

Firm Brochure

(Part 2A of Form ADV)

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This brochure provides information about the qualifications and business practices of COMPASS GROUP LLC. If you have any questions about the contents of this brochure, please contact us at: (212) 355-7630. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training

Additional information about COMPASS GROUP LLC is available on the SEC's website at www.adviserinfo.sec.gov

March 29, 2018

COMPASS GROUP LLC

Material Changes

Annual Update

- The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update

- Compass Group LLC no longer is an advisor and/or subadvisor to any wrap fee programs.

Full Brochure Available

- Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (212) 355-7630.

Table of Contents

Material Changes.....	i
Annual Update	i
Material Changes since the Last Update	i
Full Brochure Available	i
Item 4. Advisory Business.....	1
Firm Description.....	1
Principal Owners.....	1
Types of Advisory Services.....	1
Tailored Relationships	1
Client Assets Under Management	2
Item 5. Fees and Compensation.....	2
Advisory Fees and Compensation	Error! Bookmark not defined.
Payment of Fess	3
Other Fees and Expenses	3
Prepayment of Fees.....	4
Additional Compensation and Conflicts of Interest	4
Item 6. Performance-Based Fees and Side-by-Side Management	5
Performance-Based Fees and Side-by-Side Management.....	5
Item 7. Types of Clients	6
Description	6
Account Minimums.....	6
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss	6
Methods of Analysis and Investment Strategies	6
Material Risks (Including Significant, or Unusual Risks) Relating to Investment Strategies.....	9
Risks Associated With Types of Securities that are Primarily Recommended (Including Significant, or Unusual Risks).....	10
Item 9. Disciplinary Information	13
Legal and Disciplinary.....	13

Item 10. Other Financial Industry Activities and Affiliations	13
Broker Dealer Registration Status.....	13
Material Relationships or Arrangements with Industry Participants	13
Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	14
Code of Ethics.....	14
Investing in Securities Recommended to Clients	15
Conflict of Interest Created by Contemporaneous Trading	16
Item 12. Brokerage Practices	16
Factors Considered in Selecting or Recommending Broker-Dealers for Clients Transactions	16
Order Aggregation	16
Item 13. Review of Accounts	17
Frequency and Nature of Review.....	17
Content and Frequency of Regular Account Reports.....	17
Item 14. Client Referrals and Other Compensation.....	17
Economic Benefits Received from Non-Clients for Providing Services to Clients....	17
Compensation to Non-Supervised Persons for Client Referrals	18
Item 15. Custody.....	18
Custody.....	18
Item 16. Investment Discretion	18
Investment Discretion	18
Item 17. Voting Client Securities.....	20
Proxy Policies	20
Item 18. Financial Information.....	21
Financial Condition	21

Item 4. Advisory Business

Firm Description

COMPASS GROUP LLC, (“Compass” or “the Adviser”) was founded on September 6, 1995.

Compass is an investment adviser with its principal place of business in New York, N.Y. The Adviser was registered with the Securities and Exchange Commission (“SEC”) on November 14, 2000.

Principal Owners

COMPASS GROUP HOLDINGS INC. is the parent company (“Parent Company”) of the Adviser. COMPASS GROUP HOLDINGS SA is the sole owner of the Parent Company.

Types of Advisory Services

The Adviser provides the following advisory services on a discretionary and non-discretionary basis to its clients, which include individuals and institutions with separately managed accounts and pooled investment vehicles intended for sophisticated investors and institutional investors: providing investment management services and managing investment advisory accounts. The Adviser manages pooled investment vehicles on a discretionary basis according to the goals, objectives and investment policies described in their respective private offering documents with the primary focus being on investments in equity and debt securities of issuers in Latin American countries. The Adviser also provides asset allocation services to its clients whereby it recommends portfolios constructed to cover the risk profiles and investment objectives of its clients.

Tailored Relationships

The Adviser provides advice to client accounts based on specific investment objectives and strategies. Under certain circumstances, the Adviser may agree to tailor advisory services to the individual needs of clients. Currently, the Adviser tailors its advisory services based the investment guidelines included in the investment management agreement with the client.

