

**ITEM 1
COVER PAGE**

PART 2A OF FORM ADV: FIRM BROCHURE

TWINBEECH CAPITAL LP

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TwinBeech Capital LP
1185 Avenue of the Americas, 3rd Floor
New York, NY 10036
Tel: 617-283-2389
Email: jyan@twinbeechcapital.com

This brochure (this “Brochure”) provides information about the qualifications and business practices of TwinBeech Capital LP (“TwinBeech”). If you have any questions about the contents of this Brochure, please contact us at contact@TwinBeech.com. 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 one or more general partner entities that are affiliates of TwinBeech (collectively, the “TwinBeech Fund General Partners”); however, to the extent the qualifications and business practices of the TwinBeech Fund General Partners are substantially similar to those of TwinBeech, no specific mention of the TwinBeech Fund General Partners is made herein.

TwinBeech 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 TwinBeech 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, as amended, contains material changes from our last update, we will identify and discuss those changes in this section.

**ITEM 3
TABLE OF CONTENTS**

ITEM 1 COVER PAGE.....	i
ITEM 2 MATERIAL CHANGES	ii
ITEM 3 TABLE OF CONTENTS.....	iii
ITEM 4 ADVISORY BUSINESS	6
A. General Description of Advisory Firm	6
1. TwinBeech Capital LP	6
2. TwinBeech Capital GP LLC	6
3. TwinBeech Fund General Partner(s)	6
B. Description of Advisory Services	6
1. Advisory Services	6
2. Investment Strategies and Types of Investments.....	7
C. Wrap Fee Programs.....	10
D. Assets Under Management	10
ITEM 5 FEES AND COMPENSATION	11
A. Advisory Fees and Compensation	11
1. Expense Reimbursement; Performance Amount	11
B. Payment of Fees.....	12
C. Additional Fees and Expenses	12
D. Prepayment of Fees.....	12
E. Additional Compensation and Conflicts of Interest.....	12
ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT	14
ITEM 7 TYPES OF CLIENTS	15

ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS.....	16
A. Methods of Analysis and Investment Strategies and Risk of Loss	16
B. Material, Significant or Unusual Risks Relating to Investment Strategies.....	16
C. Risks Associated with Particular Types of Financial Instruments.....	32
ITEM 9 DISCIPLINARY INFORMATION	42
ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	43
A. Broker-Dealer Registration Status	43
B. Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Adviser Registration Status	43
C. Material Relationships or Arrangements with Industry Participants	43
D. Material Conflicts of Interest Relating to Other Investment Advisers	43
ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.....	44
A. Code of Ethics.....	44
B. Securities in which TwinBeech or a Related Person Has a Material Financial Interest.....	44
1. Cross Trades.....	44
2. Principal Transactions.....	45
C. Investing in Securities that TwinBeech or a Related Person Recommends to Clients	45
D. Recommending Securities to Clients in which TwinBeech or a Related Person has Invested.....	45
ITEM 12 BROKERAGE PRACTICES.....	47
A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions	47
1. Research and Other Soft Dollar Benefits.....	48
2. Brokerage for Client Referrals.....	49

3. Directed Brokerage	49
B. Order Aggregation	49
ITEM 13 REVIEW OF ACCOUNTS.....	50
A. Frequency and Nature of Review of Client Accounts or Financial Plans	50
B. Factors Prompting Review of Client Accounts Other than a Periodic Review	50
C. Content and Frequency of Account Reports to Clients	50
ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION.....	51
A. Economic Benefits for Providing Services to Clients.....	51
B. Compensation to Non-Supervised Persons for Client Referrals.....	51
ITEM 15 CUSTODY	52
ITEM 16 INVESTMENT DISCRETION	53
ITEM 17 VOTING CLIENT SECURITIES.....	54
A. Policies and Procedures Relating to Voting Client Securities	54
ITEM 18 FINANCIAL INFORMATION	55

ITEM 4 ADVISORY BUSINESS

A. General Description of Advisory Firm.

1. TwinBeech Capital LP.

TwinBeech Capital LP (the “Investment Adviser,” “TwinBeech,” “we” and “us”) is a Delaware limited partnership that was formed in 2018.

Our offices are located in Rye, New York.

2. TwinBeech Capital GP LLC.

Our general partner, TwinBeech Capital GP LLC, is a Delaware limited liability company (the “TwinBeech General Partner”). Jinghua Yan owns a majority interest in the TwinBeech General Partner, and serves as its member. The TwinBeech General Partner has ultimate responsibility for the management, operations, and investment decisions of TwinBeech.

3. TwinBeech Fund General Partner(s).

Pursuant to relevant SEC guidance, the Investment Adviser’s registration on Form ADV will also cover one or more general partner entities that are affiliates of the Investment Adviser, including TwinBeech Fund GP LLC and any future entity organized to serve as a general partner (each a “Fund General Partner” and collectively, the “TwinBeech Fund General Partners”) of a TwinBeech Fund (as defined below). The TwinBeech Fund General Partners serve as the general partner of their respective TwinBeech Fund (as defined below).

B. Description of Advisory Services.

This Brochure generally includes information about us and our relationships with our Clients. 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.

Within 120 days of the effectiveness of our registration with the SEC, we expect to serve, and may in the future serve, as both an investment adviser and sub-adviser, with discretionary trading authority, to one or more private pooled investment vehicles, accounts or other arrangements (each such current or future vehicle, account or arrangement a “Client”). Within 120 days of the effectiveness of our registration with the SEC, we expect to serve in the following capacities for one or more of the entities listed below, but may also provide services to others in the future:

- Sub-adviser to EGMF Master LP, a Cayman Islands exempted limited partnership (the “EGMF Master Fund”). EGMF Domestic LP and EGMF Offshore Ltd. (together, the “EGMF Feeder Funds”) each invest their assets pursuant to a “master-feeder” structure

into the EGMF Master Fund. The EGMF Master Fund and EGMF Feeder Funds are collectively referred to herein as the “EGMF Funds.”

- Investment Adviser to one or more related privately offered vehicles in a “master-feeder” structure (the “TwinBeech Fund” and, collectively with the EGMF Funds, the “Funds”), which may in the future be formed and in such case the securities of which we expect would be offered to investors on a private placement basis.

This Brochure does not constitute an offer to sell or solicitation of an offer to buy any securities. The securities of the Clients 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 Clients, 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 Clients described herein. Any such offer or solicitation will be made only by means of a confidential private placement memorandum or other definitive offering document.

2. Investment Strategies and Types of Investments.

The investment objective of both the EGMF Master Fund and the TwinBeech Fund is to generate attractive absolute and risk-adjusted returns on invested capital over a multi-year period.

We seek to achieve this objective through a research intensive, data-driven systematic trading and investment program. Specifically, our personnel develop and acquire statistical quantitative techniques and programs and apply them to a large body of data in an effort to isolate and identify potentially profitable trading and investment strategies. We may, among other things, seek to identify positive or negative correlations between securities or other instruments, assets, or economic/financial conditions and to profit when prices or values related to those instruments, assets or conditions diverge. We may apply quantitative analysis to datasets in an attempt to identify patterns in historical data and predict the future prices or values of instruments or markets based on these patterns. These strategies may entail the use of proprietary computer software systems and technology in making and managing investments across a broad range of instruments, involving both long and short investment holdings. These opportunities can be extremely short-lived (which necessitates a trading system that can make decisions and effect executions quickly) or can exist for a somewhat longer period (which can allow for more of a focus on strategic timing). Trading and investment strategies may involve trading any asset, instrument or security including, without limitation, publicly traded equities, equity swaps, listed futures, equity options and options on futures, cleared swaps and other derivatives.

While our quantitative analysis and implementation of the investment strategies may be managed by specific personnel within our organization (as well as any potential third party or affiliated sub-advisers) from time-to-time, TwinBeech will exercise overall management and control of all such strategies. The development of any trading strategy is reliant on the abilities

of our personnel and on the technical resources made available to the personnel researching and implementing the strategy.

It should also be noted that: (i) the same strategies will not be necessarily employed at the same time, (ii) there is an overlap of markets, instruments, themes, and other attributes among strategies, (iii) each strategy employs a number of distinct and different sub-strategies, and (iv) we may modify, supplement, discontinue, or substitute strategies and sub-strategies from time to time without notice.

In addition, we may at any time employ active or passive hedges for a number of reasons, including risk management. Hedges can be specific to one or more positions or strategies or to a Client's portfolio as a whole.

We may cause the Clients to invest any excess funds in money market instruments, commercial paper, certificates of deposit, U.S. government obligations, and bankers' acceptances among other instruments or may hold such excess funds in interest-bearing or non-interest bearing bank accounts. We may cause the Clients to reinvest any income earned from such investments in accordance with the relevant Client's investment program.

We may cause the assets of the Clients to be invested, directly or indirectly, on margin or otherwise, in interests commonly referred to as securities, other financial instruments issued by, entered into by or referenced to U.S. or non-U.S. entities and other assets, including, without limitation, capital stock; shares of beneficial interest; partnership interests and similar financial instruments; bonds, notes and debentures (whether subordinated, convertible or otherwise); currencies; commodities; physical and intangible assets; interest rate, currency, commodity, equity and other derivative products, including (i) futures contracts (and options thereon) relating to stock indices, currencies, U.S. government securities and securities of non-U.S. governments, other financial instruments and all other commodities, (ii) swaps, options, swaptions, warrants, caps, collars, floors and forward rate agreements, (iii) spot and forward currency transactions and (iv) agreements relating to or securing such transactions; repurchase and reverse repurchase agreements; loans; accounts and notes receivable and payable held by trade or other creditors; trade acceptances; contract and other claims; executory contracts; participations; mutual funds, exchange traded funds and similar financial instruments; money market funds; obligations of the United States or any non-U.S. government, or any country, state, governmental agency or political subdivision thereof; commercial paper; certificates of deposit; bankers' acceptances; choses in action; trust receipts; and any other obligations and instruments or evidences of indebtedness of whatever kind or nature that exist now or are hereafter created (all such items being called herein "Financial Instruments"); in each case, of any person, whether or not publicly traded or readily marketable.

We intend to continually review and refine our existing strategies, and to examine new ideas and opportunities. The descriptions set forth in this Brochure of specific strategies in which we may cause the Clients to engage should not be understood to limit in any way the Clients' investment activities. We may cause the Clients to engage in any investment strategy, including strategies not described in this Brochure, that we consider appropriate in order to pursue the Clients' investment objectives.

Risk Management. Risk is managed on a continuous basis and measured using quantitative risk management techniques and models based on academic research, among other tools deemed appropriate by us. We will seek to identify, assess and manage risks which may relate to, without limitation, (i) trading-related issues, (ii) technological issues, (iii) legal/regulatory issues and (iv) personnel-driven issues.

