
PART 2A OF FORM ADV: FIRM BROCHURE

SYMPHONY FINANCIAL PARTNERS (SINGAPORE) PTE. LTD.

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This brochure (this “Brochure”) provides information about the qualifications and business practices of Symphony Financial Partners (Singapore) Pte. Ltd. (the “Investment Adviser,” “we,” “us,” and similar terms). If you have any questions about the contents of this Brochure, please contact us at +65 6536-3920 or info@symphony-fp.com.sg. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

This Brochure also relates to SFP Value Realization General Partner Co., Ltd. (the “SFP General Partner”), Sinfonietta Partners (the “Sinfonietta General Partner”) and SFP Japan Special Opportunities General Partner Co., Ltd. (the “SFPJSO General Partner” and together with the SFP General Partner and Sinfonietta General Partner, the “General Partners”) and SFP Value Realization Co., Ltd. (“Symphony Cayman”) (with each being a “Relying Adviser”; however, to the extent the qualifications and business practices of a Relying Adviser are substantially similar to those of the Investment Adviser, no specific mention of such Relying Adviser is made herein.

The Investment Adviser is registered as an investment adviser with the SEC. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

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

ITEM 2

MATERIAL CHANGES

This Brochure is our initial Form ADV Part 2A, which has been submitted with our application for registration with the SEC; therefore, there are no material changes to report. In the future, if our Brochure – when amended in conjunction with our annual update – contains material changes from our last annual update, we are required to identify and discuss those changes.

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ITEM 4 ADVISORY BUSINESS

A. General Description of Advisory Firm.

1. *Symphony Financial Partners (Singapore) Pte. Ltd.*

Symphony Financial Partners (Singapore) Pte. Ltd. (the “Investment Adviser” “we,” and “us”) is a private limited company that was incorporated under the laws of Singapore on 5 February 2013.

We only have one office, which is located in Singapore.

Symphony Cayman (as defined below), which is owned by David Baran, Kazuhiko Shibata and certain key employees of the Relying Advisers, is the sole owner of the Investment Adviser.

2. *SFP Value Realization General Partner Co., Ltd., Sinfonietta Partners and SFP Japan Special Opportunities General Partner Co., Ltd.*

Our registration on Form ADV also covers SFP Value Realization General Partner Co., Ltd. (the “SFP General Partner”), a Cayman Islands exempted company incorporated on 24 September 2003, Sinfonietta Partners (the “Sinfonietta General Partner”), a Cayman Islands exempted company incorporated on 5 May 2008, and SFP Japan Special Opportunities General Partner Co., Ltd. (the “SFPJSO General Partner” and together with the SFP General Partner and Sinfonietta General Partner, the “General Partners”), a Cayman Islands exempted company incorporated on 31 March 2015. The principal owners of the General Partners are David Baran and ACE Investment Management Co., Ltd., a Cayman Islands exempted company that is wholly owned by Kazuhiko Shibata.

3. *SFP Value Realization Co., Ltd.*

Our registration on Form ADV also covers SFP Value Realization Co., Ltd. (“Symphony Cayman”), which is a Cayman Islands exempted company incorporated on 11 January 2001. David Baran and Kazuhiko Shibata are the principal owners of Symphony Cayman.

4. *Symphony Financial Partners Co., Ltd.*

Symphony Financial Partners Co., Ltd. (“Symphony Japan”), a limited company incorporated in Japan is an affiliate of the Investment Adviser. Symphony Japan serves solely as a consultant to the Investment Adviser, and does not perform any advisory services for clients (as defined below). The sole owners of Symphony Japan are David Baran and Kazuhiko Shibata.

B. Description of Advisory Services.

This Brochure generally includes information about us and our relationships with our clients and affiliates. While much of this Brochure applies to all such clients and affiliates, certain information included herein applies to specific clients or affiliates only.

1. *Advisory Services.*

We serve as the investment adviser, with discretionary trading authority, to private pooled investment vehicles, the securities of which are offered to investors on a private placement basis (each, a "Fund" and collectively, the "Funds"). The Funds include:

- (1) The SFP Value Realization Master Fund Ltd., a Cayman Islands exempted company, into which The SFP Value Realization Fund Ltd., a Cayman Islands exempted company, and The SFP Value Realization Fund L.P., a Delaware limited liability partnership, invest their assets through a "master-feeder" structure;
- (2) Sinfonietta Master Fund, a Cayman Islands exempted company, into which Sinfonietta, a Cayman Islands exempted company, and Sinfonietta L.P., a Cayman Islands exempted limited partnership, invest their assets through a "master-feeder" structure; and
- (3) The SFP Japan Special Opportunities Master Fund Ltd., a Cayman Islands exempted company, into which The SFP Japan Special Opportunities Fund Ltd., a Cayman Islands exempted company, and The SFP Japan Special Opportunities Fund L.P., a Cayman Islands exempted limited partnership, invest their assets through a "master-feeder" structure.

The SFP Value Realization Fund Ltd., Sinfonietta and The SFP Japan Special Opportunities Fund Ltd. are each referred to herein as a "Offshore Fund" and collectively as the "Offshore Funds". The SFP Value Realization Fund L.P., Sinfonietta L.P. and The SFP Japan Special Opportunities Fund L.P., are each referred to herein as a "Domestic Fund" and collectively as the "Domestic Funds".

Notwithstanding any other disclosure herein, the General Partners rather than the Investment Adviser have discretionary authority in relation to the assets of the Domestic Funds.

The SFP General Partner serves as the general partner of The SFP Value Realization Fund L.P., Sinfonietta General Partner serves as the general partner of Sinfonietta L.P. and SFPJSO General Partner serves as the general partner of The SFP Japan Special Opportunities Fund L.P. The General Partners' facilities and personnel are provided by an affiliate of the Investment Adviser and the Investment Adviser. Symphony Cayman serves as the manager of the Funds and together with the Funds has appointed the Investment Adviser to act as investment adviser with respect to the Funds. Symphony Japan provides investment advice to the Investment Adviser with respect to the Funds but has no discretionary authority over the Funds. Symphony Japan is registered as an investment adviser with the Financial Services Agency in Japan.

MANAGED ACCOUNTS

In addition, the Investment Adviser serves as an investment adviser with discretionary trading authority over, and also provides discretionary advisory services to, separately managed accounts (the "Managed Accounts").

As used herein, the term "client" generally refers to each Fund and each beneficial owner of a Managed Account.

