transat"), the Adviser (i) failed to file a news release within the time required by section 147.11 of the Securities Act, R.S.Q., c. V-1.1 ("QSA"), (ii) failed to file insider reports which were required under sections 96 and 97 of the QSA and (iii) purchased shares in Transat without the benefit of a statutory exemption to the applicable take-over bid rules. As soon as the Adviser discovered that it missed the deadline, it voluntarily contacted the Autorité to address this matter and, reached the Agreement described above and was required to disseminate the news release required by section 147.11 of the QSA. The Adviser was also required to file the insider reports required under sections 96 and 97 of the QSA for the acquisitions of securities of Transat.

Item 10. Other Financial Industry Activities and Affiliations

Neither the Adviser nor any of its members is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

The Adviser is registered with the Commodity Futures Trading Commission as a commodity pool operator and certain of the Adviser's management persons are registered as associated persons of the Adviser.

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

A. Code of Ethics. The Adviser has adopted a Code of Ethics (the “Code”) that obligates the Adviser and its related persons to put the interests of the Adviser’s clients before their own interests and to act honestly and fairly in all respects in their dealings with clients. All of the Adviser’s personnel are also required to comply with applicable federal securities laws. Clients or prospective clients may obtain a copy of the Code by contacting the Adviser at the address or telephone number listed on the first page of this document. See below for further provisions of the Code as they relate to the preclearing and reporting of securities transactions by access persons.

The Adviser, in the course of its investment management and other activities, may come into possession of confidential or material nonpublic information about issuers, including issuers in which the Adviser or its related persons have invested or seek to invest on behalf of clients. The Adviser is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, regardless of whether such other person is a client. The Adviser maintains and enforces written policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and to assure that the Adviser is meeting its obligations to clients and remains in compliance with applicable law. In certain circumstances, the Adviser may possess certain confidential or material, nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security, but the Adviser will be prohibited from communicating such information to the client or using such information for the client’s benefit. In such circumstances, the Adviser will have no responsibility or liability to the client for not disclosing such information to the client (or the fact that the Adviser possesses such information), or not using such information for the client’s benefit, as a result of following the Adviser’s policies and procedures designed to provide reasonable assurances that it is complying with applicable law.

B. Client Transactions in Securities where Adviser has a Material Financial Interest. N/A

C. Investing in Securities Recommended to Clients. The Adviser and its access persons are permitted to invest in the same securities (or related securities, e.g., warrants, options or futures) that the Adviser and its related persons recommend to clients. Such practices present a conflict where, because of the information an Adviser has, the Adviser or its access persons are in a position to trade in a manner that could adversely affect clients (e.g., place their own trades before or after client trades are executed in order to benefit from any price movements due to the clients’ trades). In addition to affecting the Adviser’s or its related person’s objectivity, these practices by the Adviser or its access persons may also harm clients by adversely affecting the price at which the clients’ trades are executed. The Adviser has adopted the following procedures in an effort to minimize such conflicts: With the exception of certain allowable securities, the Adviser requires its access persons to preclear transactions in their personal accounts with the Chief Compliance Officer (or the Chief Financial Officer in the absence of the Chief Compliance Officer), who may deny permission to execute the transaction if such transaction will have any adverse economic impact on one of its clients. In addition, the Adviser’s Code prohibits the Adviser or its access persons from executing personal securities transactions of any kind in any securities on a restricted securities list maintained by the Chief Compliance Officer. All of the Adviser’s access persons are required to disclose their securities transactions on a quarterly basis and holdings on an annual basis. Trading in employee accounts will be reviewed by the Chief Compliance Officer (or the Chief Financial Officer in the absence of the Chief Compliance Officer) and compared with transactions for the client accounts and reviewed against the restricted securities list.

D. Conflicts of Interest Created by Contemporaneous Trading. The Adviser or a related person from time to time recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that the Adviser or related person buys or sells the same securities for its own account in accordance with the procedures described above in order to minimize the conflicts stemming from situations where the contemporaneous trading results in an economic benefit for the Adviser or its related person to the detriment of the client. In addition, the Adviser has adopted the aggregation policies and procedures discussed in Item 12 with respect to trade orders.