Risk management will also entail the coordinated and economical application of resources to minimize, monitor, and control the probability and/or impact of adverse events or to maximize the realization of opportunities. Risks can come from uncertainty in financial markets, political developments on a global basis, threats from project failures (at any phase in design, development, production, or sustainment life-cycles), legal liabilities, credit risk, accidents, natural disasters as well as deliberate attack from an adversary, or events of uncertain or unpredictable origin.

Leverage and Borrowing. We may cause the TwinBeech Fund to use leverage as part of our investment process and in pursuit of its investment objective. With respect to EGMF Funds leverage may be used as part of the investment process and in pursuit of the EGMF Funds' investment objective, subject to any applicable limitations, including any limitations that may be described in the governing or offering documents of such vehicles.

Leverage comes through a variety of sources, including, without limitation, by investing in instruments that may have embedded leverage, the retention of different amounts of cash or cash equivalents in a feeder fund, short sales of securities and other Financial Instruments, the use of derivatives, securities lending and repurchase agreements, and any other instruments we may deem appropriate. We have the ability to cause the TwinBeech Fund to borrow, trade on margin, utilize derivatives and otherwise obtain leverage from U.S. or non-U.S. brokers, banks and others on a secured or unsecured basis. The amount of (direct and/or indirect) borrowing may vary depending on market conditions, as determined appropriate, and the amount of leverage may vary across the various Clients and their strategies. Leverage use will vary over time, and there is no cap or other restriction on the type or amount of leverage we may cause the TwinBeech Fund to utilize. The amount of leverage we use may be significant. We also have the authority to cause the TwinBeech Fund to borrow for cash management purposes, such as to satisfy redemption requests. The EGMF Funds will employ leverage consistent with their offering and disclosure documents.

Leverage may present opportunities for increasing the total return on investments but may also increase losses. Events that negatively affect the value of investments may be magnified as a result of the use of leverage and may result in a substantial loss to the Clients. In particular, portfolio positions and strategies of the Clients may experience significant and rapid losses in times of market disruption or when the predictions of the models are incorrect. In addition, changes in interest rates may have a material adverse effect on the Clients.

Changes in the Investment Program. Subject to applicable law and any express restrictions set forth in the Clients' governing documents, we may change the Clients' investment strategies or policies at any time and without notice. The investment adviser for the EGMF Funds, similarly, may change the investment strategies or policies for the EGMF Funds at any time and without notice, pursuant to their offering and disclosure documents.

C. Wrap Fee Programs.

We do not currently participate in any Wrap Fee Programs.

D. Assets Under Management.

We do not currently have any Client assets under management but we expect to have, within 120 days of the date on which our initial registration becomes effective, Client assets under management sufficient to allow us to remain eligible for registration with the SEC.

ITEM 5 FEES AND COMPENSATION

A. Advisory Fees and Compensation.

The fees applicable to each Client are set forth in detail in each Client's offering documents. Fees, expenses and incentive compensation for the EGMF Funds may be assessed at the Feeder Fund level or at the Master Fund level. [Fees, expenses and incentive compensation for the TwinBeech Fund will be assessed directly from the TwinBeech Fund.]

A brief summary of such fees, expenses and incentive compensation is provided below. We calculate and assess expenses to Clients based on a "pass through" approach that reimburses us for many categories of our expenses.

1. Expense Reimbursement; Performance Amount.

Expense Reimbursement. Each Client bears certain expenses including, in certain cases, certain expenses "passed through" by the Investment Adviser or, if applicable, the investment adviser of the EGMF Funds. As set forth more fully in the applicable private placement memorandum, partnership agreement or other applicable disclosure and governing documents for each Client, a Client generally bears all expenses relating to its activities, investments and business subject, in the case of the EGMF Funds, to an annual limit (the "Expense Cap") based on the total amount of assets under management attributable to the EGMF Funds. As is typical for private funds, the Clients likely bear additional and greater expenses, directly or indirectly, than many other pooled investment products, such as U.S. mutual funds. To the extent brokerage fees are incurred, they will be incurred in accordance with the general practices set forth in "Brokerage Practices"

This "expense pass through" arrangement differs from that of many other private fund structures, where the adviser receives a management fee in lieu of a reimbursement for its overhead and similar expenses. In this instance, TwinBeech receives a reimbursement of its expenses as well as the Startup Fee described in Section C, below..

To the extent that expenses to be borne by a respective Client are paid by TwinBeech, a TwinBeech Fund General Partner or the investment adviser for the EGMF Funds or an affiliate, such Client will reimburse such party for such expenses, unless, in the case of an EGMF Fund, the investment adviser of such EGMF Fund determines otherwise as per the guidelines set forth in the subadvisory agreement.

TwinBeech (or any other TwinBeech entity) may provide investment management or other services to Clients other than the EGMF Funds (including, without limitation, investment funds, separately managed accounts, proprietary accounts, certain affiliated entities and other investment vehicles (collectively, "Other Accounts"). Expenses incurred by TwinBeech (or any other TwinBeech entity) in respect of any Other Account or affiliate of TwinBeech or in furtherance of the investment program of the Master Fund or such Other Account or affiliate (as applicable) will be allocated between the applicable Fund and such Other Account or affiliate in

accordance with TwinBeech's expense allocation policy, which is designed to allocate expenses in a fair and equitable manner amongst each Client and account. Allocations may be based on factors and methodologies deemed appropriate by TwinBeech, including, among others, actual usage of a specific service or product, relative capital amounts, and relative trading volumes, as described in greater detail in the private placement memoranda (or other definitive offering documents) for the Funds. TwinBeech may adjust its expense allocation policy, without notice; *provided* that TwinBeech determines the adjusted policy continues to be reasonably designed to allocate expenses in a fair and equitable manner over time.

Certain expenses may be shared by all of the Clients (including all Tranches of the Feeder Funds and the Master Fund), and Other Accounts, or may be allocated only to a specific Client with respect to which such expenses were incurred, including overhead and employee compensation (both of which could be considerable).

Performance Amount. The EGMF Funds or their investment adviser will pay TwinBeech an amount determined by reference to the performance of the portion of the Client's investment portfolio that consists of investments managed by such portfolio manager or investment consultant and calculated by TwinBeech, but subject to the terms of any applicable subadvisory or similar agreement (any such amount, a "Performance Amount"). The Performance Amounts will generally be calculated based upon the annual gross trading profits and losses of the strategies managed by the portfolio manager after subtracting certain expenses allocable to such strategies and the portfolio manager.

In the event that an investor withdraws or redeems its interest in an applicable Client other than at the end of a fiscal year, the withdrawal or redemption proceeds payable to such investor will be reduced by such investor's share of the accrued Performance Amount as of the applicable withdrawal or redemption date. With consent from the investment adviser to the EGMF Funds, the Performance Amount may be waived, reduced or calculated differently with respect to certain investors. Additional detail regarding the Performance Amount is set forth in each Clients' respective private placement memoranda (or other definitive offering documents).]

B. Payment of Fees.

Fees and compensation paid to TwinBeech or its affiliates by the Clients are generally deducted from the assets of the Clients. As discussed above, the Performance Amount is calculated monthly but paid annually and Expense Reimbursement is generally paid monthly.

C. Additional Fees and Expenses.

In connection with the beginning of TwinBeech's relationship with the EGMF Funds, a fee (the "Startup Fee") will be paid to TwinBeech by the investment adviser to the EGMF Funds as compensation for certain expenses. The Startup Fee is subject to the Expense Cap.

D. Prepayment of Fees.

Advisory fees and expenses paid to TwinBeech will generally be assessed in arrears.

E. Additional Compensation and Conflicts of Interest.

Neither TwinBeech 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

In the future, we and our affiliates may accept performance-based compensation from some Clients (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), and not other Clients. As a result, we and our affiliates may face certain conflicts of interest that may arise in such cases when an investment adviser accepts performance-based fees from some Clients, but not from other Clients. We believe this conflict of interest should be effectively negated by our trade allocation policy, which divides our trades in a fair and equitable manner across all Clients.

We also may assess expenses on a “pass-through” basis for some Clients, and not other Clients, as discussed in Item 5, Section A.1, above, which can create certain conflicts of interests with respect to our ability to invest in existing or new areas of business.

ITEM 7

TYPES OF CLIENTS

TwinBeech provides investment advice to its Clients, as described above. It is not expected that any Client will be an individual, trust, investment company or pension plan, however the investors participating in the Clients may include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and may also include, directly or indirectly, principals or other employees of TwinBeech and its affiliates and members of their families or service providers retained by TwinBeech. TwinBeech does not have a minimum account size for Clients. In general, investors in Clients will be required to be accredited investors, qualified clients and qualified purchasers (as each such term is defined under applicable law) or qualified knowledgeable TwinBeech personnel.

ITEM 8

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Methods of Analysis and Investment Strategies and Risk of Loss.

Our objective is to generate attractive absolute and risk-adjusted returns on invested capital over a multi-year period, consistent with our investment program as described in more detail in Item 4.B.2 of this Brochure.

The descriptions set forth in this Brochure of specific advisory services that we offer to Clients, as well as 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.

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

The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in our investment program. 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.

No Operating History. TwinBeech, any TwinBeech Fund General Partner and the TwinBeech Fund are newly formed entities and do not have any operating history upon which prospective clients or investors can evaluate their anticipated performance. The investment professionals of TwinBeech have been using investment strategies similar to the investment strategies described herein in other private investment funds for several years. However, there can be no assurance that TwinBeech will achieve results comparable to those that the investment professionals have achieved in the past.

Systems and Operational Risks Generally. TwinBeech must develop and implement appropriate systems for its Clients' activities. TwinBeech relies heavily and on a daily basis on financial, accounting and other data processing systems to execute, clear and settle transactions across numerous and diverse markets and to evaluate certain Financial Instruments, to monitor its portfolio and capital, and to generate risk management and other reports that are critical to the oversight of the Clients' activities. In addition, TwinBeech relies on information systems to store sensitive information about its Clients, TwinBeech, their affiliates and the investors. Certain of TwinBeech's and its Clients' activities will be dependent upon systems operated by third parties, including brokers, prime brokers, the administrator, market counterparties and other service providers, and TwinBeech may not be in a position to verify the risks or reliability of such third-party systems. Failure in the systems employed by TwinBeech, brokers, prime brokers, the administrator, counterparties, exchanges and similar clearance and settlement facilities and other parties could result in mistakes made in the confirmation or settlement of transactions, or in transactions not being properly booked, evaluated or accounted for. Disruptions in TwinBeech's

operations may cause Clients to suffer, among other things, financial loss, the disruption of trading or investment operations, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing failures or disruptions could have a material adverse effect on TwinBeech's Clients and their underlying the investors.

Reliance on Technical Trading Systems. TwinBeech will allocate Clients' capital to investment strategies that are based on technical trading systems. Although TwinBeech retains all discretion with respect to the manner in which a trading system's output is interpreted and applied, there can be no assurance that TwinBeech's trading systems and its interpretation and application of the trading systems' output will take into account all relevant factors. Technical trading systems can also be ineffective when fundamental factors drive Financial Instruments' prices.