This Brochure does not constitute an offer to sell or solicitation of an offer to buy any securities. The securities of the Funds are offered and sold on a private placement basis under exemptions promulgated under the Securities Act of 1933 and other applicable state, federal or non-U.S. laws. Significant suitability requirements apply to prospective investors in the Funds, including requirements that they be "accredited investors" as defined in Regulation D, "qualified purchasers" as defined in the Investment Company Act, or non-"U.S. Persons" as defined in Regulation S. Persons reviewing this Brochure should not construe this as an offer to sell or a solicitation of an offer to buy the securities of any of the Funds or other clients described herein. Any such offer or solicitation will be made only by means of a confidential private placement memorandum.

2. Investment Strategies and Types of Investments.

Our investment decisions and advice with respect to each Fund will be subject to each Fund's investment objectives and guidelines, as set forth in its respective offering documents.

Please see Item 8 for a description of the investment strategies employed by the Investment Adviser.

The descriptions set forth in this Brochure of specific advisory services that we offer to our clients, and investment strategies pursued and investments made by us on behalf of our clients, should not be understood to limit in any way our investment activities. We may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that we consider appropriate, subject to each client's investment objectives and guidelines. The investment strategies we pursue 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.

C. Availability of Customized Services for Individual Clients.

The investment objectives and guidelines of the Managed Accounts are determined in conjunction with the applicable client. Our investment decisions and advice with respect to each Managed Account are subject to each client's investment objectives and guidelines, as set forth in the client's investment management agreement, as well as any written instructions provided by the client to us.

The Investment Adviser in its role as investment adviser to Funds and/or the General Partners, in their roles as the general partner of certain Funds that are partnerships, has in the past and may from time to time in the future agree to supplements, clarifications, or variations of the terms of a Fund's offering, subscription, or organizational documents in "side letters" or similar agreements. If we determine that any of these side letters or agreements represents a variation that would be material to other investors, we would disclose it in an appropriate fashion.

D. Wrap Fee Programs.

We do not currently participate in any Wrap Fee Programs.

E. Assets Under Management.

We manage, on a discretionary basis, approximately \$442.9 million of client assets (rounded to the nearest \$100,000), determined as of 31 May 2015. (This calculation is based on the aggregate net asset value of our various client accounts, and may differ from the “regulatory assets under management” that we reported in Item 5.F of Part 1A.)

We do not manage any assets on a non-discretionary basis.

ITEM 5 FEES AND COMPENSATION

A. Advisory Fees and Compensation.

The fees applicable to each Fund are set forth in detail in each Fund's offering documents. The fees applicable to each Managed Account are set forth in detail in each Managed Account's investment management agreement. A brief summary of such fees is provided below.

1. *Domestic Funds*

Management Fee. Generally, each Domestic Fund pays Symphony Cayman a monthly or quarterly management fee, payable in arrears (the "Domestic Management Fee"), equal to 1.0% to 2.0% annualized of each investor's capital account(s), as of the last Business Day of each month or quarter, as applicable. The relevant General Partner may elect to reduce, waive or calculate differently the Domestic Management Fee with respect to any investor. In the case of Sinfonietta L.P., additional Domestic Management Fee provisions apply to cover situations where the investor is participating in a side pocket investment but has otherwise fully withdrawn from such Fund.

Incentive Allocation. Generally, at the end of each fiscal year of each Domestic Fund, 12.5% to 20% of the excess of any net capital appreciation allocated to each capital account of each investor for such fiscal year over the Domestic Management Fee debited to such capital account for such fiscal year will be reallocated to the capital account of the relevant General Partner (the "Incentive Allocation"), subject to a loss carryforward mechanism.

In the event that the management agreement between the relevant Domestic Fund and Symphony Cayman is terminated or an investor withdraws all or a portion of any capital account other than at the end of a fiscal year, net capital appreciation or net capital depreciation, as the case may be, allocable to such capital account will be determined through the date of termination or withdrawal (as the case may be) and the Incentive Allocation with respect to such capital account, if any, will be reallocated to the relevant General Partner. The relevant General Partner may, in its sole discretion, reduce, waive or calculate differently the Incentive Allocation with respect to any investor. In the case of Sinfonietta L.P., additional Incentive Allocation provisions apply to cover situations where the investor is participating in a side pocket investment but has otherwise fully withdrawn from such Fund.

2. *Offshore Funds*

Management Fee.

Generally, each Offshore Fund pays Symphony Cayman a monthly or quarterly management fee management fee, payable in arrears (the "Offshore Management Fee"), equal to 1.0% to 2.0% annualized of each series or sub-class of such Offshore Fund's shares, as of each month-end or quarter end valuation day (as the case may be). Symphony Cayman may elect to reduce, waive, rebate or calculate differently the Offshore Management Fee with respect to any investor. In the case of Sinfonietta, additional Offshore Management Fee provisions apply to cover situations where the investor is participating in a side pocket investment but has otherwise fully redeemed from such Fund.

Incentive Fee. Generally, at the end of each fiscal year of an Offshore Fund, Symphony Cayman is entitled to an incentive fee (the "Incentive Fee", and together with the Incentive Allocation, the "Performance Compensation") in an amount equal to 12.5% to 20% of the net realized and unrealized appreciation in the net asset value of each series of shares of such Offshore Fund or net asset value per share of the relevant sub-class of such Offshore Fund (as the case may be), adjusted for any redemption of shares in the series made during the year and any accruals of the Incentive Fee (in the case of each series of shares only) and, in each case, subject to a loss carryforward or high water mark mechanism. In the case of Sinfonietta, additional Incentive Fee provisions apply to cover situations where the investor is participating in a side pocket investment but has otherwise fully withdrawn from such Fund.

In the event that shares are redeemed or the management agreement between the relevant Offshore Fund and Symphony Cayman is terminated other than at the end of a fiscal year, the Incentive Fee will be determined solely with respect to the shares so redeemed as of the redemption date. In the sole discretion of the Investment Adviser, the Incentive Fee may be waived, reduced or calculated differently with respect to certain investors.

3. *Managed Accounts*

All fees for Managed Accounts are subject to negotiation and established pursuant to each Managed Account's investment management agreement. Generally, the investment management agreements are terminable upon receipt by either party from the other of prior written notice of termination and after the expiration of the specified notice period and the client will be entitled to any unearned prepaid portion of the Management Fee to the extent applicable.

Management Fee. The Investment Adviser or Symphony Cayman generally charges each Managed Account a Management Fee for each fiscal month or quarter of up to 2% per annum of the net asset value of each Managed Account. The Management Fee is generally calculated and paid in advance and amortized monthly by each Managed Account, where applicable, over the relevant period for which such Management Fee is paid.