Clients may impose restrictions on investing in certain securities or certain types of securities.

Client Assets Under Management

As of December 31, 2017 the Adviser had approximately \$2.715 Billion client assets under management on a discretionary basis.

Item 5. Fees and Compensation

Pooled Investment Vehicles:

The fees in pooled investment vehicles (“the Funds”) consist of fixed fees, which range between 0.3% to 2.0% per annum, depending on the strategy of the Fund and the size of the investment. The fixed fees are payable monthly in arrears. In addition, with respect to some of the Funds, the Company may also receive an incentive fee payable annually equal to either 10% or 20% of net profits. Incentive fees are generally subject to a loss carry forward provision. These fees may be waived or reduced in the Adviser’s discretion. Any fees payable to affiliated sub-advisors is reduced from the fixed and incentive fees otherwise payable by the Funds to the Adviser.

Asset Allocation Services.

For its asset allocation services, the Adviser charges a maximum annual asset allocation fee of 2.0% of the client’s assets under management, payable monthly in arrears. This fee may vary by amount of investment. The Adviser may, in its discretion, waive any portion of this fee or negotiate a lower fee. The Adviser also may charge an incentive fee equal to 10% or 20% of net profits. This fee may vary by class or type of investment and be subject to a “hurdle rate” which is negotiated separately with respect to each client. In addition, the Adviser may charge a fee of 0.50% of client assets for administrative services rendered to the client. These fees may be waived or reduced in the Adviser’s discretion.

Separate Account Asset Management.

For its separate account management services, the Adviser charges a maximum annual fee of 2.0% of the client’s assets under management, payable monthly in arrears. In addition, the Adviser may charge a

quarterly or annual incentive fee equal to 10% to 20% of the account's quarterly or yearly return. This fee may vary by class or type of investment and be subject to a "hurdle rate" which is negotiated separately with respect to each client. The Adviser may, within its discretion, waive any portion of this fee or negotiate a lower fee.

Investment management fees are charged each month or quarter in arrears based on the total market value of the assets in the client account (including net unrealized appreciation or depreciation of investments and cash, cash equivalents and accrued interest) on the last day of the month or quarter. If a new client account is established during a month or quarter or a client makes an addition to its account during a month or quarter, the investment management fee will be prorated for the number of days remaining in the month or quarter. If a client's investment management agreement is terminated or a withdrawal is made from a client account during a month or quarter, the fee payable to the Adviser will be calculated based on the value of the assets on the termination date or withdrawal date and prorated for the number of days during the month or quarter in which the investment management arrangement was in effect or such amount was in the account.

These fees are negotiable.

Performance-Based Compensation

The Adviser may also be paid a performance-based fee, which is compensation that is based on a share of capital gains on or capital appreciation of the assets of a client (such as a client that is a pooled investment vehicle). This compensation may be paid to the Adviser and range from 10 to 20 %. Under certain circumstances, receipt of performance-based compensation may be subject to a hurdle rate.

These fees are negotiable.

Payment of Fees

The Adviser does not deduct the investment management fee from client accounts. Rather, the Adviser bills clients.

Other Fees and Expenses

In addition to paying investment management fees and, if applicable, performance-based fees or other compensation, client accounts will also be subject to other investment expenses such as custodial charges, brokerage fees, commissions and related costs; interest expenses; taxes, duties and other governmental charges; transfer and registration fees or similar expenses; costs associated with foreign exchange transactions; other portfolio expenses; and costs, expenses and fees (including, investment advisory and other fees charged by investment advisers with, or funds in, which the client's account invests) associated with products or services that may be necessary or incidental to such investments or accounts. Client assets may be invested in pooled investment vehicles. In these cases, clients will bear their pro rata share of the underlying fund's operating and other expenses including, in addition to those listed above: sales expenses, legal expenses; internal and external accounting, audit and tax preparation expenses; and organizational expenses. Client assets may be invested in money market mutual funds, ETFs or other registered investment companies. In these cases, the client 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 Firm Brochure for a discussion of the Adviser's brokerage practices.