Trading Judgment. The success of the investment and trading strategies employed by TwinBeech is subject to the judgment and skills of its employees. Additionally, the abilities of its employees with regard to execution and discipline are important to a Client's performance. There can be no assurance that the investment decisions or actions of TwinBeech or its employees will be correct. Incorrect decisions or poor judgment may result in substantial losses to a Client.

Testing of New Strategies. To the extent TwinBeech uses a new strategy, method, or signal with respect to its Clients, TwinBeech cannot necessarily predict how such new strategy, method or investment signal will perform, and, as a result, its Clients (and their respective investors) may suffer losses, which could be significant, by pursuing it.

Use of Systems. TwinBeech relies extensively on the use of computer systems, hardware, software, and telecommunications equipment. TwinBeech makes use of its own equipment as well as equipment, systems and services (including so-called "cloud" based storage and other services) provided by third parties. Accordingly, Clients are exposed to the risk that computer hardware, software, electronic equipment and other services used by TwinBeech may cease to be available, for example, due to the insolvency of the provider, the discontinuation of services or software updates, or the interruption of communication access. In such circumstances, TwinBeech would seek to obtain equivalent hardware, software and services from an alternative supplier, which could take time to accomplish and which could be costly.

System Failure. As TwinBeech makes extensive use of computer hardware, systems and software, its Clients are exposed to risks caused by failures of IT infrastructure and data. In addition, outright failure or a partial impairment (whether due to external situations or internal file corruption) of the underlying hardware, operating system, software or network may leave our Clients unable to trade either generally or in certain of their strategies, and this may expose them to risk should the outage coincide with turbulent market conditions. To ameliorate this risk, TwinBeech maintains a business continuity plan. It is possible that a systems failure could impede TwinBeech's ability to carry out the investment program, and could prevent TwinBeech from acting to prevent losses in a crisis; in the worst case, TwinBeech may have to liquidate Clients' entire portfolios as the only safe way to proceed should a crippling system outage occur.

Data Feed Failure. TwinBeech's models utilize data feeds from a number of sources. If these data feeds were to be corrupted, compromised or discontinued in any manner, or not

delivered or accessible in a timely manner, the models may not operate properly. This failure to receive the data feeds or receive the data feeds in a timely manner may leave Clients unable to trade or may result in trades that are not aligned with an algorithm's goal, and this may expose Clients to risk of loss or loss of opportunities, in particular if the loss of the data feed coincides with turbulent market conditions. If the data feeds are corrupted or compromised in any material manner or if the data feeds are not delivered or accessible in a timely manner, it may result in a loss to Clients, which could be material.

Risk of Programming Implementation Error or Logical Error. Given the reliance of TwinBeech upon the operation of its models and other software trading and analysis systems, it follows that Clients are therefore at risk of errors of implementation (colloquially known as “bugs”) and errors of design that may exist or arise in the software or models, and which may cause inappropriate or aberrant behavior under certain market conditions. While reasonable steps have been taken to ensure that the software is adequate in design and free from bugs, formal proof of bug-free code has not been undertaken, nor can the underlying logical and/or mathematical models be certified as free from error; investors should expect that – at any given time – TwinBeech's code will contain errors of design and bugs.

As with any software, upgrades, “bug fixes” and various other improvements may be introduced over time and the risk therefore exists that such changes may detrimentally affect the performance of Clients, rather than improve it.

Furthermore, without limitation, while the software has been tested, no guarantee can be given that a unique combination of input conditions experienced when running the system “live” and that was not encountered during development, will not cause the system to fail, perform aberrantly, or take positions that are (under some reasonable criteria) judged to be inappropriate.

These failures can also occur in a complex, interdependent environment where different elements of code are all functioning correctly, but their interaction gives rise to unanticipated or unintended errors. Given the fact that TwinBeech will be utilizing proprietary and third-party code (some of which may be open-source and without any warranties), it is possible or likely that errors will arise from such interactions and that such errors and any related losses would not constitute reimbursable trade errors under our policies or our Clients' governing documents.

Risks Inherent in Computer-Driven and Intellectual Property Based Systems. TwinBeech relies to a material extent on a wide range of intellectual property systems, including computer hardware and software systems and telecommunications systems, in substantially all phases of its operations, including research, valuation, trade identification and construction, trade execution, clearing, risk management, back office functions and reporting.

As described above, intellectual property systems are subject to a number of inherent and unpredictable risks. For example, there may be material undiscovered errors in software programs; software and/or hardware may malfunction and/or degrade; electronic and telecommunications delivery may fail; security breaches may lead to unauthorized trades or stolen intellectual property; services provided by third-party vendors to support the intellectual property systems may be interrupted; and computer-driven trading errors may occur. It is likely

that such errors and any related losses would not constitute reimbursable trade errors under our policies or our Clients' governing documents.

Security, Information and Cybersecurity Risks. As part of its business, TwinBeech processes, stores and transmits large amounts of electronic information, including information relating to the transactions of its Clients and personally identifiable information of the investors. Similarly, service providers of TwinBeech or its Clients, especially the administrator, may process, store and transmit such information. TwinBeech has procedures and systems in place that it believes are reasonably designed to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to TwinBeech may be susceptible to compromise, leading to a breach of TwinBeech's network. TwinBeech's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. On-line services provided by TwinBeech to the investors may also be susceptible to compromise. Breach of TwinBeech's information systems may cause information relating to the transactions of its Clients and personally identifiable information of the investors to be lost or improperly accessed, used or disclosed.

Our Clients' service providers are subject to the same electronic information security threats as TwinBeech. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks or another failure in its operational safeguards, information relating to the transactions of our Clients and personally identifiable information of the investors may be lost or improperly accessed, used or disclosed. Recent events in the market illustrate that this is not a theoretical concern, but is a risk that all service providers face.

The loss or improper access, use or disclosure of TwinBeech's or its Clients' proprietary information may cause TwinBeech or its Clients to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on TwinBeech's Clients, the investors' investments in the Clients or the investors themselves.

Counterparty Risk and Other Adverse Events or Actions. TwinBeech expects to establish relationships to obtain financing, derivative intermediation and prime brokerage services that permit its Clients to trade in any variety of markets or asset classes over time. However, there can be no assurance that TwinBeech's Clients will be able to establish or maintain such relationships. An inability to establish or maintain such relationships could limit Clients' activities, create losses, preclude Clients from engaging in certain transactions or prevent Clients 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 Clients' business due to their reliance on such counterparties.

Some of the markets in which TwinBeech's Clients may effect transactions are not "exchange-based", including "over-the-counter" or "interdealer" markets. The stability and liquidity of over-the-counter transactions depends in large part on the creditworthiness of the parties to the transactions. The participants in such markets are typically not subject to the credit evaluation and regulatory oversight to which members of "exchange-based" markets are subject. The lack of evaluation and oversight of over-the-counter markets exposes TwinBeech's Clients 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 (whether or not bona fide) or because of a credit or liquidity problem, thus causing TwinBeech's Clients to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where our Clients have concentrated their transactions with a single or small group of counterparties. Generally, TwinBeech's Clients will not be restricted from dealing with any particular counterparties. TwinBeech's evaluation of the creditworthiness of counterparties may not prove sufficient. The lack of a complete and "foolproof" evaluation of the financial capabilities of TwinBeech's Clients' counterparties and the absence of a regulated market to facilitate settlement may increase the potential for losses by TwinBeech's Clients.

If there is a default by a counterparty, under most normal circumstances TwinBeech's Clients, or TwinBeech, acting on behalf of its Clients, will 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 TwinBeech's Clients being less than if TwinBeech had not caused its Clients to enter into the transaction. Furthermore, there is a risk that any of such counterparties could become insolvent and/or the subject of insolvency proceedings. In such case, the recovery of such Clients' Financial Instruments from such counterparty or the payment of claims therefor may be significantly delayed and TwinBeech may recover substantially less on behalf of its Clients than the full value of the Financial Instruments entrusted to such counterparty. In addition, there are a number of proposed rules that, if they were to go into effect, may impact the laws that apply to insolvency proceedings and may impact whether a Client may terminate its agreement with an insolvent counterparty.

Collateral that a Client posts to its counterparties that is not segregated with a third-party custodian may not have the benefit of customer-protected "segregation" of such funds. In the event that a counterparty were to become insolvent, a Client may become subject to the risk that it may not receive the return of its collateral or that the return collateral may be delayed.

In addition, TwinBeech may cause its Clients to use counterparties located in jurisdictions outside the United States. Such local counterparties usually are subject to laws and regulations in non-U.S. jurisdictions that are designed to protect customers in the event of their insolvency. However, the practical effect of these laws and their application to TwinBeech's Clients' assets are subject to substantial limitations and uncertainties. For example, capital deposited at certain non-U.S. broker-dealers may not be subject to client money protection rules, which could subject TwinBeech's Clients to the risks of being an unsecured creditor in the event of a broker-dealer insolvency. Because of the range of possible factual scenarios involving the insolvency of a counterparty and the potentially large number of entities and jurisdictions that may be involved, it is impossible to generalize about the effect of such an insolvency on TwinBeech's Clients and their assets. Investors should assume that the insolvency of any such counterparty would result in significant delays in recovering TwinBeech's Clients' Financial Instruments and collateral

from or the payment of claims therefor by such counterparty and a loss to such Clients, which could be material.

In addition to the risk of a counterparty default, there is also the risk that TwinBeech's Clients' counterparties may be required to restrict the amount of credit granted to such Clients due to their own financial difficulties, which could result in a forced liquidation of substantial portions of such Clients' accounts.

Regulation in the Derivatives Industry. There are many rules related to derivatives that may negatively impact TwinBeech's Clients, such as requirements related to recordkeeping, reporting, portfolio reconciliation, central clearing, minimum margin for uncleared "over-the-counter" or "OTC" instruments and mandatory trading on electronic facilities, and other transaction level obligations. Parties that act as dealers in swaps are also subject to extensive business conduct standards, additional "know your counterparty" obligations, documentation standards and capital requirements. All of these requirements add costs to the legal, operational and compliance obligations of TwinBeech and its Clients, and increase the amount of time that TwinBeech spends on non-investment-related activities. Requirements such as these also raise the costs of entering into derivative transactions, and these increased costs will likely be passed on to TwinBeech's Clients.

These rules are operational and technological burdens on TwinBeech and its Clients. These compliance obligations require certain training of employees and use of new technology, and there are operational risks borne by TwinBeech and its Clients in implementing procedures to comply with many of these additional obligations.

The new regulations may also result in TwinBeech forgoing the use of certain broker-dealers, futures commission merchants or counterparties as the use of other parties may be more efficient for TwinBeech's Clients from a regulatory perspective. However, this could limit TwinBeech's Clients' trading activities, create losses, preclude TwinBeech from engaging in certain transactions or prevent TwinBeech from trading on behalf of its Clients at optimal rates and terms.