Performance Compensation. Generally, for each fiscal year (or such other calculation period as may be agreed with the client), the Investment Adviser or Symphony Cayman is entitled to Performance Compensation in an amount equal to between 15-18% of any net realized and unrealized appreciation in the net asset value of each Managed Account (subject to a loss carryforward or high water mark mechanism) or overperformance over a hurdle, in each case over the relevant calculation period subject to certain adjustments. Generally, Performance Compensation is also crystallised upon a withdrawal or termination of the relevant Managed Account's investment management agreement.

B. Payment of Fees.

Fees and compensation paid to the Investment Adviser or its affiliates by the Funds or Managed Accounts are generally deducted from the assets of such clients. As discussed above, Management Fees are generally deducted on a monthly or quarterly basis and Performance Compensation is generally deducted on an annual basis, subject to agreement otherwise with certain clients or investors therein, as well as upon a redemption or withdrawal by an investor.

C. Additional Fees and Expenses.

Not all of the clients bear all of the expenses set forth below.

Each client bears its own expenses, including, without limitation, the costs and expenses of (i) all transactions carried out by it or on its behalf (including costs and expenses incurred by the Investment Adviser and its affiliates in sourcing and researching investment opportunities and in visiting target companies as well as any break up fees or other similar fees) and (ii) the administration of such client including (a) the charges and expenses of legal advisers and auditors, including in relation to due diligence on potential investments, (b) brokers' commissions (if any), borrowing charges on securities sold short and any issue or transfer taxes chargeable in connection with any securities transactions, (c) fees payable in respect of market price services, dealing systems, portfolio management systems and data feeds utilised by the Investment Adviser or its affiliates (d) all taxes and corporate fees payable to governments or agencies, (e) directors' fees (if any) and expenses, (f) interest on borrowings, including borrowings from any prime broker, (g) expenses related to the offer and sale of Fund shares or such expenses incurred by Symphony Cayman, the Investment Adviser or some other intermediaries in soliciting subscriptions for Fund shares as shall be approved by the Fund directors, (h) communication expenses with respect to investor services and all expenses of meetings of investors and of preparing, printing and distributing financial and other reports, proxy forms, prospectuses and similar documents, (i) the cost of insurance (if any) for the benefit of the Fund directors, (j) litigation and indemnification expenses and extraordinary expenses not incurred in the ordinary course of business, and (k) all other organisational and operating expenses.

Please also refer to the disclosure made in Item 12 related to Brokerage Practices for further discussion of brokerage and other transaction costs.

D. Additional Compensation and Conflicts of Interest.

Neither the Investment Adviser nor any of its supervised persons accepts compensation (*e.g.*, brokerage commissions) for the sale of securities or other investment products.

ITEM 6

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

We and our affiliates accept performance-based compensation from every client (other than clients that are not assessed performance-based compensation because it is assessed through another entity in a single master-feeder or similar structure). As a result, we and its affiliates do not face certain conflicts of interest that may arise when an investment adviser accepts performance-based fees from some clients, but not from other clients.

However, the Performance Compensation is subject to a loss carryforward or high water mark mechanism. As a result of this provision, it is possible that there will be scenarios where – even among clients that are all subject to the assessment of Performance Compensation – one or more clients will be effectively assessed only a fixed management fee (until the client's net asset value satisfies any “catch up” or similar requirement). In such a case, the variation in the potential receipt of actual Performance Compensation among our clients may create an incentive for us disproportionately to direct the best investment ideas to, or to allocate or sequence trades in favor of, clients that are more likely to generate Performance Compensation from profitable investment or trading activity.

We are committed to allocating investment opportunities on a fair and equitable basis and have established policies and procedures to address the conflicts of interest described above, as further described in Item 11.

ITEM 7
TYPES OF CLIENTS

We provide investment advice to Funds, as described above. As discussed above, we also provide investment advice to Managed Accounts for institutions, pension plans, high net worth individuals and other sophisticated investors. The Investment Adviser generally requires a minimum investment of \$25 million for a prospective client to open a Managed Account.

ITEM 8

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Methods of Analysis and Investment Strategies.

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

The Investment Adviser currently seeks to achieve the investment objectives of its clients: (1) by making significant investments, either directly or indirectly, in Japanese corporations and working with the management of those corporations as a cooperative shareholder with an aim to enhance shareholder value or (2) by investing in those companies most likely to benefit from the capital market reforms recently introduced in Japan or (3) by following several different strategies (unrestrained by investment style, asset class, type of security, industry sector, location, size or market capitalization) including, without limitation:

(i) "Directional Macro" (i.e. taking directionally biased positions in major asset classes including equity, credit, fixed income, foreign exchange, commodities, and volatility);

(ii) "Relative Value and Event Driven" (i.e. investing in a diverse, opportunistic portfolio of inter-and intra-market relative value special situations and structural arbitrage positions); and

(iii) "Absolute Value" (i.e. going long (short) securities trading at a significant discount (premium) to their expected value).

Specific descriptions of such strategies and methods, and a full description of the risks associated with such strategies and methods, are included in each client's offering documents, subscription agreement, investment management agreement or other constituent documents.

B. Material, Significant or Unusual Risks Relating to Investment Strategies and Risks Associated With Particular Types of Securities.

The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in the clients advised by us. These risk factors include only those risks we believe to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis employed by us.

We do not recommend a particular type of investment instrument to clients, but rather, we recommend and invest in multiple investment instruments. Given the broad discretion we have in managing clients, any one or more of the risks listed in this section may be incurred by our clients depending upon its investment program and restrictions.

However, because it may be useful in understanding our investment program, set forth below is a non-exclusive list of certain risks related to securities and other instruments that

may be utilized within a client's portfolio. References below to a client, where applicable, should be read to mean the Investment Adviser causing such client to make the relevant investment or the Investment Adviser acting with respect such client.

Dependence on the Macroeconomic and Business Environment. The success of a client may be dependent to a large extent on the economic and business conditions prevailing in Japan. Although various policy measures have been introduced in recent years to revitalize the Japanese financial and corporate sectors, certain elements of structural and cyclical weakness persist. The Japanese economy has recently begun to show signs of recovery, although various uncertainties remain regarding the strength and sustainability of this recovery.