Item 12. Brokerage Practices

A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions. The Adviser considers a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation. Such factors include listed bids and asks; the opportunity for price improvement; transaction costs; anonymity; liquidity; speed of execution; quality of research; expertise with difficult securities; trading style and strategy; geographic location; frequency of errors; and access to new issues. In selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not the Adviser's practice to negotiate "execution only" commission rates, thus a client may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate. The Adviser evaluates the broker-dealers used to execute client trades using the foregoing factors.

1. Research and Other Soft Dollar Benefits. The Adviser receives research or other products or services other than execution from broker-dealers and third parties in connection with client securities transactions. Such research or other products or services may be furnished by the broker-dealer or, in some cases, paid for by the broker-dealer and furnished by a third party. This is known as a "soft dollar" relationship. The Adviser will limit the use of "soft dollars" to obtain research and brokerage services to services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)"). Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self regulatory organization such as comparison services, electronic confirms or trade affirmations.

When the Adviser uses client commissions to obtain Section 28(e) eligible research and brokerage products and services, the Adviser periodically reviews and evaluates its soft dollar practices and to determine in good faith whether, with respect to any research or other products or services received from a broker-dealer, the commissions used to obtain those products and services were reasonable in relation to the value of the brokerage, research or other products or services provided by the broker-dealer. This determination will be viewed in terms of either the specific transaction or the Adviser's overall responsibilities to the accounts or portfolios over which the Adviser exercises investment discretion.

The use of client commissions (or markups or markdowns) to obtain research and brokerage products and services raises conflicts of interest. For example, the Adviser will not have to pay for the products and services itself. This creates an incentive for the Adviser to select or recommend a broker-dealer based on its interest in receiving those products and services.

The Adviser may cause clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), resulting in higher transaction costs for clients.

The Adviser does not seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate. During the Adviser's last fiscal year, as a result of client brokerage commissions (or markups or markdowns), the Adviser and/or its related persons used soft dollars to pay

for research (e.g. reports and consultations on particular industries and companies, market and economic surveys and analyses), market data services and software, exchange access fees, software used to transmit orders, clearance and settlement in connection with trades, etc.

In some instances, the Adviser obtains a product or service that is used, in part, by the Adviser for Section 28(e) eligible purposes and, in part, for other purposes. In such instances, the Adviser will make a good faith effort to determine the relative proportion of the product or service used to assist the Adviser in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e). Such determination will generally be based on the actual use of the product or service by the Adviser's personnel or other appropriate allocation methodology determined by the Adviser. The proportion of the product or service attributable to assisting the Adviser in carrying out its investment decision-making responsibilities will be paid through brokerage commissions generated by client transactions and the proportion attributable to administrative or other purposes outside Section 28(e) will be paid for by the Adviser from its own resources. The determination of the appropriate allocation of "mixed use" products and services creates a potential conflict of interest between the Adviser and clients.

While it is not currently the Adviser's practice, the investment transactions for clients and the use of commissions by the Adviser from them may be outside the safe harbor provided by Section 28(e) and applicable regulatory interpretations if they would otherwise be a client expense. Even when investment transactions for clients are outside the Section 28(e) safe harbor, the commissions paid will be used for the acquisition of Section 28(e) types of research and brokerage.

2. Brokerage for Client Referrals. From time to time the Adviser may participate in capital introduction programs arranged by broker-dealers, including firms that serve as prime brokers to private funds managed by the Adviser or recommend these private funds as an investment to clients. The Adviser may place client portfolio transactions with firms who have made such recommendations or provided capital introduction opportunities (i.e., introduction of potential investors for the Funds), if the Adviser determines that it is otherwise consistent with seeking best execution. In no event will the Adviser select a broker-dealer as a means of remuneration for recommending the Adviser or any other product managed by the Adviser (or an affiliate) or affording the Adviser with the opportunity to participate in capital introduction programs.

3. Directed Brokerage. N/A

B. Order Aggregation. The Adviser aggregates trades when such aggregation is expected to be in the best interest of all participating clients. The Adviser often purchases or sells the same security for many clients contemporaneously and using the same executing broker. It is the Adviser's practice, where possible, to aggregate client orders for the purchase or sale of the same security at or near the same time for execution using the same executing broker. Such aggregation may enable the Adviser to obtain for clients a more favorable price or a better commission rate based upon the volume of a particular transaction. When an aggregated order is completely filled, the Adviser allocates the securities purchased or proceeds of sale pro rata among the participating accounts, based on the purchase or sale order of each Fund. Adjustments or changes may be made under certain circumstances, such as to avoid odd lots or excessively small allocations. If the order at a particular broker is filled at several different prices, through multiple trades, generally all such participating Funds will receive the average price and pay the average commission, subject to odd lots, rounding, and market practice. If an aggregated order is only partially filled, the Adviser's procedures provide that the securities or proceeds are to be allocated pro rata based upon initially intended allocations. Depending on the investment strategy pursued and the type of security, this may result in a pro rata allocation to all participating Funds.