Competition; Availability of Investments. Certain markets in which TwinBeech may cause its Clients to invest are extremely competitive for attractive investment opportunities. As a result, there can be no assurance that TwinBeech will be able to identify or successfully pursue attractive investment opportunities in such environments. Specifically, there are a large number of investment managers that utilize quantitative models in their trading strategies, which may lead to attempts by other participants in the market to duplicate TwinBeech's models or trading strategies. To the extent that such persons are utilizing models that are similar to those utilized by TwinBeech or such participants take the same action with respect to a particular position as its Clients, those Clients may be competing for investment or arbitrage opportunities with such participants and/or the ability of a Client to purchase or dispose of its investments at attractive prices may be adversely affected.

Volatility Risk. TwinBeech's investment program may involve the purchase and sale of relatively volatile Financial Instruments and/or investments in volatile markets. Fluctuations or prolonged changes in the volatility of such Financial Instruments and/or markets can adversely

affect the value of investments held by TwinBeech's Clients. To the extent that TwinBeech causes a Client's portfolio to hold derivative instruments that are specifically designed to profit from change in market volatility, the risk of loss to such Client's portfolio is magnified.

Credit Ratings. In general, the credit rating assigned by a nationally recognized rating agency to a Financial Instrument represents such rating agency's opinion of the safety of the principal and interest payments of the rated instrument based on available information. Such ratings are relative and subjective; they are not absolute standards of quality and do not evaluate the market value risk of such Financial Instruments. Such ratings also do not reflect macroeconomic or systemic risk, including the risk of increased illiquidity in the credit markets. Further, credit ratings may change over time due to various factors, including changes in the creditworthiness of the issuer and/or changes in the rating agency's analytics and processes. It is possible that a rating agency might not change its rating of a particular issue on a timely basis to reflect subsequent events and, as a result, outstanding ratings may not reflect the issuer's current credit standing. TwinBeech's Clients may incur losses if TwinBeech makes investments based on credit ratings that subsequently change in a way not favorable to the Clients' investment objectives.

Significant Positions in Financial Instruments; Regulatory Requirements. In the event TwinBeech causes its Clients to acquire a significant stake in certain issuers of Financial Instruments and such stake exceeds certain percentage or value limits, its Clients may be subject to regulation and regulatory oversight that may impose notification and filing requirements or other administrative burdens on TwinBeech's Clients and TwinBeech. Any such requirements may impose additional costs on such Clients and may delay the acquisition or disposition of the Financial Instruments or TwinBeech's ability to respond in a timely manner to changes in the markets with respect to such Financial Instruments.

In addition, "position limits" may be imposed by various regulators that may limit TwinBeech's ability to effect desired trades on behalf of its Clients. Position limits are the maximum amounts of gross, net long or net short positions that any one person or entity may own or control in a particular issuer's securities. All positions owned or controlled by the same person or entity, even if in different accounts, may be aggregated for purposes of determining whether the applicable position limits have been exceeded. To the extent that TwinBeech's Clients' position limits were aggregated with an affiliate's position limits, the effect on TwinBeech's Clients and resulting restriction on TwinBeech's investment activities may be significant. If at any time positions managed by TwinBeech were to exceed applicable position limits, TwinBeech would be required to liquidate positions, which might include positions of its Clients, to the extent necessary to come within those limits. Further, to avoid exceeding any position limits, TwinBeech might have to forego or modify certain of its Clients' contemplated trades.

In addition, if TwinBeech, acting alone or as part of a group, acquires beneficial ownership of more than 10% of a certain class of securities of a public company or places a director on the board of directors of such a company, under Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), TwinBeech's Clients may be subject to certain additional reporting requirements and may be required to disgorge certain short-swing profits arising from purchases and sales of such securities. Furthermore, in such circumstances,

TwinBeech will be prohibited from causing its Clients to enter into a short position in such issuer's securities, and therefore limited in its ability to hedge such investments. Similar restrictions and requirements may apply in non-U.S. jurisdictions.

Exposure to Material Non-Public Information. From time to time, TwinBeech may receive material non-public information with respect to an issuer of publicly traded securities. In such circumstances, TwinBeech may be prohibited, by law, policy or contract, for a period of time from (i) unwinding a position held by its Clients in such issuer, (ii) causing its Clients to establish an initial position or take any greater position in such issuer, and (iii) pursuing other investment opportunities related to such issuer. Such results could lead to losses to TwinBeech's Clients.

Currency Exchange Exposure. TwinBeech may cause its Clients to invest in Financial Instruments denominated in currencies other than the U.S. dollar. TwinBeech, however, values its Clients' Financial Instruments in U.S. dollars. TwinBeech may or may not seek to hedge its Clients' non-U.S. currency exposure by entering into currency hedging transactions. There can be no guarantee that Financial Instruments suitable for hedging currency or market shifts will be available at the time when TwinBeech wishes to cause its Clients to use them, or that hedging techniques employed by TwinBeech will be effective. Furthermore, certain currency market risks may not be fully hedged or hedged at all. To the extent unhedged, the value of TwinBeech's Clients' positions denominated in currencies other than U.S. Dollars will fluctuate with U.S. Dollar exchange rates as well as with the price changes of the investments in the various local markets and currencies.

Quantitative Model Risk and Risk Management Dangers. There can be no assurance that the models used by TwinBeech will continue to be viable. The use of a model that is not viable or not completely viable could, at any time, have a material adverse effect on the performance of TwinBeech's Clients. There can be no assurance that Clients will achieve their investment objectives or that the models (even if completely or partially viable) will continue to further or ultimately be capable of furthering TwinBeech's Clients' investment objectives.

In addition, to the extent that TwinBeech's systems develop to the point that they execute trades autonomously, undesired results may only be detected after the fact, perhaps after a significant number of transactions have occurred.

Investment and risk management techniques are based in part on the observation of historical market behavior, which may not predict market divergences that are larger than historical indicators. Also, information used to manage risks may not be accurate, complete or current, and such information may be subject to misinterpretation. In the complex environment in which TwinBeech operates, effective risk management depends upon many factors, not all of which may be properly identified, and effective assessment, analysis, process creation, control or treatment of risks could be difficult to implement.

At times TwinBeech may manually override or shut down the operations of a quantitative model. This would generally be done in an effort to mitigate the damage from a deteriorating or malfunctioning model or a model that is reacting negatively to unforeseen market conditions. Such an override or intervention could result in greater losses than would be the case if there had

been no intervention and/or could result in the model being overridden or inactive at a time when the model would have achieved gains for the portfolio.

Proprietary Trading Methods. Because the trading methods employed by TwinBeech on behalf of its Clients are proprietary to TwinBeech, an investor will not be able to determine any details of such methods or whether they are being followed.

Obsolescence Risk. TwinBeech's systematic trading strategies are unlikely to be successful unless the assumptions underlying TwinBeech's models used to implement those strategies are realistic and either remain realistic and relevant in the future or are adjusted to account for changes in the overall market environment. If such assumptions are inaccurate or become inaccurate and are not promptly adjusted, it is likely that profitable trading signals will not be generated. If and to the extent that the models do not reflect certain factors, and TwinBeech does not successfully address such omission through its testing and evaluation and modify the models accordingly, major losses may result.

Models employed by TwinBeech in connection with its systematic trading strategies cannot fully match the complexity of the financial markets; accordingly, unanticipated changes in underlying market conditions can significantly impact such strategies' performance. As market dynamics shift over time, a previously highly successful strategy may become outdated. Even without becoming completely outdated, a given strategy's effectiveness may decay in an unpredictable fashion as other market participants adopt similar strategies or market dynamics shift. TwinBeech will continue to test, evaluate and add new models, as a result of which the existing models may be modified from time to time. There can be no assurance as to the effects (positive or negative) of any modification on TwinBeech's Clients' performance.

Crowding/Convergence. Advisers other than TwinBeech may utilize similar analyses or models in making trading decisions, in which event bunching of buy and sell orders may occur, making it more difficult for a particular position to be taken or liquidated. There is significant competition among quantitatively-focused investment managers. To the extent that TwinBeech's models come to resemble those employed by other managers, the risk that a market disruption that negatively affects predictive models will adversely affect TwinBeech's Clients is increased, as such a disruption could accelerate reductions in liquidity or rapid repricing due to simultaneous, trading across a number of funds in the marketplace. Additionally, if TwinBeech's models come to resemble those employed by other managers, any favorable pricing advantage enjoyed by those models would be diminished as other managers make the same or similar trades.

Risk of Programming and Modeling Errors. TwinBeech's research and modeling process is extremely complex and involves financial, economic, econometric and statistical theories, research and modeling; the results of that process must then be translated into computer code. Although TwinBeech seeks to hire individuals skilled in each of these functions and to provide appropriate levels of oversight, the complexity of the individual tasks, the difficulty of integrating such tasks, and the limited ability to perform "real world" testing of the end product raises the chances that the finished model may contain an error or errors, or may not lead to the intended outcome. For example, by relying on models, TwinBeech may be induced to buy certain investments at prices that are too high or low, or to miss favorable opportunities

altogether. Similarly, any hedging based on a faulty model or implementation thereof may prove to be unsuccessful.

Some of the models used by TwinBeech are predictive in nature. The use of predictive models has inherent risks. For example, such models may incorrectly forecast future behavior, leading to potential losses on a cash flow and/or a mark-to-market basis. In addition, in unforeseen or certain low-probability scenarios (often involving a market disruption of some kind), such models may produce unexpected results, which can result in losses to a Client's portfolio. Furthermore, because predictive models are usually constructed based on historical data supplied by third parties, the success of relying on such models may depend heavily on the accuracy and reliability of the supplied historical data.

All models rely on correct market data inputs. If incorrect market data is entered into even a well-founded model, the resulting valuations will be incorrect. However, even if market data is input correctly, "model prices" will often differ substantially from market prices, especially for securities with complex characteristics, such as derivative instruments.

For the sake of clarity and without limitation, though losses arising from programming and modeling errors could adversely affect TwinBeech's Clients' performance, such losses would likely not constitute reimbursable trade errors under TwinBeech's policies or its Clients' governing documents.

Involuntary Disclosure Risk. The ability of TwinBeech to achieve its investment goals for its Clients is dependent in large part on its ability to develop and protect its models and proprietary research. The models and proprietary research are largely protected by TwinBeech through the use of policies, procedures, agreements, and similar measures designed to create and enforce robust confidentiality, non-disclosure, and similar safeguards. However, aggressive position-level public disclosure obligations (or disclosure obligations to exchanges or regulators with insufficient privacy safeguards) could lead to opportunities for competitors to reverse-engineer TwinBeech's models, and thereby impair the relative or absolute performance of its Clients.