Unpredictable Policy and Regulatory Climate in Japan. Government policies and regulations affecting, directly or indirectly, a client's investment activities in Japan as well as the various strategies and structures that the Investment Adviser may employ for a client in the pursuit of its investment strategy, are inherently unpredictable and subject to change. There can be no assurances that the policy and regulatory environment in Japan will necessarily always be favourable to a client or its investors. Adverse changes in policies, law or regulations, including new interpretations of existing laws or regulations, may arise. In particular, such adverse changes may include changes to tax laws or regulations, including administrative and judicial interpretations or existing laws or regulations, which may have an adverse effect on the tax treatment of an investment in a client or on investments made by a client, in each case, possibly with retroactive effect.

Illiquid Portfolio Instruments. A client may invest a significant part of its assets in illiquid investments. Such client may not be able to readily dispose of such illiquid investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time. An investment in a Fund or a Managed Account is suitable only for certain sophisticated investors who do not require immediate liquidity for their investments.

Where appropriate, positions in a client's investment portfolio that are illiquid and do not actively trade will be marked to market, taking into account actual market prices, market prices of comparable investments and/or such other factors (e.g., the tenor of the respective instrument) as may be appropriate. To the extent that marking an illiquid investment to market is not practicable, an investment will be carried at fair value, as reasonably determined by the client directors or their delegate. There is no guarantee that fair value will represent the value that will be realised by a client on the eventual disposition of the investment or that would, in fact, be realised upon an immediate disposition of the investment. As a result, an investor withdrawing from a client prior to realisation of such an investment may not participate in gains or losses therefrom.

Special Situation Investments. From time to time, subject to an aggregate limit, a client may acquire assets or securities which the Investment Adviser believes either lack a readily assessable market value or should be held until the resolution of a special event or circumstance (each a "Special Situation Investment"). Such client will not be able to readily dispose of Special Situation Investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time. Special Situation Investments will be valued at fair value by the client administrator in consultation with the Investment Adviser. There is no guarantee that this value will represent the value that will be

realised by the client on the eventual disposition of the Special Situation Investment. An investor's participation in Special Situation Investments may be disproportionate to such investor's participation in the relevant client as a whole.

Investments in Undervalued Securities. A client may seek to invest in undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task, and there are no assurances that such opportunities will be successfully recognised or acquired. While investments in undervalued securities offer the opportunity for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from such client's investments may not adequately compensate for the business and financial risks assumed. In addition, such client may be required to hold such securities for a substantial period of time before realising their anticipated value. During this period, a portion of such client's capital would be committed to the securities purchased, thus possibly preventing such client from investing in other opportunities. Such client may therefore finance such purchases with borrowed funds, resulting in the necessity to pay interest on such funds until such time as sufficient capital becomes available to such client.

Equity Securities Generally. The value of equity securities varies with the performance of the issuer and movements in the equity markets. As a result, the client may suffer losses if it invests in or has exposure to equity instruments of issuers whose performance diverges from the Investment Adviser's expectations or if equity markets generally move in a single direction and the client has not hedged against such a general move. The client also may be exposed to risks that issuers will not fulfil contractual obligations such as, in the case of convertible securities or private placements, delivering marketable common stock upon conversions of convertible securities and registering restricted securities for public resale.

Convertible Securities. Convertible securities are stocks or other securities that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other Securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value" (the security's worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the convertible security's investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity.

A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security

held for the client is called for redemption, the client will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on the client.

Investments in Initial Public Offerings. Investments in initial public offerings (or shortly thereafter) may involve higher risks than investments issued in secondary public offerings or purchases on a secondary market due to a variety of factors, including, without limitation, the limited number of shares available for trading, unseasoned trading, lack of investor knowledge of the issuer and limited operating history of the issuer. In addition, some companies in initial public offerings are involved in relatively new industries or lines of business, which may not be widely understood by investors. Some of these companies may be undercapitalised or regarded as developmental stage companies, without revenues or operating income, or the near-term prospects of achieving them. These factors may contribute to substantial price volatility for such securities and, thus, for the value of the client.

Real Estate-Related Securities. Investments may be made in securities issued by entities which invest in real estate such as "real estate investment trusts" ("REITs"). Real estate investments generally will be subject to the risks incident to the ownership and operation of real estate and/or risks incident to the making of nonrecourse mortgage loans secured by real estate. Such risks include, without limitation, the risks associated with both the domestic and international general economic climates; local real estate conditions; risks due to dependence on cash flow; risks and operating problems arising out of the absence of certain construction materials; changes in supply of, or demand for, competing properties in an area (as a result, for instance, of over-building); the financial condition of tenants, buyers and sellers of properties; changes in availability of debt financing; energy and supply shortages; changes in the tax, real estate, environmental, and zoning laws and regulations; various uninsured or uninsurable risks; natural disasters; and the ability of relevant parties to manage the real properties. Real estate investments are not as liquid as other types of investments and this lack of liquidity may tend to limit the Investment Adviser's ability to react promptly to changes in economic or other conditions. In addition, significant expenditures associated with real estate investments, such as mortgage payments, real estate taxes and maintenance costs, are generally not reduced when circumstances cause a reduction in income from the investments. Compliance with certain legal, tax and other requirements may be required prior to liquidating such investments.

Collective Investment Schemes. Investments may be made in collective investment schemes. CISs are subject to a wide degree of risks including (without limitation) investment risks, credit and counter-party risks, tax risks and regulatory risks. No assurance can be given that the strategies employed by any CIS will be successful and in extreme cases the client could sustain a total loss of its investment in a CIS. Certain CISs may use special investment strategies and techniques, including (without limitation) the use of leverage or the concentration in certain geographic areas, asset investment categories or currencies, that may make the client subject to additional investment risks. Certain CISs, in particular exchange traded funds, follow an indirect investment policy and are mainly synthetically replicated through the use of derivative transactions to achieve their desired investment objective making them subject to special counterparty credit risks. Investments in a CIS could lead to inadvertent concentration in certain securities. Conversely, the client may, at any given time, hold opposite positions to those of a CIS creating inefficient investment results with higher overall transaction costs. An investment in a CIS incurs additional fees and commissions

(such as management fees, performance fees, custody and transaction fees, central administration fees and audit fees). To the extent a CIS, in turn, invests in other CISs, further additional fees may be incurred. CISs are subject to different laws and regulatory oversight and the Investment Adviser may not have the opportunity to verify compliance. Furthermore, in valuing holdings in a CIS, external pricing services or information provided directly by the CIS will need to be relied on. Independent valuation sources such as exchange listing may not be available for certain CISs and the price of shares in a CIS may diverge from its net asset value for prolonged periods of time.

