

Inferent Capital™, LLC

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This “**Brochure**” provides information about the qualifications and business practices of Inferent Capital, LLC. If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer (“**CCO**”), Marc Rieffel, by email at marc.rieffel@inferentcapital.com. Information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“**SEC**”) or by any state securities authority.

Inferent Capital, LLC is a Registered Investment Adviser with the SEC. Registration as an investment adviser does not imply that Inferent Capital, LLC or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

Additional information about Inferent Capital, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

This Brochure is the Firm's update to its 120-day registration filing with the SEC. Since that filing, the Firm has begun to manage regulatory assets and those assets have been added to the brochure. In the future, if the Brochure contains material changes from our last update, we will identify and discuss those changes.



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Item 4: Advisory Business

Inferent Capital, LLC is a Delaware limited liability company (hereinafter “**Inferent**,” “**we**,” “**us**,” “**our**” or the “**Firm**”).

*This Brochure does not constitute an offer to sell or a solicitation of an offer to buy any securities. The Funds’ securities 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 Securities Act and “qualified purchasers” as defined in the Investment Company Act of 1940. 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 described herein. Any such offer or solicitation will be made only by means of a confidential private placement memorandum.*

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 respective offering documents. Additionally, the investment objectives and guidelines for each separately managed account are documented in the applicable investment management agreements.

We do not currently participate in any Wrap Fee Programs.

We have approximately US\$31,250,250 of client assets under management.

Item 5: Fees and Compensation

Management Fee

Inferent is paid an investment management fee (“**Management Fee**”) per annum of the net asset value of the Funds and Separately Managed Accounts.

The Investment Manager, in its sole discretion, may waive or modify the Management Fee for any Investor.

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

We and our affiliates are entitled to a performance-based compensation. As a result, we and our 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.

Performance-based allocation arrangements may create an incentive for us to recommend investments which may be riskier or more speculative than those which we would recommend under a different arrangement.

Item 7: Types of Clients

Our clients are Funds and the Separately Managed Accounts.

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

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 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.

Investment Objective

Our investment objective is to compound at high rates of return over time while prioritizing preservation of capital via low gross and net exposures during periods of time when accumulated profits are insufficient to absorb volatility.

Risk Management

Our investment program is speculative and entails potential substantial financial risks. We will focus on managing risk through the quality of our investment process and monitoring of investments. We as a Firm do not bring on unnecessary risk without complete analysis and assessment of each potential investment.

Risk of Loss Factors

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.

An investment involves significant risks, and is suitable only for those persons who can bear the economic risk of the loss of their entire investment. There can be no assurances that we will achieve our investment objectives. An investment carries with it the inherent risks associated with investments in publicly-traded stocks and bonds, options, and related instruments.

Investment and Trading Risks

An investment in the Fund and Separately Managed Accounts involves risks, including the risk that the entire amount invested may be lost. We will invest in, and actively trade, securities and other financial instruments using investment techniques with certain risk characteristics including, without limitation, risks arising from the volatility of the fixed income, equity, commodity and currency markets, the potential illiquidity of securities and other financial instruments, and the risk of loss from counterparty defaults. No guarantee or representation will be made that the Firm's investment objective will be achieved.

Equity Securities

Our investment portfolio includes equity and equity-related securities of U.S. and non-U.S. companies. The value of equity securities of public and private, listed and unlisted companies

and equity derivatives generally varies with the performance of the issuer and movements in the equity markets. As a result, the Master Fund may suffer losses if we invest in equity instruments of issuers whose performance diverges from our expectations or if equity markets generally move in a single direction and we have not hedged against such a general move. We also may be exposed to risks that issuers will not meet their 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.

Fixed Income Securities

The value of fixed income securities will change in response to fluctuations in interest rates. Increases in interest rates may cause the value of our debt investments to decline. We may experience increased interest rate risk to the extent we invest, if at all, in lower-rated instruments, debt instruments with longer maturities, debt instruments paying no interest (such as zero-coupon debt instruments) or debt instruments paying non-cash interest in the form of other debt instruments. Except to the extent that values are independently affected by currency exchange rate fluctuations, when interest rates decline, the value of fixed income securities generally can be expected to rise. Conversely, when interest rates rise, the value of fixed income securities generally can be expected to decline. In addition, the value of certain fixed income securities can fluctuate in response to perceptions of credit worthiness, political stability or soundness of economic policies. Valuations of other fixed income instruments may fluctuate in response to changes in the economic environment that may affect future cash flows.