Technical Trading Strategies. The buy and sell signals generated by certain strategies of TwinBeech's Clients are not based on any analysis of fundamental supply and demand factors, general economic factors or anticipated world events but generally upon factors such as studies of actual daily, weekly and monthly price fluctuations, volume variations, changes in open interest and correlations and variance measures. The profitability of any technical trading strategy depends upon the future occurrence of major price moves or trends in the instruments traded. In the past there have been periods without discernible trends and presumably similar periods will occur in the future. The best trading strategy will not be profitable if there are no trends of the kind it seeks to follow. In addition, a technical trading strategy may be profitable for a period of time, after which the strategy fails to detect correctly any future price movements. Accordingly, technical traders often modify or replace their strategy on a periodic basis. Any factor that may lessen the prospect of major trends in the future (for example, as increased governmental control of, or participation in, the markets) may reduce the prospect that the strategy will be profitable. Any factor that would make it more difficult to execute trades at the

strategy's signal prices, such as a significant lessening of liquidity in a particular market, also would be detrimental to profitability.

Spread Trading. A part of TwinBeech's strategy may involve spread positions between two or more Financial Instrument positions. To the extent the price relationships between such positions remain constant, no gain or loss on the positions will occur. Such positions, however, do entail a substantial risk that the price differential could change unfavorably, thus causing a loss to the spread position. TwinBeech's strategy also may involve arbitraging among two or more Financial Instruments. This means, for example, that TwinBeech may cause its Clients to purchase (or sell) Financial Instruments (on a current basis) and take offsetting positions in the same or related Financial Instruments. To the extent the price relationships between such positions remain constant, no gain or loss on the positions will occur. These offsetting positions entail substantial risk that the price differential could change unfavorably causing a loss to the position. Moreover, the arbitrage business is extremely competitive, and many of the major participants in the business are large investment banking firms with substantially greater financial resources, larger research staffs and more investment professionals than will be available to TwinBeech. Arbitrage activity by other larger firms may tend to narrow the spread between the price at which TwinBeech may cause its Clients to purchase a Financial Instrument and the price TwinBeech expects that its Clients will receive upon consummation of a transaction.

Model and Data Risk. TwinBeech will rely heavily on quantitative and systematic models (both proprietary models developed by TwinBeech, and those supplied by third parties) and information and data supplied by third parties ("Models and Data"). Models and Data can be used to construct sets of transactions and investments, to value investments or potential investments (whether for trading purposes, or for the purpose of determining the net asset value of TwinBeech's Clients), to provide risk management insights, and to assist in hedging TwinBeech's Clients' exposure.

When Models and Data prove to be incorrect, misleading or incomplete, any decisions made in reliance thereon expose TwinBeech's Clients to potential risks. For example, by relying on Models and Data, TwinBeech may be induced to buy certain investments at prices that are too high, to sell certain other investments at prices that are too low, or to miss favorable opportunities altogether. Similarly, any hedging based on faulty Models and Data may prove to be unsuccessful.

All models rely on correct market data inputs that are assumed to be correct. Because TwinBeech's models are usually constructed based on, or employ, historical or current market data supplied by third parties, the success of relying on Models and Data may depend heavily on the accuracy and reliability of the supplied data, which can contain errors.

For the sake of clarity and without limitation, though Model and Data risks could adversely affect TwinBeech's Clients' performance, losses that arise as a result of the use of Models and Data likely would not constitute reimbursable trade errors under TwinBeech's policies or its Clients' governing documents.

Self-Trades and Other Exchange Violations. Systematic and algorithmic trading strategies are more prone than other types of investing to cause “wash trade,” cross trade and self-trade orders to be generated. These orders, if filled, can constitute violations of exchange rules and expose TwinBeech’s Clients to penalties and disgorgement orders. While TwinBeech will seek to limit these kinds of transactions, there is no guarantee that they all will be eliminated.

Risks Resulting from Marketplace Reforms and Changes. The SEC has imposed a rule that prohibits the practice of “naked” or “unfiltered” direct market access. Such a prohibition bars brokers from granting high-frequency traders with unfiltered access to the financial markets. The long-term impact of such a prohibition is unknown, but such a rule may potentially limit the implementation of TwinBeech’s Clients’ investment strategy. The SEC has considered the imposition of additional mechanisms to eliminate “quote stuffing,” whereby large numbers of stock orders are placed and canceled almost immediately, such as by setting minimum amounts of time for which stock quotes must remain active. In the event that any such rule is implemented, TwinBeech’s ability to effect its trading strategies may be impacted, and may in turn have a negative effect on its Clients’ investments. Lastly, when triggered, exchange “limit up/limit down” rules restrict all trading, including programmatic trading, in the event that the price of a security moves up or down by more than a predetermined number of points on any trading day. The limit up/limit down rules may impair TwinBeech’s ability to effect its trading strategies and have a negative effect on its Clients’ investments.

Similar restrictions on high-frequency trading are being considered by the CFTC and global securities regulators.

Regulation SHO. TwinBeech’s Clients will engage in activities that are governed by Regulation SHO. As such, TwinBeech’s Clients will be required to follow various regulatory requirements, including, but not limited to, locating securities, closing out positions in threshold securities and properly marking its orders. TwinBeech’s Clients may experience delays in attempting to sell securities subject to the Regulation SHO price test and, as a result of that delay, may suffer losses. In addition, TwinBeech’s Clients could incur significant expenses or suffer losses if they were to become the subject of a regulatory audit relating to compliance with Regulation SHO. Finally, regulatory changes to Regulation SHO could have a detrimental effect on TwinBeech’s Clients’ trading activities.

The various risks inherent in trading strategies that incorporate short selling are magnified in a systematic or quantitative strategy, as a calculation or coding error can have a large impact on trading and can result in a high number of mismarked trades. Mismatched trades result in regulatory exposure for TwinBeech and its Clients, and can strain relationships with the brokers that service such Clients.

Increased Regulatory Focus on Quantitative Managers. Recently, regulators in the United States, the EU and other countries have shown particular interest in managers engaging in systematic, quantitative and so-called “high-frequency” trading, which could increase the risk of administrative burdens being placed on TwinBeech. Such administrative burdens may divert TwinBeech’s time, attention and resources from portfolio management activities to responding to inquiries, examinations and enforcement actions (or threats thereof). Regulatory inquiries often

are confidential in nature, may involve a review of an individual's or a firm's activities or may involve studies of the industry or industry practices, as well as the practices of a particular institution. In particular, in the United States, recently proposed and contemplated SEC and CFTC rules could impose additional burdens on systematic managers, although the future prospects and potential impacts of such rules are not clear.

While the impact of such regulatory focus on TwinBeech and algorithmic trading firms is not yet entirely clear, it is possible that new regulations will require TwinBeech to implement additional technology and other controls, and that compliance with these new rules will consume limited internal resources, and thereby impede TwinBeech's ability to pursue other initiatives.

Correlation Risk. TwinBeech's Clients may be exposed to correlated risks. These occur when funds and other investors hold similar positions and employ similar strategies, resulting in intensified risks which may lead to potential cascading losses in times of market stress.

In extreme cases, to the extent other market participants using a similar strategy seek to divest one or more positions comprising of a particular strategy, "correlation crises" could occur. Quantitative traders can be particularly susceptible to this type of correlation risk as a result of convergence in their automated trading algorithms and positions held. The high leverage and hedging techniques that many arbitrage-driven quantitative hedge fund managers use can further magnify the effects of correlation risk.

No assurance can be given that TwinBeech's strategies will be successful under all or any market conditions. TwinBeech's systematic trading strategies are proprietary, so investors will not be able to determine the details of such strategies or how they are being implemented.

Risk of Loss. No guarantee or representation is made that TwinBeech's Clients' investment programs, including, without limitation, such Clients' investment objective, diversification strategies or risk monitoring goals, will be successful. Investment results may vary substantially over time. No assurance can be made that profits will be achieved or that substantial or complete losses will not be incurred. Past performance is no guarantee of future results.

General Economic and Market Conditions. The success of TwinBeech's Clients' activities will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of TwinBeech's Clients' investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of the prices and the liquidity of TwinBeech's Clients' investments. Volatility or illiquidity could impair TwinBeech's Clients' profitability or result in losses. TwinBeech's Clients may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets.

Governmental Interventions. Extreme volatility and illiquidity in markets has in the past led to, and may in the future lead to, extensive governmental interventions in equity, credit and currency markets. Generally, such interventions are intended to reduce volatility and precipitous

drops in value. In certain cases, governments have intervened on an “emergency” basis, suddenly and substantially eliminating market participants’ ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition, these interventions have typically been unclear in scope and application, resulting in uncertainty. It is impossible to predict when these restrictions will be imposed, what the interim or permanent restrictions will be and/or the effect of such restrictions on TwinBeech’s Clients’ strategies.

Potential Interest Rate Increases. The United States is experiencing historically low interest rate levels. However, the continued recovery of the U.S. economy and recent and potential future changes in U.S. government policy, including the tapering of the U.S. Federal Reserve Board’s quantitative easing program, increase the risk that interest rates will rise in the near future. Any future interest rate increases may result in periods of volatility and cause the value of the fixed income securities held by TwinBeech’s Clients to decrease, which may result in substantial redemptions from TwinBeech’s Clients that, in turn, force TwinBeech’s Clients to liquidate such securities at disadvantageous prices negatively impacting the performance of TwinBeech’s Clients.

Brexit. The United Kingdom has notified the European Council of its intention to withdraw from the European Union. The ongoing withdrawal process could cause an extended period of uncertainty and market volatility, not just in the United Kingdom but throughout the European Union, the European Economic Area and globally. It is not possible to ascertain the precise impact these events may have on TwinBeech or its Clients from an economic, financial or regulatory perspective but any such impact could have material consequences for the Clients.

Global Macro. TwinBeech may employ investment strategies based on global macroeconomic themes. The success of these strategies depends upon TwinBeech’s ability to identify and exploit perceived fundamental, economic, financial and political imbalances that may exist in and between markets throughout the world. Identification and exploitation of such imbalances involves significant uncertainties. There can be no assurance that TwinBeech will be able to locate investment opportunities or to exploit such imbalances. In the event that the theses underlying the positions that TwinBeech has caused its Clients to hold fail to be borne out in developments expected by TwinBeech, such Clients may incur losses which could be substantial.

Long/Short. TwinBeech may employ various long/short investment strategies. The success of these strategies depends upon TwinBeech’s ability to identify and purchase Financial Instruments that are undervalued and identify and sell short Financial Instruments that are overvalued. The identification of investment opportunities in the implementation of TwinBeech’s long/short investment strategies is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. In the event that the perceived opportunities underlying the positions that TwinBeech causes its Clients to acquire were to fail to converge toward, or were to diverge further from values expected by TwinBeech, its Clients may incur a loss. In the event of market disruptions, significant losses can be incurred which may force TwinBeech to close out one or more of its Clients’ positions. Furthermore, the valuation models used to determine whether a position presents an attractive opportunity consistent with TwinBeech’s long/short strategies may become outdated and inaccurate as market conditions change.