Prepayment of Fees

Certain clients may, as agreed to with the Adviser, authorize the Adviser to collect its management fees up to one quarter in advance. In these cases, management fees will be based on the fair market value of the account's assets valued as of the last business day of the previous calendar quarter.

In the event of the termination of the advisory mandate, or if a full or partial withdrawal of assets from the account occurs, the Adviser shall refund to the client promptly a pro rata portion of the prepaid management fees which are attributable to the amount withdrawn from the Adviser's management.

Additional Compensation and Conflicts of Interest

The Adviser or its supervised persons receive compensation indirectly in connection with the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of

mutual funds (e.g., where the Adviser has an affiliated broker-dealer and the affiliated broker-dealer receives commissions or other compensation in connection with the sale of the securities or other investment products).

1. As a result of this additional compensation, the Adviser or its supervised persons has a conflict of interest because the Adviser or its supervised person have an incentive to recommend these securities or other investment products based on the compensation received, rather than on a client's needs. The Adviser recommends "no-load" funds. The Adviser has adopted and implemented policies and procedures to monitor frequency of trading and to address these conflicts.

2. Clients have the option to purchase investment products that the Adviser recommends through other brokers or agents that are not affiliated with the Adviser.

3. The Adviser does not reduce its advisory fees to offset the commissions or markups.

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

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 is entitled to be paid performance-based compensation by its private pooled investment vehicle clients and certain other client accounts. In addition, certain client accounts may have higher asset-based fees or more favorable performance-based compensation arrangements than other accounts. 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 higher fees.

The Adviser has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple accounts, including accounts with multiple fee arrangements, and the allocation of investment opportunities. The Adviser reviews investment decisions for the purpose of ensuring that all accounts with substantially similar investment objectives are treated equitably. The performance of similarly managed accounts is also regularly compared to

determine whether there are any unexplained significant discrepancies. In addition, the Adviser's procedures relating to the allocation of investment opportunities require that similarly managed accounts participate in investment opportunities pro rata based on asset size and other factors such as investments guidelines or restrictions prescribed by the client and require that, to the extent orders are aggregated, the client orders are price-averaged. Finally, the Adviser's procedures also require the objective allocation for limited opportunities (such as initial public offerings and private placements) to ensure fair and equitable allocation among accounts. These areas are monitored by the Adviser's Chief Compliance Officer.

Item 7. Types of Clients

Description

The Adviser's clients consist of high net worth individuals, pooled investment vehicles, other investment advisors and sovereign wealth funds.

Account Minimums

The Adviser requires that a client invests a minimum of \$ 750,000 to open an account and to maintain a minimum account size of \$ 750,000 for separate accounts. The Adviser reserves the right to waive the minimum investment or minimum account size for certain clients.

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

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 research, charting analysis, cyclical analysis as well as use of quantitative tools and investment approaches, or technical analytical tools and approaches.

Funds of Funds. With respect to investments in other pooled vehicles, the Adviser primarily focuses on underlying portfolio managers (each, a “Portfolio Manager”) in terms of research rather than individual securities. The Adviser’s analytical process includes both quantitative and qualitative elements. The Adviser endeavors to analyze a Portfolio Manager’s strategy, philosophy and decision making process, proprietary models, research and portfolio management systems, the quality of its investment professionals, and its organizational structure.

The Adviser employs the following investment strategies:

Fixed Income. The Adviser’s fixed income strategy focuses on a broad range of fixed income investment styles aiming to achieve a high level of income, with the opportunity for capital gains, from diversified portfolios of fixed and floating rate securities issued by domestic and foreign corporations and governments, with various degrees of maturity, credit ratings and liquidity. The Adviser manages client accounts focused in fixed income securities that are focused in Latin American emerging markets and other global markets. These fixed income securities may be denominated in US Dollars or in Latin American or other foreign currencies.

Equity. The Adviser’s equity strategy focuses on a broad range of equity investment styles, including growth, core, and value, as well as portfolios designed to be “style-neutral”. Some client accounts may focus on specific ranges on the capitalization scale, from micro-cap, through small-cap, mid-cap and large-cap, to mega-cap. Other client accounts will focus on investment opportunities in more than one capitalization category or across all capitalization levels. In addition, the Adviser manages client accounts that are global, multi-national, or focused in Latin American emerging markets.