Distressed Obligations

Among the risks inherent in investments in troubled entities is the risk that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments may also be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court's power to disallow, reduce, subordinate, re-characterize debt as equity or disenfranchise particular claims. Such companies' obligations may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies. In addition, there is no minimum credit standard that is a prerequisite to our investments in any security. Obligations in which we invest may be less than investment grade, considered high yield or lack any conventional third-party rating. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high. There is no assurance that value of the assets collateralizing our investments will be sufficient or that prospects for a successful reorganization or similar action will become available. In any reorganization or liquidation proceeding relating to a company in which we invest, we may lose our entire investment, may be required to accept cash or securities with a value less than its original investment and/or may be required to accept payment over an extended period of time. Under such circumstances, the returns generated from our investments may not compensate Investors adequately for the risks assumed. In addition, under certain circumstances, payments and distributions may be disgorged if any such payment is later determined to have been a fraudulent conveyance or a preferential payment.

Short Selling

Short selling involves selling securities which are not owned 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 declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. 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 our cost of buying those securities to cover the short position. There can be no assurance that we will be able to maintain the ability to borrow securities sold short. In such cases, we 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 the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

Leverage; Interest Rates; Margin

The use of leverage will allow us to make additional investments, thereby increasing our exposure to assets, such that our total assets may be greater than the Funds’ or Separately Managed Account’s capital. However, leverage will also magnify the volatility of changes in the value of our portfolio. The effect of the use of leverage in a market that moves adversely to our investments could result in substantial losses to the Master Fund, which would be greater than if the Master Fund were not leveraged. In addition, any leverage we employ is subject to the risk that changes in the general level of interest rates may adversely affect expenses and operating results.

In general, our use of short-term margin borrowings results in certain additional risks. For example, should the securities pledged to brokers to secure the portfolio’s margin accounts decline in value, the portfolio could be subject to a “margin call,” pursuant to which the portfolio must either deposit additional funds with the broker, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden precipitous drop in the value of the portfolio’s assets, the portfolio might not be able to liquidate assets quickly enough to pay off its margin debt.

In the futures and forward markets, margin deposits are typically low relative to the value of the futures contracts purchased or sold. Such low margin deposits are indicative that any futures or forward contract trading is typically accompanied by a high degree of leverage. Low margin deposits mean that a relatively small price movement in a contract may result in immediate and substantial losses to the investor.

Call Options

There are risks associated with the sale and purchase of call options. The seller (writer) of a call option which is covered (e.g., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security offset by the gain by the premium received if the option expires out of the money, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The buyer of a call option assumes the risk of losing the premium if the option expires out of the money.

Put Options

There are risks associated with the sale and purchase of put options. The seller (writer) of a put option which is covered (e.g., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sale price of the short position of the underlying security offset by the premium if the option expires out of the money, and thus the gain in the premium, and the option seller gives up the opportunity for gain on the underlying security below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security to zero. The buyer of a put option assumes the risk of losing the premium if the option expires out of the money.

Index or Index Options

The value of an index or index option fluctuates with changes in the market values of the securities included in the index. Because the value of an index or index option depends upon movements in the level of the index rather than the price of a particular security, whether the Master Fund will realize appreciation or depreciation from the purchase or writing of options on indices depends upon movements in the level of instrument prices in the security market generally or, in the case of certain indices, in an industry or market segment, rather than movements in the price of particular securities.

Index Futures

The price of index futures contracts may not correlate perfectly with the movement in the underlying 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. Second, 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. Our successful use of index futures contracts also is subject to our ability to correctly predict movements in the direction of the market.

Futures Contracts

Futures positions may be illiquid because, for example, many 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 contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. Futures contract prices on various commodities or financial instruments occasionally have moved the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent us from promptly liquidating unfavorable positions and subject the Master Fund to substantial losses. In addition, we may not be able to execute futures contract trades at favorable prices if trading volume in such contracts is low. It is also possible that an exchange or a regulator may suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract or order that

trading in a particular contract be conducted for liquidation only. In addition, various exchanges impose speculative position limits on the number of positions that may be held in particular commodities. Trading in commodity futures contracts and options are highly specialized activities that may entail greater than ordinary investment or trading risks. Furthermore, 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.

Forward Trading

Forward contracts and options thereon, unlike futures contracts, are generally not traded on exchanges and are not standardized; 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 we trade due to unusually high trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit such forward (and futures) trading to less than that which we would otherwise recommend, to the possible detriment of the Master Fund. Market illiquidity or disruption could result in major losses to the Master Fund.

Swap Agreements

Swap agreements are individually negotiated and can be structured to include exposure to a variety of different types of investments, asset classes or market factors. Depending on their structure, swap agreements may increase or decrease our exposure to, for example, equity securities. Swap agreements can take many different forms and are known by a variety of names. We are not limited to any particular form of swap agreement if consistent with the Firm’s investment objective. Whether our use of swap agreements will be successful depends on our ability to select appropriate transactions. Swap transactions may be highly illiquid and may increase or decrease the volatility of our portfolio. Moreover, we bear the risk of loss of the amount expected to be received under a swap agreement in the event of the default or insolvency by the counterparty. We also bear the risk of loss related to, for example, breaches of swap agreements or our failure to post or maintain required collateral. Many swap markets are relatively new and still developing. It is possible that developments in the swap markets, including potential government regulation, could adversely affect our ability to terminate existing swap transactions or to realize amounts to be received under such transactions.