Short-Selling. TwinBeech may cause its Clients to engage in short-selling investment programs. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying Financial Instrument could theoretically increase without limit, thus increasing the cost to TwinBeech's Clients of buying those Financial Instruments to cover the short position. There can be no assurance that TwinBeech will be able to maintain its Clients' ability to borrow Financial Instruments sold short. In such cases, TwinBeech's Clients can be "bought in" (*i.e.*, forced to repurchase Financial Instruments in the open market to return to the lender). There also can be no assurance that the Financial Instruments necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing Financial Instruments to close out a short position can itself cause the price of the Financial Instruments to rise further, thereby exacerbating the loss. Short strategies can also be implemented synthetically through various instruments and be used with respect to indices or in the over-the-counter market and with respect to futures and other instruments. In some cases of synthetic short sales, there is no floating supply of an underlying instrument with which to cover or close out a short position and TwinBeech's Clients may be entirely dependent on the willingness of over-the-counter market makers to quote prices at which the synthetic short position may be unwound. There can be no assurance that such market makers will be willing to make such quotes. Short strategies can also be implemented on a leveraged basis. Lastly, even though TwinBeech, acting on behalf of its Clients, secures a "good borrow" of the Financial Instrument sold short at the time of execution, the lending institution may recall the lent Financial Instrument at any time, thereby forcing TwinBeech to cause its Clients to purchase the Financial Instrument at the then-prevailing market price which may be higher than the price at which such Financial Instrument was originally sold short by TwinBeech's Clients.

Relative Value. Relative value investment strategies generally use spread trades consisting of a long position in one Financial Instrument offset by a short position in another. Such offsetting positions are meant to neutralize or reduce risk. The portfolio profits of TwinBeech's relative valuation leads to a rise in the value of the long position(s) and/or a decline in the value of the short position(s). TwinBeech may employ a variety of relative value investment strategies on behalf of its Clients whose success depends upon TwinBeech's ability to identify and exploit perceived inefficiencies in the pricing of Financial Instruments, financial products, or markets. Identification and exploitation of such inefficiencies involve uncertainty. There can be no assurance that TwinBeech will be able to locate investment opportunities or to exploit pricing inefficiencies in the securities markets. Mispricings, even if correctly identified, may not be corrected by the market, at least within a timeframe over which it is feasible for TwinBeech to maintain a position. Even pure arbitrage positions can result in significant losses if TwinBeech is not able to maintain both sides of the position until expiration/maturity. A reduction in the pricing inefficiency of the markets in which TwinBeech seeks to invest will reduce the scope for TwinBeech's investment strategies. In the event that the perceived mispricings underlying TwinBeech's Clients' positions were to fail to converge toward, or were to diverge further from, relationships expected by TwinBeech, its Clients may incur losses. Even if TwinBeech's relative value investment strategies are successful, they may result in high portfolio turnover and, consequently, high transaction costs.

Short-Term Market Considerations. TwinBeech's trading decisions may be made on the basis of short-term market considerations, and the portfolio turnover rate could result in significant trading related expenses.

High Portfolio Turnover. TwinBeech's Clients may be subject to a high portfolio turnover rate, which results in high transaction costs. In addition, TwinBeech's Clients' trading activities can generate taxable income for investors that is significantly greater or less than the investor's share of the net economic gain or loss of a Client.

Leverage and Borrowing.

Leverage for Investment Purposes. TwinBeech is expected to use leverage as part of its Clients' investment program. Different Clients may utilize different levels of leverage, and leverage may also be different across different strategies within the same Client. Leverage may take the form of, among other things, certain of the Financial Instruments described herein, including, without limitation, derivative instruments which are inherently leveraged and products with embedded leverage such as options, short sales, swaps and forwards, as well as borrowing on margin. The use of leverage will allow TwinBeech to cause its Clients to make additional investments, thereby increasing such Clients' exposure to assets, such that its total assets may be greater than its capital. However, leverage will also magnify the volatility of changes in the value of TwinBeech's Clients' portfolio. The effect of the use of leverage by TwinBeech, on behalf of its Clients, in a market that moves adversely to the Clients' investments could result in substantial losses to the Clients, which would be greater than if they were not leveraged.

Borrowing for Cash Management Purposes. TwinBeech will have the authority to cause its Clients to borrow for cash management purposes, such as to satisfy withdrawal requests. The rates at and terms on which TwinBeech can cause its Clients to borrow will affect the operating results of TwinBeech's Clients.

Collateral. The instruments and borrowings utilized by TwinBeech's Clients to leverage investments may be collateralized by all or a portion of TwinBeech's Clients' portfolios. Accordingly, TwinBeech may cause its Clients to pledge their Financial Instruments in order to borrow or otherwise obtain leverage for investment or other purposes. Should the Financial Instruments pledged to brokers to secure TwinBeech's Clients' margin accounts decline in value, the Clients could be subject to a "margin call," pursuant to which TwinBeech must either cause its Clients to deposit additional funds or Financial Instruments with the broker or suffer mandatory liquidation of the pledged Financial Instruments to compensate for the decline in value. The banks and dealers that provide financing to the Clients can apply essentially discretionary margin, "haircut", financing and collateral valuation policies. Changes by counterparties in any of the foregoing may result in large margin calls, loss of financing and forced liquidations of positions at disadvantageous prices. Lenders that provide other types of asset-based or secured financing to the Clients may have similar rights. There can be no assurance that the Clients will be able to secure or maintain adequate financing.

Costs. Borrowings will be subject to interest, transaction and other costs, and other types of leverage also involve transaction and other costs. Any such costs may or may not be recovered by the return on the Clients' portfolios. Any investment income and gains earned on investments made through the use of borrowings that are in excess of the interest costs associated therewith may cause the net asset value of the Clients to increase more rapidly than would otherwise be the case. Conversely, where the associated interest costs are greater than such

income and gains, the net asset value of the Clients may decrease more rapidly than would otherwise be the case.

Diversification and Concentration. TwinBeech may select investments that are concentrated in a limited number or variety of Financial Instruments. In addition, TwinBeech may cause its Clients' portfolios to become significantly concentrated in Financial Instruments related to a single or a limited number of issuers, industries, sectors, strategies, countries or geographic regions. This limited diversification may result in the concentration of risk, which, in turn, could expose TwinBeech's Clients to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in such Financial Instruments.

Hedging Transactions. TwinBeech may cause its Clients to utilize Financial Instruments for risk management purposes in order to: (i) protect against possible changes in the market value of Clients' investment portfolios resulting from fluctuations in the markets and changes in interest rates; (ii) protect Clients' unrealized gains in the value of their investment portfolios; (iii) facilitate the sale of any Financial Instruments; (iv) enhance or preserve returns, spreads or gains on any Financial Instrument in Clients' portfolios; (v) hedge against a directional trade; (vi) hedge the interest rate, credit or currency exchange rate on any of the Clients' Financial Instruments; (vii) protect against any increase in the price of any Financial Instruments TwinBeech anticipates causing the Clients to purchase at a later date; or (viii) act for any other reason that TwinBeech deems appropriate. TwinBeech's Clients will not be required to hedge any particular risk in connection with a particular transaction or its portfolio generally. TwinBeech may be unable to anticipate the occurrence of a particular risk and, therefore, may be unable to attempt to hedge against it. While TwinBeech may cause its Clients to enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for TwinBeech's Clients than if TwinBeech had not caused its Clients to engage in any such hedging transaction. Moreover, the portfolio will always be exposed to certain risks that cannot be hedged.

Trend Following. TwinBeech's systematic trading decisions are generally based on quantitative models, signals and other analyses. Any factor that would lessen the prospect of major trends occurring in the future may reduce the prospect that a particular trading method or strategy will be profitable in the future. In the past, there have been periods without discernible trends and, presumably, such periods will continue to occur in the future. Moreover, any factor that would make it more difficult to execute trades at desired prices in accordance with the signals of the trading method or strategy (such as a significant lessening of liquidity in a particular market) can be detrimental to the profitability of such method or strategy.

C. Risks Associated with Particular Types of Financial Instruments.

Derivative Instruments Generally. Certain swaps, options and 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. Derivatives traded over-the-counter may not have an authoritative source of valuation and the models used to value such derivatives are subject to change. In addition, TwinBeech may, in the future, cause its Clients to

invest in opportunities with respect to certain other derivative instruments that are not presently contemplated for use or that are currently not available. Special risks may apply in the future that cannot be determined at this time. The regulatory and tax environment for derivative instruments in which TwinBeech may cause its Clients to participate is evolving, and changes in the regulation or taxation of such Financial Instruments may have a material adverse effect on its Clients.

Call Options. The seller (writer) of a call option which is covered (*i.e.*, the writer holds the underlying Financial Instrument) assumes the risk of a decline in the market price of the underlying Financial Instrument below the purchase price of the underlying Financial Instrument less the premium received, and gives up the opportunity for gain on the underlying Financial Instrument 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 Financial Instrument above the exercise price of the option. The Financial Instruments necessary to satisfy the exercise of an uncovered call option may only be available for purchase at much higher prices, thereby reducing or eliminating the value of the premium. Purchasing Financial Instruments to cover the exercise of an uncovered call option can cause the price of the Financial Instruments to increase, thereby exacerbating the loss. The buyer of a call option assumes the risk of losing its entire premium investment in the call option.

Put Options. The seller (writer) of a put option which is covered (*i.e.*, the writer has a short position in the underlying Financial Instrument) assumes the risk of an increase in the market price of the underlying Financial Instrument above the sales price (in establishing the short position) of the underlying Financial Instrument plus the premium received, and gives up the opportunity for gain on the underlying Financial Instrument if the market price falls 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 Financial Instrument below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

Index or Index Options. The value of an index or index option fluctuates with changes in the market values of the Financial Instruments 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 Financial Instrument, whether TwinBeech's Clients 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 Financial Instrument market generally or, in the case of certain indices, in an industry or market segment, rather than movements in the price of particular Financial Instruments.

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, participants 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. Successful

use of index futures contracts by TwinBeech's Clients also is subject to TwinBeech's ability to correctly predict movements in the direction of the market.

Swaps. Whether TwinBeech's use of swap agreements or swaptions on behalf of its Clients will be successful will depend on TwinBeech's ability to select appropriate transactions for its Clients. Swap agreements and options on swap agreements ("swaptions") can be individually negotiated and 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 the holder's exposure to, for example, equity securities, long-term or short-term interest rates, foreign currency values, volatility/variance, credit spreads or other factors. Swap agreements can take many different forms and are known by a variety of names. Swap transactions may be highly illiquid and may increase or decrease the volatility of TwinBeech's Clients' portfolios. Moreover, TwinBeech's Clients bear the risk of loss of the amount expected to be received under a swap agreement in the event of the default or insolvency of its counterparty. TwinBeech's Clients will also bear the risk of loss related to swap agreements, for example, for breaches of such agreements or the failure of TwinBeech to cause its Clients to post or maintain required collateral. It is possible that developments in the swap markets, including potential government regulation, could adversely affect TwinBeech's ability to cause its Clients to terminate swap transactions or to realize amounts to be received under such transactions.