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 capital 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.

Arbitrage Transactions. The Adviser engages in one or more types of arbitrage strategies. Arbitrage strategies attempt to take advantage of perceived price discrepancies of identical or similar financial instruments, on different markets or in other forms. The Adviser engages in the following arbitrage strategies: event-driven arbitrage, merger arbitrage, capital structure arbitrage, convertible arbitrage, fixed income or interest rate arbitrage.

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 security price.

Hedging. The Adviser utilizes a variety of financial instruments such as derivatives, options, interest rate swaps, caps and floors, futures and forward contracts for risk management purposes.

Relative Value. The Adviser pursues relative value strategies by taking long positions in securities believed to be undervalued and short positions in securities believed to be overvalued.

Short-Term Market Timing. The Adviser may engage in a short-term market timing investment strategy wherein the Adviser attempts to anticipate the market price of a stock before the stock's price reacts to market forces by analyzing macroeconomic and market trends, and then sells the stock shortly after the stock's price is influenced by market movements.

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

Short Selling. The Adviser may engage 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 (i) as a form of hedging to offset potential declines in long positions in similar securities, (ii) in order to maintain flexibility and, (iii) for profit.

These methods, strategies and investments involve risk of loss to clients and clients must be prepared to bear the loss of their entire investment.

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

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.

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.

Arbitrage Transaction Risks. If the requisite elements of an arbitrage strategy are not properly analyzed or unexpected events or price movements intervene, losses can occur which can be magnified to the extent the Adviser is employing leverage. Moreover, arbitrage strategies often depend upon identifying favorable "spreads", which can also be identified, reduced or eliminated by other market participants.

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.

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.

Relative Value Risk. In the event that the perceived mispricings underlying the Adviser's relative value trading positions were to fail to converge toward, or were to diverge further from, relationships expected by the Adviser, client accounts may incur a loss.

Short Selling Risk. The Adviser's investment program may include 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.

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 (especially, when dealing with sovereign debt). Moreover, to the extent client accounts are invested in sovereign debt obligations, those investments will be subject to additional risks and considerations not present in private distressed situations, including the uncertainties involved in enforcing and collecting debt obligations against sovereign nations, which are affected by world events, changes in U.S. foreign policy and other factors outside of the control of the Adviser.

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 of commodity investments. Prices of commodity assets 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 value of its investments. In addition, the value of the Adviser's portfolios may fluctuate as the general level of interest rates fluctuates.

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

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

Emerging Markets. The risks of foreign investments typically are greater in less developed countries, sometimes referred to as emerging markets. For example, political and economic structures in these countries may be

less established and may change rapidly. These countries also are more likely to experience high levels of inflation, deflation, or currency devaluation, which can harm their economies and securities markets and increase volatility. Restrictions on currency trading that may be imposed by emerging market countries will have an adverse effect on the value of the securities of companies that trade or operate in such countries.

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 lower-rated 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.

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.

Non-U.S. Securities. Foreign securities, foreign currencies, and securities issued by U.S. or foreign 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.

Risk Arbitrage Securities. A merger, other restructuring, tender, or exchange offer proposed at the time the Adviser invests in risk arbitrage securities may not be completed on the terms or within the time frame contemplated, resulting in losses.

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.

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.

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.

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

Legal and Disciplinary

This item is not applicable. The Adviser and its employees have not been involved in any legal or disciplinary events related to past or present investment clients.

Item 10. Other Financial Industry Activities and Affiliations

Broker Dealer Registration Status

Certain of the Adviser's management persons are registered as registered representatives of CG Compass (USA) LLC, a broker-dealer that is affiliated with the Adviser.