Fixed Income Securities. A client may invest in convertible bonds or other fixed income securities, including, without limitation, commercial and asset-backed paper, loans, collateralised loan obligations, collateralised debt obligations and other derivatives, and "higher yielding" (including higher risk non-investment grade) debt securities. Such client will therefore be subject to credit, liquidity, and interest rate risks. Higher-yielding debt securities are generally unsecured and may be subordinated to certain other outstanding securities and obligations of the issuer, which may be secured on substantially all of the issuer's assets. The lower rating of debt obligations in the higher-yielding sector reflects a greater probability that adverse changes in the financial condition of the issuer or in general economic conditions, or both, may impair the ability of the issuer to make payments of principal and interest. Non-investment grade debt securities may not be protected by financial covenants or limitations on additional indebtedness. In addition, evaluating credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult. Also, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments. It is likely that a major economic recession could severely disrupt the market for such securities and could have an adverse impact on the value of such securities. In addition, it is likely that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon, increasing the incidence of default for such securities.

Leverage, Borrowing and Financing Risk. A client may leverage its capital to achieve a higher rate of return. Accordingly, a client may pledge its securities in order to borrow additional funds for investment purposes. The amount of borrowings and other forms of leverage which a client may have outstanding at any time may be substantial in relation to its capital.

While leverage presents opportunities for increasing a client's total return, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of an investment by a client would be magnified to the extent such client is leveraged. The cumulative effect of the use of leverage by a client in a market that moves adversely to such client's investments could result in a substantial loss to such client which would be greater than if such client were not leveraged.

In general, the anticipated use of short-term margin borrowings results in certain additional risks to a client. For example, should the securities pledged to brokers to secure a client's margin accounts decline in value, such client could be subject to a "margin call", pursuant to which such client must either deposit additional funds or securities with the broker, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden drop in the value of such client's assets, it might not be able to liquidate assets quickly enough to satisfy margin requirements.

The financing used by a client to leverage its portfolio will be extended by securities brokers and dealers in the marketplace in which such client invests. While the client will attempt to negotiate the terms of these financing arrangements with such brokers and dealers, its ability to do so will be limited. A client is therefore subject to changes in the value that broker-dealers ascribe to a given security or position, the amount of margin required to support such security or position, the borrowing rate to finance such security or position, and/or such broker-dealers' willingness to continue to provide any such credit to such client. Because a client has no alternative credit facility which could be used to finance its portfolio in the absence of financing from broker-dealers, it could be forced to liquidate its portfolio on short notice to meet its financing obligations. The forced liquidation of all or a portion of a client's portfolio at distressed prices could result in significant losses to such client.

A client's investments are expected to include companies whose capital structures may have significant leverage. Although investments in companies whose leverage is believed to be prudent will be sought, the leveraged capital structure of such companies will increase their exposure to adverse economic factors such as rising interest rates, downturns in the economy, or deteriorations in the condition of the company or its industry.

Certain Derivative Investments. A client may buy or sell (write) both call options and put options, and when it writes options, it may do so on a "covered" or an "uncovered" basis. A call option is "covered" when the writer owns securities of the same class and amount as those to which the call option applies. A put option is covered when the writer has an open short position in securities of the relevant class and amount. A client's option transactions may be part of a hedging strategy (*i.e.*, offsetting the risk involved in another securities position) or a form of leverage, in which such client has the right to benefit from price movements in a large number of securities with a small commitment of capital. These activities involve risks that can be substantial, depending on the circumstances.

In general, the principal risks involved in options trading can be described as follows, without taking into account other positions or transactions a client may enter into. When a client buys an option, a decrease (or inadequate increase) in the price of the underlying security in the case of a call, or an increase (or inadequate decrease) in the price of the underlying security in the case of a put, could result in a total loss of such client's investment in the option (including commissions). A client could mitigate those losses by selling short, or buying puts on, the securities as to which it holds call options, or by taking a long position (*e.g.*, by buying the securities or buying calls on them) in securities underlying put options.

When a client sells (writes) an option, the risk can be substantially greater than when it buys an option. The seller of an uncovered call option bears the risk of an increase in the market price of the underlying security above the exercise price. The risk is theoretically unlimited unless the option is "covered." If it is covered, the client would forego the opportunity for profit on the underlying security should the market price of the security rise above the exercise price. If the price of the underlying security were to drop below the exercise price, the premium received on the option (after transaction costs) would provide profit that would reduce or offset any loss the client might suffer as a result of owning the security.

Swaps and certain options and other custom instruments are subject to the risk of non-performance by the swap counterparty, including risks relating to the creditworthiness of the swap counterparty, market risk, liquidity risk and operations risk.

Short Selling. Short selling involves selling securities which are not owned by the short seller and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from a decline in market price to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. The extent to which a client engages in short sales will depend upon the investment strategy determined by the Investment Adviser and the available investment opportunities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the client of buying those securities to cover the short position. There can be no assurance that a client will be able to maintain the ability to borrow securities sold short. In such cases, such client can be "bought in" (*i.e.*, forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

Futures Contracts. The value of futures depends upon the price of the securities, such as commodities, underlying them. The prices of futures are highly volatile, and price movements of futures contracts can be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, as well as national and international political and economic events and policies. In addition, investments in futures are also subject to the risk of the failure of any of the exchanges on which the client's positions trade or of its clearing houses or counterparties.

Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits". Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in that contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent the Investment Adviser from promptly liquidating unfavorable positions and subject the client to substantial losses or prevent it from entering into desired trades. Also, low margin or premiums normally required in such trading may provide a large amount of leverage, and a relatively small change in the price of a security or contract can produce a disproportionately larger profit or loss. In extraordinary circumstances, a futures exchange or regulator could suspend trading in a particular futures contract, or order liquidation or settlement of all open positions in such contract.

Index Futures. The price of index futures contracts may not correlate perfectly with the movement in the underlying stock index because of certain market distortions. First, all participants in the futures market are subject to margin deposit and maintenance requirements. Rather than meeting additional margin deposit requirements, shareholders may close futures contracts through offsetting transactions that would distort the normal relationship between the index and futures markets. Secondly, from the point of view of speculators, the deposit requirements in the futures market are less onerous than margin requirements in the securities market. Therefore, increased participation by speculators in the futures market also may cause price distortions. Successful use of index futures contracts for the client also is subject to the Investment Adviser's ability to correctly predict movements in the direction of the market.