Other Derivative Instruments

We may take advantage of opportunities with respect to certain other derivative instruments that are not currently contemplated for use or that are currently not available, but that may be developed, to the extent such opportunities are both consistent with the investment objective of the Firm and that we believe are legally permissible. Special risks may apply to instruments in the future that cannot be determined at this time or until we invest in such instruments. Other derivative instruments may be subject to various types of risks including

market risk, liquidity risk, the risk of non-performance by the counterparty (including risks relating to the financial soundness and creditworthiness of the counterparty), legal risk and operations risk.

Credit Default Swaps

Credit default swaps can be used to implement our view that a particular credit, or group of credits, will experience credit improvement or deterioration. In the case of expected credit improvement, we may sell credit default protection in which it receives a premium to take on the risk. In such an instance, we would be obligated to make payments upon the occurrence of a credit event creates leveraged exposure to the credit risk of the referenced entity. We also may buy credit default protection with respect to a referenced entity if, in our judgment, there is a high likelihood of credit deterioration. In such instance, we will pay a premium regardless of whether there is a credit event.

Hedging Transactions

We are not required to attempt to hedge portfolio positions. Furthermore, we may not anticipate a particular risk so as to hedge against it. We may use a variety of financial instruments (including options and derivatives), both for investment purposes and for risk management purposes, in order to: (i) protect against possible changes in the market value of our investment portfolio resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect the unrealized gains in the value of the Master Fund's investment portfolio; (iii) facilitate the sale of any such investments; (iv) enhance or preserve returns, spreads or gains on any investment in the Master Fund's portfolio; (v) hedge the interest rate or currency exchange rate on any of the Master Fund's liabilities or assets; (vi) protect against any increase in the price of any securities that we anticipate purchasing at a later date; or (vii) for any other reason that the we deem appropriate.

The success of our hedging strategy is subject to our ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolios being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the instances when we hedge portfolio positions is also subject to our ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While we may enter into certain hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance than if they had not engaged in any such hedging transactions. For a variety of reasons, we may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent us from achieving the intended hedge or expose ourselves to risk of loss. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of our portfolio holdings.

Liquidity Risks

Under certain market conditions, such as during volatile markets or when trading in a security or market is otherwise impaired, our portfolio's liquidity may be reduced. During such times, we may be unable to dispose of certain assets which would adversely affect our ability to rebalance the portfolio or to meet withdrawal requests. In addition, such circumstances may force us to dispose of assets at reduced prices, thereby adversely affecting performance. If there are other market participants seeking to dispose of similar assets at the same time, we

may be unable to sell such assets or prevent losses relating to such assets. Furthermore, if the Master Fund or Separately Managed Accounts incurs substantial trading losses, the need for liquidity could rise sharply while its access to liquidity could be impaired. In addition, in conjunction with a market downturn, our counterparties could incur losses of their own, thereby weakening their financial condition and increasing our credit risk to them.

Illiquid Investments

We may invest in securities which are subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices, if any, for such securities tend to be volatile and may not be readily ascertainable, and we may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. The sale of restricted and illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale.

Counterparty Risk

We expect to establish relationships to obtain financing, derivative execution, derivative intermediation and prime brokerage services that permit us to trade in any variety of markets or asset classes over time. However, there can be no assurance that we will be able to establish or maintain such relationships or establish such relationships. An inability to establish or maintain such relationships could limit our trading activities, create losses, preclude us from engaging in certain transactions or prevent us from trading at optimal rates and terms. Moreover, a disruption in the financing, derivative intermediation and prime brokerage services provided by any such relationships could have a significant impact on our business due to our reliance on such counterparties.

Item 9: Disciplinary Information

This item is inapplicable.

Item 10: Other Financial Industry Activities and Affiliations

Neither we nor our management persons are registered as broker-dealers, and neither of us has any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer, respectively. We may choose to register in the future.

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

Code of Ethics

Inferent has adopted a “**Code of Ethics**” that establishes the high standard of conduct that we expect of our partners, officers, directors, employees, individual consultants and other persons occupying a similar status or performing similar functions (“Covered Persons”) and procedures regarding our Covered Persons’ personal trading of securities. Our Covered Persons are required to certify their adherence to the terms set forth in the Code of Ethics upon commencement of employment and annually thereafter. Covered Persons also are

required to provide quarterly certifications of compliance with certain Code of Ethics provisions.