Item 13. Review of Accounts

A. Frequency and Nature of Review. Each Fund is reviewed by the respective portfolio manager(s) of the Adviser generally on a daily basis to determine whether securities positions and position sizing should be maintained in view of current market conditions. Matters reviewed include specific securities held, adherence to investment guidelines and the performance of each Fund.

B. Factors Prompting a Non-Periodic Review of Accounts. N/A

C. Content and Frequency of Regular Account Reports. A client's investors receive reports from the client or Adviser pursuant to the terms of each client's offering memoranda or as otherwise described in the offering document of the client. The Adviser generally provides annual audited financial statements to the Funds within 120 days of the applicable Fund's fiscal year end. Investors in the Funds receive periodic account statements from an external administrator and written reports providing various financial data and fund information from the Adviser on a monthly or quarterly basis as applicable. Additionally, investors receive the Fund's audited financial statements within 120 days and if applicable, the information necessary for an investor to complete its annual federal income tax returns.

Item 14. Client Referrals and Other Compensation

A. Economic Benefits Received from Non-Clients for Providing Services to Clients. N/A

B. Compensation to Non-Supervised Persons for Client Referrals. N/A

Item 15. Custody

All client assets are held in custody by unaffiliated broker/dealers or banks; however, the Adviser is deemed to have custody because its affiliate serves as the Investment Manager or General Partner of the Funds. Investors in certain of the Funds do not receive statements from the custodian. Instead, the Funds are subject to an annual audit and the audited financial statements are distributed to each investor. The audited financial statements are prepared in accordance with U.S. generally accepted accounting principles and distributed within 120 days of the respective Fund's fiscal year end.

Item 16. Investment Discretion

The Adviser provides investment advisory services on a discretionary basis to its clients. Please see Item 4 for a description of any limitations clients may place on the Adviser's discretionary authority.

The Adviser or its affiliate has entered into an investment management agreement or other agreement with each client pursuant to which the Adviser was granted discretionary trading authority.

The Adviser has the authority to determine: (i) the securities to be purchased and sold for the client account (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines) and (ii) the amount of securities to be purchased or sold for the client account. Investment decisions are made at the client account level by the respective portfolio manager(s) of the Adviser. The Adviser has adopted the aggregation policies and procedures discussed in Item 12 with respect to trade orders.

The Adviser and its portfolio managers may consider the following factors, among others, in allocating securities among clients: (i) client investment objectives and strategies; (ii) client risk profiles; (iii) tax status and restrictions placed on a client's portfolio by the client or by applicable law; (iv) size of the client account; (v) nature and liquidity of the security to be allocated; (vi) size of available position; (vii) current market conditions; and (viii) account liquidity, account requirements for liquidity and timing of cash flows. Although it is the Adviser's policy to allocate investment opportunities to eligible client accounts on a pro rata basis (based on the target position size of each participating account), these factors may lead the Adviser or a portfolio manager to allocate securities to client accounts in varying amounts. Even client accounts that are typically managed on a pari passu basis may from time to time receive differing allocations of securities based on total assets of each account eligible to invest in the particular investment type (e.g., equities) divided by the total assets of all accounts eligible to invest in the particular investment.

Allocations will be made among client accounts eligible to participate in initial public offerings (IPOs) and secondary offerings on a pro rata basis, except when the Adviser determines in its discretion that a pro rata allocation is not appropriate, which may include a client's investment guidelines explicitly prohibiting participation in IPOs or secondary offerings and a client's status as a "restricted person" under applicable regulations.