Forward Trading. Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardised; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market traded by a client due to unusually high trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit such forward trading to less than that which the Investment Adviser would otherwise recommend, to the possible detriment of a client. Market illiquidity or disruption could result in major losses to a client.

Hedging Transactions. A client may utilise financial instruments, both for investment purposes and for risk management purposes in order to (i) protect against possible changes in the market value of such client's investment portfolio resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect such client's unrealised gains in the value of its investment portfolio; (iii) facilitate the sale of any such investments; (iv) enhance or preserve returns, spreads or gains on any investment in its portfolio; (v) hedge the interest rate or currency exchange rate on any of its liabilities or assets; (vi) protect against any increase in the price of any securities it anticipates purchasing at a later date; or (vii) for any other reason that the client directors or their designees deem appropriate.

The success of a client's hedging strategy will depend, in part, upon the Investment Adviser's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy to be determined by the Investment Adviser and the performance of the portfolio investments being hedged. Since the characteristics of many securities change over time, the success of a client's hedging strategy will also be subject to the Investment Adviser's ability to continually recalculate and readjust, and the Investment Adviser's ability to execute hedges in an efficient and timely manner. While a client may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for such client than if it had not engaged in such hedging transactions. For a variety of reasons, the Investment Adviser may not seek to establish a perfect correlation between the hedging instruments utilised and the portfolio holdings being hedged or the Investment Adviser or its designees may determine not to adopt such strategies. Such an imperfect correlation or investment decision may prevent the client from achieving the intended hedge, or may expose such client to risk of loss. The Investment Adviser may not hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because it does not foresee the occurrence of the risk. The successful utilisation of hedging and risk management transactions requires skills complementary to those needed in the selection of a client's portfolio holdings.

Counterparty Risk. Relationships have been established to obtain financing, derivative intermediation and prime brokerage services for clients that permit clients to trade in any variety of markets or asset classes over time; however, there can be no assurance that such relationships will be maintained. An inability to establish or maintain such relationships

would limit a client's trading activities could create losses, preclude such client from engaging in certain transactions, financing, derivative intermediation and prime brokerage services and prevent such client from trading at optimal rates and terms. Moreover, a disruption in the financing, derivative intermediation and prime brokerage services provided by any such relationships before such client establishes additional relationships could have a significant impact on such client's business due to its reliance on such counterparties.

Some of the markets in which a client may effect transactions are "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. This exposes such client to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (regardless of whether *bona fide*) or because of a credit or liquidity problem, thus causing such client to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where a client has concentrated its transactions with a single or small group of counterparties. The ability of a client to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties' financial capabilities, and the absence of a regulated market to facilitate settlement may increase the potential for losses by such client.

Counterparty Default. The stability and liquidity of repurchase agreements, swap transactions, forward transactions and other over-the-counter derivative transactions depend in large part on the creditworthiness of the parties to the transactions. If there is a default by the counterparty to such a transaction, the relevant client will under most normal circumstances have contractual remedies pursuant to the agreements related to the transaction. However, exercising such contractual rights may involve delays or costs which could result in the net asset value of such client being less than if it had not entered into the transaction. Furthermore, there is a risk that any of such counterparties could become insolvent. If one or more of a client's counterparties were to become insolvent or the subject of liquidation proceedings in the United States, there exists the risk that the recovery of such client's securities and other assets from such prime broker or broker-dealer will be delayed or be of a value less than the value of the securities or assets originally entrusted to such prime broker or broker-dealer.

In addition, a client may use counterparties located in various jurisdictions. Such local counterparties are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to a client's assets are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a counterparty, it is impossible to generalise about the effect of their insolvency on a client and its assets. Investors should assume that the insolvency of any counterparty would result in a loss to the client, which could be material.

Exchange Rate Fluctuations; Currency Considerations. Changes in currency exchange rates (to the extent unhedged) will affect the value of a client's portfolio and the unrealised appreciation or depreciation of investments in relation to such client's shares. Furthermore, a client may incur costs in connection with conversions between various currencies. Currency exchange dealers realise a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer normally will

offer to sell currency to a client at one rate, while offering a lesser rate of exchange should such client desire immediately to resell that currency to the dealer. A client will conduct its currency exchange transactions either on a spot (i.e., cash) basis at the spot rate prevailing in the currency exchange market, or by entering into forward or options contracts to purchase or sell non-Yen currencies. It is anticipated that most of the currency exchange transactions of a client will occur at the time when securities are purchased or sold by it or when the value of the investments in such client is calculated in each currency at the relevant valuation day, and will be executed through the local broker or custodian acting for such client.

Highly Volatile Instruments. The prices of derivative instruments, including options, are highly volatile. Price movements of forward contracts and other derivative contracts in which a client's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies and financial instrument options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. A client also is subject to the risk of the failure of any of the exchanges on which its positions trade, or of their clearing houses.

Investments in Unlisted Securities. A client may invest in unlisted securities. Because of the absence of any trading market for these investments, it may take longer to liquidate such positions than would be the case for similar positions in publicly traded securities, or it may not be possible to liquidate such positions at all. Although such unlisted securities may be resold in privately negotiated transactions (or eventually through an actual listing of the securities), the prices realised on these sales could be less than those originally paid by a client. Furthermore, companies whose securities are not publicly traded will generally not be subject to public disclosure and other investor protection requirements applicable to publicly traded securities.

ITEM 9
DISCIPLINARY INFORMATION

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

ITEM 10
OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Broker-Dealer Registration Status.

The Investment Adviser and its management persons are not registered as broker-dealers and do not have any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer.

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

The Investment Adviser and its management persons are not registered as, and do not have any application to register as, futures commission merchants, commodity pool operators, commodity trading advisors or associated persons of the foregoing entities, except that certain directors of the Investment Adviser have registered as associated persons of Symphony Cayman.

Symphony Cayman is currently a member of the National Futures Association and is registered with the United States Commodity Futures Trading Commission ("CFTC") as a commodity pool operator. Symphony Cayman, the General Partners, the Investment Adviser and Symphony Japan are each exempt from registration with the CFTC as a commodity trading advisor.

C. Material Relationships or Arrangements with Industry Participants.

As described above, Symphony Cayman has appointed the Investment Adviser to act as discretionary investment adviser of the Funds other than the Domestic Funds. The Investment Adviser has appointed its affiliate Symphony Financial Partners Co., Ltd., to provide non-discretionary investment advice to the Investment Adviser with respect to the Funds. The General Partners act as general partners of the Domestic Funds. A Fund may invest in another Fund, subject to each Fund's investment objectives and guidelines.