The foundation of our Code of Ethics is based upon the following underlying fiduciary principles:

- Covered Persons must at all times place the interests of the Funds, Separately Managed Accounts, and Investors first;
- Covered Persons must ensure that all personal securities transactions are conducted consistent with the Code of Ethics' Covered Person Investment Policy (described below); and
- Covered Persons should not take inappropriate advantage of their position at the Firm.

Personal Securities Trading

As part of its Code of Ethics, Inferent has adopted a Covered Person Investment Policy, which requires the reporting of certain personal holdings and trades, and preapproval for certain transactions.

We will provide a copy of our Code of Ethics to our Investors, or any prospective investor or client, upon request.

Participation or Interest in Client Transactions

Neither we nor our related persons generally purchase any securities for our own accounts from, or sell any securities for our own accounts to, the Funds or Separately Managed Accounts. We may solicit qualified clients to invest in a Fund. We could be considered to have recommended an investment in the Fund or Separately Managed Accounts as suitable for a client as a result of our relationship with the Fund or Separately Managed Accounts. We will inform each client of our relationship with a Fund prior to the client's investment, but we do not intend to advise clients as to the appropriateness of the investment and we will not receive any compensation for selling interests in a Fund or Separately Managed Accounts (except to the extent that we receive our Management Fee and Performance Allocation from Investors).

We disclose these, and other potential conflicts of interest, to Investors in the Fund's offering documents or as applicable to the Separately Managed Accounts investment management agreement. Offering documents are delivered to Investors prior to their investment and Investors are given the opportunity to ask questions and seek answers regarding, among other things, potential conflicts involving us, our affiliates, or the executive officers of the foregoing.

Item 12: Brokerage Practices

Inferent is authorized to determine the broker-dealer to be used for executing securities transactions for the Funds. In selecting broker-dealers to execute transactions, we do not need to solicit competitive bids and do not have an obligation to seek the lowest available commission cost. The Funds' or Separately Managed Accounts securities and other assets are held in securities accounts at our prime brokers that are "Qualified Custodians" as defined under the Investment Advisers Act of 1940, as amended (the "**Advisers Act**").

Best Execution

In selecting an appropriate broker-dealer to effect a client trade, we seek to obtain “**Best Execution**,” meaning generally the execution of a securities transaction for a client in such a manner that a client’s total costs or proceeds in the transactions (across the portfolio) are most favorable under the circumstances. Accordingly, in seeking Best Execution, we will take into consideration the price of a security offered by the broker-dealer, as well as a broker-dealers’ full range and quality of their services including, among other things, their facilities, reliability and financial responsibility, execution capability, commission rates, responsiveness to us, brokerage and research services provided to us (for example, research ideas, analysis, and investment strategies), special execution and block positioning capabilities, clearance, and settlement and custodial services.

Item 13: Review of Accounts

Our portfolio manager and investment professionals continuously monitor and analyze the transactions, positions, and investment levels of the Fund or Separately Managed Accounts to ensure that they conform with the investment objectives and guidelines that are stated in the Funds’ offering documents or applicable Separately Managed Accounts investment management agreements. In these reviews, we pay particular attention to any changes in the investment’s fundamentals, overall risk management, and changes in the markets that may affect price levels.

Account Reporting

We perform various periodic reviews of each client’s portfolio. Such reviews are conducted by our officers.

We will distribute annual audited financial statements with respect to the previous fiscal year to all Investors within 120 days of the relevant Fund’s fiscal year end. We may also distribute other interim reports to Investors.

Item 14: Client Referrals and Other Compensation

We do not receive economic benefits from non-clients for providing investment advice and other advisory services. Neither we nor any of our related persons, directly or indirectly, compensate any person who is not a supervised person for client referrals.

Item 15: Custody

We will comply with Advisers Act’s “**Custody Rule**” by meeting the conditions of the pooled vehicle annual audit approach. Upon completion of the relevant Fund’s annual audit by an independent auditor that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board (PCAOB), we will distribute the Fund’s audited financials to Investors within 120 days of the Fund’s fiscal year end.

Item 16: Investment Discretion

We will have full discretionary authority over the Fund and Separately Managed Accounts, including authority to make decisions with respect to which securities to be bought and sold, as well as the amount and price of those securities. Our investment decisions and advice with

respect to the Fund are subject to the Fund's investment objectives and guidelines and the Separately Managed Account's Investment Management Agreements.

Item 17: Voting Client Securities

In compliance with the Advisers Act's Proxy Voting Rule, we have adopted proxy voting policies and procedures. The general policy is to vote all 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, we 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 our clients. Generally, clients may not direct our vote in a particular solicitation.

Conflicts of interest may arise between the interests of our 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

We are not required to include a balance sheet for our most recent fiscal year, are not aware of any financial condition reasonably likely to impair our ability to meet contractual commitments to clients, and have not been the subject of a bankruptcy petition at any time during the past ten years.