The Adviser may effect cross transactions between discretionary client accounts, except as otherwise noted below. Cross transactions enable the Adviser to effect a trade between two clients for the same security at a set price, thereby possibly avoiding an unfavorable price movement that may be created through entrance into the market and saving commission costs for both accounts. Cross transactions include rebalancing transactions that are undertaken so that, after withdrawals or contributions have occurred, the portfolio compositions of similarly managed accounts remain substantially similar. The Adviser has a potentially conflicting division of loyalties and responsibilities regarding both parties to cross transactions. Cross transactions between client accounts are not permitted if they would constitute principal trades or trades for which the Adviser or its affiliates are compensated as a broker unless client consent has been obtained based upon written disclosure to the client of the capacity in which the Adviser or its affiliates will act. In addition, cross transactions are not permitted for benefit plan or other similar accounts that are subject to ERISA.

The Adviser or its related persons have and may in the future enter into agreements, or "side letters," with certain prospective or existing investors in a client account whereby such Investors may be subject to terms and conditions that are more advantageous than those set forth in the offering memorandum for a given client account. For example, such terms and conditions may provide for special rights to make future investments in the account or other investment vehicles or accounts; special redemption or withdrawal rights relating to frequency or notice; a waiver or rebate in fees or redemption penalties to be paid by the investor and/or other terms; rights to receive reports on a more frequent basis or that include information not provided to other investors (including, without limitation, more detailed information regarding portfolio positions); and such other rights, standards, waivers or modifications as may be

negotiated by the Adviser and such investors. The modifications are solely at the discretion of the Adviser and may, among other things, be based on the size of the investor's investment in the account or an affiliated investment entity, an agreement by an investor to maintain such investment in the account for a significant period of time, or other similar commitment by an investor.

The Adviser may, from time to time, permit certain individuals and/or entities to co-invest alongside client accounts. The decision as to whether to make co-investments and to whom such co-investment opportunities are offered is made by the Adviser in its sole discretion, and no investor has a right to participate in co-investments. Co-investments may result in the investment in, or the disposal of, shares of a particular investment by co-investors at the same time or on the same terms as other client accounts. To the extent employees are permitted to participate in co-investments, co-investment opportunities will only be offered to employees after such client accounts have received their target investment allocations. Co-investors will generally bear their pro rata portion of the expenses related to the co-investment.

If it appears that a trade error has occurred, the Adviser will review the relevant facts and circumstances to determine an appropriate course of action. To the extent that trade errors and breaches of investment guidelines and restrictions occur, the Adviser's error correction procedure is to ensure that clients are treated fairly. The Adviser has discretion to resolve a particular error in any appropriate manner that is consistent with the above stated policy. In the event that a client account incurs a trade error as a result of the Adviser's gross negligence or willful misconduct, trade errors will be corrected by the Adviser as soon as practicable, in a manner such that the client incurs no loss. Trade errors that result other than by breach of the standard of care above are borne by the client account and will also be corrected by the Adviser as soon as practicable.

Item 17. Voting Client Securities

A. Policies and Procedures Relating to Authority to Vote Client Securities. The Adviser has been delegated proxy voting authority on behalf of its clients and has adopted proxy voting policies and procedures that are designed to ensure that proxies are voted in the best interests of its clients. The general policy is to vote proxy proposals, amendments, consents or resolutions in a prudent and diligent manner that will serve the applicable client's best interests and is in line with each client's investment objectives. The Adviser will try to assess any material conflicts between its interests and those of its clients with respect to proxy voting. So long as there are no material conflicts of interest identified, the Adviser will vote proxies according to the policy set forth above. The Adviser may also elect to abstain from voting if it deems such abstinence in its clients' best interests.

The Adviser's clients are not permitted to direct their votes in a particular solicitation.

If a material conflict of interest between the Adviser and a client exists, the Adviser will determine whether voting in accordance with the guidelines set forth in the proxy voting policies and procedures is in the best interests of the client or take some other appropriate action. For example, the Adviser may engage the services of an outside proxy voting service or consultant who will provide an independent recommendation on the direction in which the Adviser should vote on the proposal. The Adviser does not make any qualitative judgment regarding its client's investments.

Clients may obtain a copy of the Adviser's proxy voting policies and procedures and information about how the Adviser voted a client's proxies by contacting the Adviser at the address or telephone number listed on the first page of this document..

The Adviser may utilize the services of a third party in order to file and manage class action claims on behalf of our clients. Such third parties may collect fees based upon a percentage of funds recovered in such claims.

B. No Authority to Vote Client Securities and Client Receipt of Proxies. N/A

Item 18. Financial Information

The Adviser has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.

Appendix: Item 2. Material Changes

This Item is not applicable.