D. Material Conflicts of Interest Relating to Other Investment Advisers.

We do not recommend or select other unaffiliated investment advisers for our clients.

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

A. Code of Ethics.

We strive to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, honesty and trust. In seeking to meet these standards, we have adopted a Code of Ethics (the "Code"). The Code incorporates the following general principles that all employees are expected to uphold:

- employees must at all times place the interests of clients first;
- all personal securities transactions must be conducted in a manner consistent with the Code and any actual or potential conflicts of interest or any abuse of an employee's position of trust and responsibility must be avoided;
- employees must not take any inappropriate advantage of their positions;
- information concerning the identity of securities and financial circumstances of the clients, including the Fund investors, must be kept confidential; and
- independence in the investment decision-making process must be maintained at all times.

Clients may request a copy of the Code by contacting us at the address or telephone number listed on the first page of this document.

B. Securities that the Investment Adviser or a Related Person Has a Material Financial Interest.

1. *Cross Trades*

As a result of subscriptions or redemptions and the change in the value of a client's assets in any month, the Investment Adviser may adjust, to the extent practicable, the exposure levels of one client and one or more other clients which may follow the same investment strategy to instruments in their respective portfolios in order to maintain the exposures desired by the Investment Adviser. Such adjustments may be effected by purchases and sales in the market or by a transfer from one client to other client(s), or *vice versa* (a "Cross-Trade"). A Cross-Trade may be effected if the Investment Adviser determines the transaction to be in the best interests (and consistent with the investment program, risk management and other relevant considerations) of the clients. Generally, the relevant asset will be transferred at a price equal to its market price on the transfer date.

The Investment Adviser generally executes Cross Trades with the assistance of a broker-dealer who executes and books the transaction at the close of the market on the day of the transaction. Cross Trades will not be effected for clients who are prohibited from

undertaking such activities by the US Employee Retirement Income Security Act of 1974, as amended.

2. Principal Transactions

To the extent that Cross Trades may be viewed as principal transactions due to the ownership interest in a client by the Investment Adviser or its personnel, the Investment Adviser will comply with the requirements of Section 206(3) of the Advisers Act, including that any such transactions will be considered on behalf of investors in such a client and approved or disapproved by (i) an advisory board comprised of representatives of such investors or (ii) a committee consisting of one or more persons selected by the Investment Adviser (or its affiliate), and any valuation approved by such a committee will be determined by an independent third party that has appropriate experience in providing such valuations.

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

The Code places restrictions on personal trades by employees, including that they disclose their personal securities holdings and transactions to the Investment Adviser on a periodic basis, and requires that employees pre-clear certain types of personal securities transactions. The purchase and sale of mutual funds, exchange-traded funds and certain other permitted financial instruments ("Permitted Instruments") does not require pre-clearance. Some clients may invest in the same or similar Permitted Instruments. Securities being considered for purchase or sale by a client may not be traded by any employee.

The Investment Adviser, 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 the Investment Adviser and its personnel may have investments in some clients but not in others or may have different levels of investments in the various clients.

The Investment Adviser 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, as described above, and periodic 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.

Allocation Policy. Participation in specific investment opportunities may be appropriate, at times, for both the a client and one or other clients. In such case, participation in such opportunities will be allocated on an equitable basis, taking into account such factors as the relative amounts of capital available for new investments, relative exposure to short-term market trends, and the respective investment programs and portfolio positions of the relevant clients. Such considerations may result in allocations of certain investments on other than a *pari passu* basis.

Order Aggregation. If the Investment Adviser determines that the purchase or sale of a security is appropriate with regard to multiple clients, the Investment Adviser may, but is not obligated to, purchase or sell such a security on behalf of such clients with an aggregated order, for the purpose of reducing transaction costs, to the extent permitted by applicable law. When an aggregated order is filled through multiple trades at different prices on the same day, each participating client will receive the average price, with transaction costs generally allocated pro rata based on the size of each client's participation in the order (or allocation in the event of a partial fill) as determined by the Investment Adviser. In the event of a partial fill, allocations may be modified on a basis that the Investment Adviser deems to be appropriate, including, for example, in order to avoid odd lots or de minimis allocations. When orders are not aggregated, trades generally will be processed in the order that they are placed with the broker or counterparty selected by the Investment Adviser. As a result, certain trades in the same security for one client (including a client in which the Investment Adviser and its personnel may have a direct or indirect interest) may receive more or less favorable prices or terms than another client, and orders placed later may not be filled entirely or at all, based upon the prevailing market prices at the time of the order or trade. In addition, some opportunities for reduced transaction costs and economies of scale may not be achieved.

ITEM 12 BROKERAGE PRACTICES

A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions.

As noted previously, we have full discretionary authority to manage our clients, including authority to make decisions with respect to which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and commissions or markups and markdowns paid. The Investment Adviser's authority is limited by its own internal policies and procedures and each client's investment guidelines.

Portfolio transactions for each client will be allocated to brokers and dealers on the basis of numerous factors and not necessarily lowest pricing. Brokers and dealers may provide other services that are beneficial to us and/or certain clients, but not beneficial to all clients. Subject to best execution, in selecting brokers and dealers (including prime brokers) to execute transactions, provide financing and securities on loan, hold cash and short balances and provide other services, we may consider, among other things, price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of a trade or transaction.

Accordingly, the commission rates (or dealer markups and markdowns) charged to our clients by brokers or dealers in the foregoing circumstances may be higher than those charged by other brokers or dealers who may not offer such services. The Investment Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost or spread. Generally, neither the Investment Adviser nor our clients separately compensate any broker or dealer for any of these other services.

If the Investment Adviser decides, based on the factors set forth above, to execute over-the-counter transactions on an agency basis through Electronic Communications Networks ("ECNs"), it will also consider the following factors when choosing to use one ECN over another:

- the ease of use;
- the flexibility of the ECN compared to other ECNs; and
- the level of care and attention that will be given to smaller orders.

We maintain policies and procedures to review the quality of executions, including periodic reviews by its investment professionals.

1. *Research and Other Soft Dollar Benefits.*

The Investment Adviser may pay for certain research and brokerage services with soft dollars. All transactions used to fulfil soft dollar arrangements must receive best execution. Any soft dollars received from transactions on U.S. markets must comply with the Section 28(e) safe harbour. For all other soft dollar transactions, soft dollars should not be retained unless:

- The soft dollars received can reasonably be expected to assist in the

Investment Adviser's provision of investment advice or related services to the scheme;

- Best execution is carried out for the transactions; and
- The Investment Adviser does not enter into unnecessary trades in order to achieve a sufficient volume of transactions to qualify for soft dollars.