Material Relationships or Arrangements with Industry Participants

The Parent Company of the Adviser also owns CG Compass (USA) LLC, a registered broker dealer. Further, certain of the Adviser's clients may request that the Adviser direct all or a substantial portion of its securities transactions through CG Compass (USA) LLC. Any such relationship will result in a material conflict of interest because the Adviser will indirectly benefit from all such client securities transactions and the Adviser will have an incentive to engage in more securities transactions for the client than would otherwise be necessary to achieve the client's investment objective. In such instances, it will be disclosed to clients that (a) certain officers and members of the Adviser will benefit indirectly from the receipt of compensation or other benefits; (b) the Adviser will not follow its customary evaluation procedures selecting brokers to effect transactions

for the client or in negotiating commissions for the client, even when it might be able to obtain a more favorable price and execution from another broker-dealer; (c) orders for the client may be placed separately from others of other client accounts of Compass; (d) the client account may be precluded from, among other things, being able to realize any volume commission discounts or other cost savings resulting from the aggregation of orders for several advisory clients as a single securities transaction; and (e) the client may terminate such direction in writing at any time.

Certain of the Adviser's other affiliates pay the Adviser fees for providing sub-advisory services and/or related services. The fees received by the Adviser for providing such services are negotiated at arms-length and are customary in relation to other investment advisers that provide similar services. However, this practice creates a material conflict of interest since the affiliate of the Adviser has an incentive to select the Adviser over other, unaffiliated investment advisers to provide investment advisory services to the relevant account. In addition, such relationship may result in a layering of fees for underlying investors of the accounts for which the Adviser or its affiliates both provide investment advisory services. This conflict of interest is disclosed to the Adviser's clients and their underlying investors, as applicable.

Certain of the Adviser's management persons are also management persons of the Adviser's affiliated entities. The Adviser, its principals and/or related persons may also (i) act as general partner, management company or investment manager to certain private investment vehicles, (ii) organize additional private investment vehicles in the future, and (iii) have investments in certain of the entities managed by the Adviser or its affiliates.

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

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 Pedro G. Alvizua (Chief Compliance Officer) by telephone at (212) 355-7630. See below for further

provisions of the Code as they relate to the preclearing and reporting of securities transactions by related 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.

Investing in Securities Recommended to Clients

In addition, the Adviser's related persons may invest in the same securities (or related securities, e.g., warrants, options or futures) that the Adviser's related person recommends to clients. Such practices present a conflict where, because of the information an Adviser has, the Adviser's related person 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 related person's objectivity, these practices by the Adviser's related 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: The Adviser requires its related persons/access persons to preclear all transactions in their personal accounts with 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's related 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 related persons are required to disclose their securities transactions on a monthly basis and holdings on a monthly basis. All of the Adviser's related persons are also required to provide broker confirmations of each transaction in which they engage and a monthly certification of such transactions. Trading in employee accounts will be reviewed by the Chief Compliance Officer and compared with transactions for the client accounts and reviewed against the restricted securities list.

Conflict of Interest Created by Contemporaneous Trading

The Adviser's 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's 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's related person to the detriment of the client.

Item 12. Brokerage Practices

Factors Considered in Selecting or Recommending Broker-Dealers for Clients 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 may include net price, reputation, financial strength and stability, research services, efficiency of execution and error resolution. 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's Chief Compliance Officer, portfolio managers and traders meet periodically to evaluate the broker-dealers used by the Adviser to execute client trades using the foregoing factors.

Order Aggregation

The Adviser may purchase or sell 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 submitted contemporaneously for execution using the same executing broker. The Adviser will also aggregate in the same transaction, the same securities for accounts where the Adviser has brokerage discretion. 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. 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 accounts 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 in a manner deemed fair and equitable to clients. Depending on the investment strategy pursued and the type of security, this may result in a pro rata allocation to all participating clients.

Item 13. Review of Accounts

Frequency and Nature of Review

Each client account is reviewed by the portfolio manager and senior management of the Adviser, on a monthly basis to determine whether securities positions should be maintained in view of current market conditions. Matters reviewed include specific securities held, adherence to investment guidelines and the performance of each client account.

Content and Frequency of Regular Account Reports

A client's investors receive reports from the client pursuant to the terms of each client's offering memoranda or as otherwise described in the offering document of the client.