Credit Default Swaps. A credit default swap is a contract between two parties which transfers the risk of loss if a company fails to pay principal or interest on time or files for bankruptcy. In essence, an owner of corporate debt instruments can purchase default protection by entering into a credit default swap with a bank, broker-dealer or other party. Upon an event of default, the swap may be terminated in one of two ways: (i) by the purchaser of credit protection delivering the referenced instrument to the swap counterparty and receiving a payment of par value, or (ii) by the parties pairing off payments, with the purchaser of the protection receiving a payment equal to the par value of the reference Financial Instrument less the price at which the reference Financial Instrument trades subsequent to default. Credit default swaps can be used by TwinBeech to cause its Clients to hedge a portion of the default risk on a single corporate bond or a portfolio of bonds or to implement a view that a particular credit, or group of credits, will experience credit improvement or deterioration. In the case of expected credit improvement, TwinBeech may cause its Clients to sell credit default protection in which Clients receive a premium to take on the risk. In such an instance, the obligation of our Clients to make payments upon the occurrence of a credit event creates leveraged exposure to the credit risk of the referenced entity. TwinBeech may also cause its Clients to "purchase" credit default protection even in the case in which it does not own the referenced instrument if, in the judgment of TwinBeech, there is a high likelihood of credit deterioration. The credit default swap market for some securities is comparatively new and rapidly evolving compared to the credit default swap market for more seasoned and liquid investment grade securities, creating the risk that the newer markets will be less liquid, and making it potentially more difficult to exit or enter a particular transaction. Swap transactions dependent upon credit events are priced incorporating many variables, including the pricing and volatility of the common stock, potential loss upon default and the shape of the U.S. Treasury Yield Curve, among other factors. As such, there are many factors upon which market participants may have divergent views. TwinBeech may also cause its Clients to enter into credit default swap transactions, even if the credit outlook is positive, if it

believes that participants in the marketplace have incorrectly valued the components which determine the value of a swap.

Futures Contracts. The value of futures contracts depends upon the price of the securities or other items, such as commodities, underlying them. The prices of futures contracts 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 contracts are also subject to the risk of the failure of any of the exchanges on which our Clients' 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 TwinBeech from promptly liquidating its Clients' unfavorable positions and subject its Clients to substantial losses or prevent TwinBeech from causing its Clients to enter 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 Financial Instrument or contract can produce a disproportionately larger profit or loss. In extraordinary circumstances, a futures exchange or the CFTC could suspend trading in a particular futures contract, or order liquidation or settlement of all open positions in such contract.

Non-U.S. Futures Transactions. Foreign futures transactions involve executing and clearing trades on a foreign exchange. This is the case even if the foreign exchange is formally "linked" to a domestic exchange, whereby a trade executed on one exchange liquidates or establishes a position on the other exchange. No domestic organization regulates the activities of a foreign exchange, including the execution, delivery, and clearing of transactions on such an exchange, and no domestic regulator has the power to compel enforcement of the rules of the foreign exchange or the laws of the foreign country. Moreover, such laws or regulations will vary depending on the foreign country in which the transaction occurs. For these reasons, our Clients may not be afforded certain of the protections which apply to domestic transactions, including the right to use domestic alternative dispute resolution procedures. In particular, funds received to margin foreign futures transactions may not be provided the same protections as funds received to margin futures transactions on domestic exchanges. In addition, the price of any foreign futures or option contract and, therefore, the potential profit and loss resulting therefrom, may be affected by any fluctuation in the foreign exchange rate between the time the order is placed and the time the foreign futures contract is liquidated or the time the foreign option contract is liquidated or exercised.

Forward Contracts. Banking authorities generally do not regulate trading in forward contracts. The principals who deal in the forward contract market are not required to continue to make markets in such contracts. There have been periods during which certain participants in forward markets have refused to quote prices for forward contracts 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. The imposition of credit controls or price risk limitations by governmental authorities may limit such forward trading to less than that which TwinBeech would otherwise recommend, to the possible detriment of our Clients. In forward trading, our Clients will be subject to the risk of the failure of, or the inability or refusal to perform with respect to its forward contracts by, the principals with which TwinBeech causes its Clients to trade. Client assets on deposit with such principals will also generally not be protected by the same segregation requirements imposed on certain regulated brokers in respect of customer funds on deposit with them. TwinBeech may order trades for its Clients in such markets through agents. Accordingly, the insolvency or bankruptcy of such parties could also subject its Clients to the risk of loss.

Contracts for Differences. Contracts for differences (“CFDs”) are privately negotiated contracts between two parties, buyer and seller, stipulating that the seller will pay to or receive from the buyer the difference between the nominal value of the underlying instrument at the opening of the contract and that instrument’s value at the end of the contract. The underlying instrument may be a single Financial Instrument, stock basket or index. A CFD can be set up to take either a short or long position on the underlying instrument. The buyer and seller are both required to post margin, which is adjusted daily. The buyer will also pay to the seller a financing rate on the notional amount of the capital employed by the seller less the margin deposit. As is the case with trading any Financial Instrument, there is the risk of loss associated with trading a CFD. There may be liquidity risk if the underlying instrument is illiquid because the liquidity of a CFD is based on the liquidity of the underlying instrument. A further risk is that adverse movements in the underlying Financial Instrument will require the posting of additional margin. CFDs also carry counterparty risk, *i.e.*, the risk that the counterparty to the CFD transaction may be unable or unwilling to make payments or to otherwise honor its financial obligations under the terms of the contract. If the counterparty were to do so, the value of the contract may be reduced. Entry into a CFD transaction may, in certain circumstances, require initial margin and adverse market movements against the underlying stock may require the buyer to make additional margin payments. CFDs may be considered illiquid. To the extent that there is an imperfect correlation between the return on our Clients’ obligation to their counterparties under the CFDs and the return on related assets in its portfolio, the CFD transaction may increase TwinBeech’s Clients’ financial risk.

Failure to Enter into Offsetting Trade. To the extent TwinBeech causes its Clients to invest in a futures contract or option long, unless an offsetting trade is made, its Clients would be required to take physical delivery of the commodity underlying the future or option. To the extent TwinBeech fails to enter into such offsetting trade prior to the expiration of the contract, its Clients may suffer a loss since neither its Clients nor TwinBeech has the operational capacity to accept physical delivery of commodities.

Equity Securities Generally. 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, our Clients may suffer losses if TwinBeech causes them to invest in equity instruments of issuers whose performance diverges from TwinBeech’s expectations or if equity markets generally move in a single direction and its Clients have not hedged against such a general move. Our Clients also may be exposed to risks that issuers will not fulfill 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.

Preferred Stock. Investments in preferred stock involve risks related to priority in the event of bankruptcy, insolvency or liquidation of the issuing company and how dividends are declared. Preferred stock ranks junior to debt securities in an issuer's capital structure and, accordingly, is subordinate to all debt in bankruptcy. Preferred stock generally has a preference as to dividends. Such dividends are generally paid in cash (or additional shares of preferred stock) at a defined rate, but unlike interest payments on debt securities, preferred stock dividends are payable only if declared by the issuer's board of directors. Dividends on preferred stock may be cumulative, meaning that, in the event the issuer fails to make one or more dividend payments on the preferred stock, no dividends may be paid on the issuer's common stock until all unpaid preferred stock dividends have been paid. Preferred stock may also be subject to optional or mandatory redemption provisions.

American Depositary Receipts and Global Depositary Receipts. American Depositary Receipts ("ADRs") are receipts issued by a U.S. bank or trust company evidencing ownership of underlying securities issued by foreign issuers. ADRs may be listed on a national securities exchange or may be traded in the over-the-counter market. Global Depositary Receipts ("GDRs") are receipts issued by either a U.S. or non-U.S. banking institution representing ownership in a non-U.S. company's publicly traded securities that are traded on foreign stock exchanges or foreign over-the-counter markets. Holders of unsponsored ADRs or GDRs generally bear all the costs of such facilities. The depository of an unsponsored facility frequently is under no obligation to distribute investor communications received from the issuer of the deposited Financial Instrument or to pass through voting rights to the holders of depository receipts in respect of the deposited securities. Investments in ADRs and GDRs pose, to the extent not hedged, currency exchange risks (including blockage, devaluation and non-exchangeability), as well as a range of other potential risks relating to the underlying shares, which could include expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, political or social instability or diplomatic developments that could affect investments in those countries, illiquidity, price volatility and market manipulation. In addition, less information may be available regarding the underlying shares of ADRs and GDRs, and non-U.S. companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to, or as uniform as, those of U.S. companies. Such risks may have a material adverse effect on the performance of such investments and could result in substantial losses.

Convertible Securities. 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 by a Client is called for redemption, TwinBeech's 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 TwinBeech's ability to achieve its Clients' investment objectives.

Non-U.S. Investments. Investing in the Financial Instruments of companies (and, from time to time, governments) outside of the United States involves certain considerations not usually associated with investing in Financial Instruments of U.S. companies or the U.S. Government,

including political and economic considerations, such as greater risks of expropriation, nationalization, confiscatory taxation, imposition of withholding or other taxes on interest, dividends, capital gains, other income or gross sale or disposition proceeds, limitations on the removal of assets and general social, political and economic instability; the relatively small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; the evolving and unsophisticated laws and regulations applicable to the securities and financial services industries of certain countries; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict our Clients' investment opportunities. In addition, custodial and brokerage expenses for transactions in non-U.S. equity securities may be higher than for transactions in U.S. securities and accounting and financial reporting standards that prevail outside of the U.S. generally are not as high as U.S. standards and, consequently, less information is typically available concerning companies located outside of the U.S. than for those located in the U.S. As a result, TwinBeech may be unable to structure its Clients' transactions to achieve the intended results or to mitigate all risks associated with such markets. It may also be difficult to enforce our Clients' rights in such markets. For example, Financial Instruments traded on non-U.S. exchanges and the non-U.S. persons that trade these instruments are not subject to the jurisdiction of the SEC or the CFTC or the securities and commodities laws and regulations of the U.S. Accordingly, the protections accorded to our Clients under such laws and regulations are unavailable for transactions on non-U.S. exchanges and with non-U.S. counterparties.

Undervalued Securities. TwinBeech may cause its Clients to invest in securities of companies which TwinBeech believes to be undervalued. However, the identification of investment opportunities in undervalued securities is a difficult task, and there are no assurances that such opportunities will be successfully recognized 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 the investments that TwinBeech causes its Clients to make may not adequately compensate for the business and financial risks assumed.

Exchange-Traded Funds. TwinBeech may cause its Clients to invest in Exchange-Traded Funds ("ETFs"), which are shares of publicly traded unit investment trusts, open-end funds or depository receipts that seek to track the performance and dividend yield of specific indexes or companies in related industries. These indexes may be either broad-based, sector, or international. However, ETF shareholders are generally subject to the same risk as holders of the underlying Financial Instruments they are designed to track. ETFs are also subject to certain additional risks, including, without limitation, the risk that their prices may not correlate perfectly with changes in the prices of the underlying Financial Instruments they are designed to track, and the risk of trading in an ETF halting due to market conditions or other reasons, based on the policies of the exchange upon which the ETF trades. In addition, our Clients may bear, along with other shareholders of an ETF, their *pro rata* portion of the ETF's expenses, including management fees. Accordingly, in addition to bearing their proportionate share of our Clients' expenses (*e.g.*, Performance Amounts and operating expenses), investors in our Clients may also indirectly bear similar expenses of an ETF.