Permitted	Non-Permitted
<ul style="list-style-type: none">• Research and advisory services• Economic and political analyses• Portfolio analyses• Market analyses• Data and quotation services• Computer hardware and software used for or in support of the investment process of managers	<ul style="list-style-type: none">• Travel• Accommodation• Entertainment

Notwithstanding the foregoing, during all periods that the assets of a client are treated as "plan assets" for the purposes of the US Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Investment Adviser will operate within the safe harbor provided by Section 28(e) of the US Securities Exchange Act of 1934, as amended.

The Investment Adviser will disclose its soft dollar policies to investors and maintain a record of all soft dollars received. Any cash or commission rebates received will be passed on to customers.

Within the last fiscal year of the Investment Adviser, the Investment Adviser or its related persons has not acquired research services from brokers with client brokerage commissions (or markups or markdowns), though it has received regular research reports generally distributed by brokers.

At least annually, the Investment Adviser considers the amount and nature of research and research services provided by broker-dealers, as well as the extent to which such services are relied upon, and attempts to allocate a portion of the brokerage business of its clients on the basis of that consideration. Broker-dealers sometimes suggest a level of business they would like to receive in return for the various products and services they provide. Actual brokerage business received by any broker-dealer may be less than the suggested allocation, but can (and often does) exceed the suggested level, because total brokerage is allocated on the basis of all of the considerations described above. In no case will the Investment Adviser make binding commitments as to the level of brokerage commissions it will allocate to a broker-dealer, nor will it commit to pay cash if any informal targets are not met. A broker-dealer is not excluded from receiving business because it has not been identified as providing research products or services.

2. Brokerage for Client Referrals.

Neither the Investment Adviser nor any related person receives client referrals from any broker-dealer or third party. However, as discussed above, subject to best execution, the Investment Adviser may consider, among other things, capital introduction and marketing assistance with respect to investors in selecting or recommending broker-dealers for clients.

3. *Directed Brokerage.*

The Investment Adviser does not recommend, request or require that a client direct the Investment Adviser to execute transactions through a specified broker-dealer.

B. Order Aggregation.

Please see Item 11 above for a summary of the Investment Adviser's policy on order aggregation.

ITEM 13

REVIEW OF ACCOUNTS

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

We perform various daily, weekly, monthly, quarterly and periodic reviews of each client's portfolio. Such reviews are conducted by the members of the Investment Adviser's management committee, portfolio managers and research associates.

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

A review of a client account may be triggered by any unusual activity or special circumstances.

C. Content and Frequency of Account Reports to Clients.

We generally provides annual audited financial statements to its clients within 90 days of the applicable client's fiscal year end (or such longer period as may be permitted under applicable rules and regulations).

Investors in the Funds may receive a monthly letter from the Investment Adviser documenting the performance of their Fund, although the Investment Adviser may provide certain investors with information on a more frequent and detailed basis if agreed to by the Investment Adviser. Quarterly statements will also be sent to investors, in each case in compliance with CFTC rules. In addition, the Investment Adviser issues investors tax reports and audited financial statements concerning their respective Funds within 90 days of the end of the Fund's fiscal year (or such longer period as may be permitted under applicable rules and regulations). While all investors generally receive similar information, to the extent an investor receives additional information (that other investors have not received), which is in addition to information provided in a Fund's regular reports to investors, such information may provide such investor with greater insight into the Fund's activities. This may enhance such investor's ability to make investment decisions with respect to the Fund and possibly affect such investor's decision to request a redemption from the Fund.

ITEM 14
CLIENT REFERRALS AND OTHER COMPENSATION

A. Economic Benefits for Providing Services to Clients.

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

B. Compensation to Non-Supervised Persons for Client Referrals.

Neither we nor any of our related persons directly or indirectly compensates any person who is not a supervised person for client referrals.

ITEM 15 CUSTODY

The Investment Adviser is deemed to have custody of client funds and securities because it has the authority to obtain client funds or securities, for example, by deducting advisory fees from a client's account or otherwise withdrawing funds from a client's account. Account statements related to the clients are sent by qualified custodians to the Investment Adviser.

The Investment Adviser 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 Fund because it complies with the provisions of the so-called "Pooled Vehicle Annual Audit Exception", which, among other things, requires that each 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 Fund distribute its audited financial statements to all investors within 120 days of the end of its fiscal year.

ITEM 16

INVESTMENT DISCRETION

The Investment Adviser serves as the management company with discretionary trading authority to each Fund other than the Domestic Funds (over which an affiliate of the Investment Adviser has discretionary authority). In addition, the Investment Adviser serves as the investment adviser with discretionary trading authority and also provides discretionary advisory services for the Managed Accounts.

Our investment decisions and advice with respect to each Fund are subject to each Fund's investment objectives and guidelines, as set forth in its offering documents. Similarly, our investment decisions and advice with respect to each Managed Account are subject to each client's investment objectives and guidelines, as set forth in the client's investment management agreement, as well as any written instructions provided by the client to us.

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

ITEM 17

VOTING CLIENT SECURITIES

A. Policies and Procedures Relating to Voting Client Securities.

In compliance with Advisers Act Rule 206(4)-6, the Investment Adviser has adopted proxy voting policies and procedures. The general policy is to vote proxy proposals, amendments, consents or resolutions (collectively, "Proxies") 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.

We may take into account all relevant factors, as determined by us in our discretion, including, without limitation:

- the impact on the value of the securities or instruments owned by the relevant client and the returns on those securities;
- the anticipated associated costs and benefits;
- the continued or increased availability of portfolio information; and
- industry and business practices.

In limited circumstances, the Investment Adviser may refrain from voting Proxies where we believe that voting would be inappropriate, taking into consideration the cost of voting the Proxies and the anticipated benefit to its clients. Generally, clients may not direct our vote in a particular solicitation.

Conflicts of interest may arise between the interests of the clients on the one hand and us or our affiliates on the other hand. If we determine that we may have, or be perceived to have, a conflict of interest when voting Proxies, we will vote in accordance with our Proxy voting policies and procedures. Clients may obtain a copy of our Proxy voting policies and our Proxy voting record upon request.

ITEM 18
FINANCIAL INFORMATION

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

ITEM 19
REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Item 19 is not applicable.