Item 14. Client Referrals and Other Compensation

Economic Benefits Received from Non-Clients for Providing Services to Clients

Compass may refer clients to third parties (individually a "Third Party", and, collectively, the "Third-Parties") who may offer investment advisory or other financial services to such clients. For its referral services, Compass will receive a portion of the fee charged to referred clients by the Third-Parties. Compass has been assured by the Third-Parties that referred clients will not be charged additional fees by virtue of their having been referred by Compass. Compass will deliver to all clients who are introduced to Third Parties appropriate disclosure regarding the introduction, including information regarding any agreement between Compass and a Third Party and a description of the compensation to be paid to Compass in connection with such referral.

The products and services offered and sold by the Third-Parties may include private investment vehicles, managed accounts, or other investment products managed by Compass (collectively, the "Third Party Products"). Therefore, in connection with such investment management services, certain Third Party Products may pay management and/or performance fees to Compass, as discussed above.

Compensation to Non-Supervised Persons for Client Referrals

The Adviser may make cash payments to third-party solicitors for client referrals, provided that, to the extent required, each such solicitor has entered into a written agreement with the Adviser pursuant to which the solicitor will provide each prospective client with a copy of the Adviser's Form ADV Part 2, and a disclosure document setting forth the terms of the solicitation arrangement, including the nature of the relationship between the solicitor and Adviser and any fees to be paid to the solicitor. Where applicable, cash payments for client solicitations will be structured to comply fully with the requirements of Rule 206(4)-3 under the Advisers Act and related SEC staff interpretations.

Item 15. Custody

Custody

The Adviser does not custody client assets.

Item 16. Investment Discretion

Investment Discretion

The Adviser provides investment advisory services on a discretionary basis to clients (please refer to Item 4. 'Advisory Business' above) for a description of any limitations clients may place on the Adviser's discretionary authority.

Prior to assuming discretion in managing a client's assets, the Adviser enters into an investment management agreement or other agreement that sets forth the scope of the Adviser's discretion.

Unless otherwise instructed or directed by a discretionary client, 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) (ii) the amount of securities to be purchased or sold for the client account. Because of the differences in client investment objectives and strategies, risk tolerances, tax status and other criteria, there may be differences among clients in invested positions and securities held. The Adviser's 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 value of the assets each participating account relative to value of the assets of all participating accounts), these factors may lead the Adviser's 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. The Adviser has a potentially conflicting division of loyalties and responsibilities regarding both parties to cross transactions. Alternatively, cross transactions between discretionary client accounts for the same security can also be effected employing a broker-dealer on arms length basis, who independently determines contemporaneously the mid-market price of the security, so as not to favor either client in the transaction, and executes both transactions at substantially reduced commission, which is split evenly between both clients.

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 and, following error correction, are in the same position they would have been if the error had not occurred. 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, willful misconduct, or fraud, 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.

Item 17. Voting Client Securities

Proxy Policies

Proxy voting is an important right of shareholders and reasonable care and diligence must be taken to ensure that such rights are properly and timely exercised. When the Adviser has discretion to vote the proxies of its clients, it will vote those proxies in the best interest of its clients and in accordance with these policies and procedures.

Generally, the Adviser will vote in favor of routine corporate housekeeping proposals, including election of directors (where no corporate governance issues are implicated), selection of auditors, and increases in or reclassification of common stock.

Generally, the Adviser will vote against proposals that make it more difficult to replace members of the issuer's board of directors, including proposals to stagger the board, cause management to be overrepresented on the board, introduce cumulative voting, introduce unequal voting rights, and create supermajority voting.

For other proposals, the Adviser shall determine whether a proposal is in the best interests of its clients and may take into account the following factors, among others:

- (1) whether the proposal was recommended by management and the Adviser's opinion of management;
- (2) whether the proposal acts to entrench existing management; and
- (3) whether the proposal fairly compensates management for past and future performance.

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 Chief Compliance Officer at telephone (212) 355-7630. Compass may retain a third party to advise it in making proxy decisions for Discretionary Program clients and to process the return of proxies of those clients. Compass will not be responsible or liable for failing to vote any proxies where it has not received such proxies or related communications on a timely basis.

Item 18. Financial Information

Financial Condition

This is not applicable.