Micro-, Small- and Medium-Capitalization Companies. TwinBeech may cause its Clients to invest in securities of micro- and smaller-capitalization companies. Such securities involve

higher risks in some respects than do investments in securities of larger “blue-chip” companies. For example, prices of securities of micro- and small-capitalization and even medium-capitalization companies are often more volatile than prices of securities of large-capitalization companies and may not be based on standard pricing models that are applicable to securities of large-capitalization companies. Furthermore, the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) may be higher than for larger, “blue-chip” companies. Finally, due to thin trading in the securities of some micro- and small-capitalization companies, an investment in those companies may be less liquid than large-capitalization companies.

Currencies. A principal risk in trading currencies is the rapid fluctuation in the market prices of currency contracts. Prices of currency contracts traded by TwinBeech on behalf of its Clients are affected generally by relative interest rates, which in turn are influenced by a wide variety of complex and difficult to predict factors such as money supply and demand, balance of payments, inflation levels, trade deficits, budget deficits, national savings rates, fiscal policy, and political and economic events. In addition, governments from time to time intervene, directly and by regulation, in these markets, with the specific effect, or intention, of influencing prices which may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations.

TwinBeech may cause its Clients to enter into spot and forward currency contracts and options on currencies to trade currencies or to shift exposure to foreign currency fluctuations from one currency to another with respect to its Clients. Currency transactions made on a spot basis are for cash at the spot rate prevailing in the currency market for buying or selling currency. A forward currency contract, which involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract, reduces its Clients’ exposure with respect to their investment to changes in the value of the currency they will deliver and increases their exposure to changes in the value of the currency they will receive for the duration of the contract.

Currency trading is subject to risks different from those of other transactions. In countries where exchange rate control is of great importance and influences economic planning and policy, purchases and sales of currency and related instruments can be negatively affected by government exchange controls, blockages, and manipulations or exchange restrictions imposed by governments. These government actions can result in losses to our Clients if they are unable to deliver or receive currency or funds in settlement of obligations. Furthermore, settlement of a currency forward contract for the purchase of most currencies must occur at a bank based in the issuing nation.

Under normal market conditions, transactions involving the U.S. Dollar and other currencies are expected to be executed quickly and with low transaction costs. However, in periods of market stress, the instruments necessary to permit TwinBeech to execute its investment program on behalf of its Clients may not generally be available or may not, in TwinBeech’s judgment, be economically priced. In addition, following a significant decline in our Clients’ net asset value, or a significant loss by our Clients on a currency portfolio, counterparties may be unwilling to continue to offer currency instruments to our Clients and may have the ability to terminate the master agreements relating to the existing currency instruments and all currency transactions documented thereunder. Finally, our Clients’ counterparties are not

contractually obligated to offer currency instruments to our Clients following the maturity of a given transaction or to increase the size of a transaction at TwinBeech's request.

Commodities.

Factors Affecting Commodities Prices. The values of commodities which underlie the commodity futures contracts and other types of securities are generally affected by, among other factors, the cost of producing commodities, changes in consumer demand for commodities, the hedging and trading strategies of producers and consumers of commodities, speculative trading in commodities by commodity pools and other market participants, disruptions in commodity supply, weather and climate conditions, changes in interest rates, rates of inflation, currency devaluations and revaluations, embargoes, tariffs, regulatory developments, governmental, agricultural, trade, fiscal, monetary and exchange control programs and policies, political and other global events and global economic factors. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. The effects of governmental intervention may be particularly significant at certain times in certain markets and this intervention may cause these markets to move rapidly. Our Clients and TwinBeech have no control over the factors that affect the price of commodities. Accordingly, the value of our Clients' investments could change substantially and in a rapid and unpredictable manner.

Agricultural Commodities. Agricultural commodities are particularly sensitive to changes in, among other things, climate, crop and livestock health, world political events, government action (including export and import restrictions and embargoes), international and regional trade contracts, labor contracts, transportation systems and crop predictions. Significant production declines and volume decreases of agricultural commodities can occur as a result of, among other things, hurricanes, tornadoes, floods, fires and other natural disasters. In addition, agricultural commodities are subject to price volatility as a result of disruptions relating to the facilities necessary to produce, transport, store and deliver the agricultural commodity. As a result, the net assets of our Clients may be affected by such factors.

Precious Metals. Prices of precious metals (*e.g.*, gold, silver, platinum and palladium) are affected by factors such as cyclical economic conditions, political events, and monetary policies of various governments and countries. In addition, certain precious metals are geographically concentrated, and events in those parts of the world in which such concentration exists may affect their values. Gold and other precious metals are also subject to governmental action for political reasons. The markets for precious metals are volatile and there may be sharp fluctuations in prices even during period of rising prices.

Energy. Markets for energy-related commodities, including, without limitation, electricity, coal, natural gas, crude oil and other petroleum products, can be susceptible to substantial price fluctuations over short periods of time and are particularly affected by political events, natural disasters, exploration and development success or failure, and technological changes. In addition, significant short-term price volatility can be caused by the inability to store electricity, tariff regulation and consumer advocacy.

Cash Commodities. Contracts governing the purchase and sale of specific commodities (known as “cash commodities”) for immediate or deferred delivery may differ from each other with respect to terms such as quantity, grade, mode of shipment, terms of payment, penalties and risk of loss. There is no limit on daily price movements of cash commodities and banks, brokerage firms, and dealers in cash commodities are not required to continue to make markets in any commodity. Lastly, the CFTC does not comprehensively regulate cash transactions, which are subject to the risk of the foregoing entities’ failure, inability or refusal to perform with respect to such contract.

Illiquid Financial Instruments. TwinBeech anticipates that its Clients will predominantly hold readily tradable Financial Instruments. While it is not expected, our Clients may also invest in, or come to hold, Financial Instruments that are subject to legal or other restrictions on transfer or for which no liquid market exists. There may be limited information available about the issuers of illiquid Financial Instruments that may make valuation of such Financial Instruments difficult or uncertain. The market prices, if any, for such investments tend to be volatile and may not be readily ascertainable, and TwinBeech may not be able to sell them on behalf of its Clients 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 Financial Instruments often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of Financial Instruments eligible for trading on national securities exchanges or in the over-the-counter markets. Our Clients 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. As a result, our Clients may be required to hold such Financial Instruments despite adverse price movements. In addition, even those markets that TwinBeech expects to be liquid can experience periods, possibly extended periods, of illiquidity. Occasions have arisen in the past where previously liquid investments have rapidly become illiquid.

The risk factors enumerated above do not represent the entire universe of potential risks to our Clients.

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.

TwinBeech is not registered as a broker-dealer and does not have any application pending to register with the SEC as a broker-dealer.

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

TwinBeech and its management persons are not registered as a commodity pool operator and associated persons of a commodity pool operator nor does TwinBeech have any application pending to register with the CFTC as a commodity pool operator and associated persons of a commodity pool operator. TwinBeech may in the future file for an exemption from registration as a commodity pool operator or commodity trading adviser.

C. Material Relationships or Arrangements with Industry Participants.

As investment adviser to the Clients, certain inherent conflicts of interest may present themselves. For more information, please see Items 6 and 11 of this Brochure.

The TwinBeech Fund General Partners are affiliates of TwinBeech. The TwinBeech Fund General Partners serve as the general partner to TwinBeech Funds. TwinBeech Fund General Partners are responsible for the management, operations and investment decisions made on behalf of the applicable TwinBeech Fund, operate as a single advisory business together with TwinBeech, have delegated investment management authority to TwinBeech and generally share common owners, officers, partners, employees, consultants or persons occupying similar positions. We do not believe our relationship with any TwinBeech Fund General Partner causes any material conflicts of interest.

One large anchor investor controls a substantial portion of the assets advised by TwinBeech. While the anchor investor does not have authority over the day-to-day operations of investment decisions of TwinBeech, the anchor investor has negotiated certain rights and protections in connection with its investment. Although TwinBeech intends to maintain operations, strategy and investment decisions separate from the anchor investor, TwinBeech generally will have incentives to conduct operations in a manner that benefits such anchor investor.

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

We do not recommend or select other 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 our Clients, including the Clients’ 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 in which TwinBeech or a Related Person Has a Material Financial Interest.

1. Cross Trades.

TwinBeech does not generally plan to cause its Clients to engage in cross trades. The possibility of our Clients transacting with related parties in the marketplace, however, is expected to occur from time to time. For instance, we may, on occasion, (directly or indirectly) cause a Client to purchase securities from or sell securities and investments to one or more other Clients when we believe such transactions are appropriate and in the best interests of the Clients, including as part of a re-balancing transaction when Clients invest in parallel. Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, a Client may not receive the best price otherwise possible, or we might have an incentive to improve the performance of one Client by selling underperforming assets to another Client in order, for example, to earn fees. Additionally, in connection with such transactions, we or our affiliates may (i) have significant investments, or intentions to invest, in the Client that is selling and/or purchasing such an investment; or (ii) otherwise have a direct or indirect interest in the investment (such as through certain other participations in the investment). We in certain cases may receive management fees or other fees in connection with their management of the relevant

Clients involved in such a transaction, and generally are entitled to share in the investment profits of the relevant Clients. In the event we wish to reduce the investment of one or more such Clients in an instrument and increase the investment of other Clients in such instrument, we may effect such transactions by directing the transfer of the instrument between Clients. Any incremental costs and expenses associated with any such investment generally will be borne by such Clients on a pro rata basis.

2. Principal Transactions

TwinBeech does not plan to cause its Clients to engage in principal transactions. TwinBeech will establish policies and procedures to ensure that any principal transactions that may occur are in compliance with the provisions of the Investment Advisers Act of 1940 (the “Advisers Act”) and the rules promulgated thereunder.

C. Investing in Securities that TwinBeech or a Related Person Recommends to Clients.

The Code places numerous restrictions on personal trades by employees, including that they disclose their personal securities holdings and transactions to TwinBeech on a periodic basis, and requires that employees pre-clear most personal securities transactions. TwinBeech, 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 TwinBeech and its personnel may have investments in some Clients but not in others or may have different levels of investments in the various Clients.

TwinBeech 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 regular 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. Recommending Securities to Clients in which TwinBeech or a Related Person has Invested.

TwinBeech may manage investments on behalf of a number of Clients. Certain Clients may have investment programs that are similar to or overlap and may, therefore, participate with each other in investments. Subject to any relevant restrictions or other limitations contained in a Client’s governing documents, we expect to allocate investment opportunities among all Clients fairly, to the extent practical and in accordance with each Client’s applicable investment strategies, in each case as we determine in our sole discretion, over time. In making such decisions, TwinBeech may take into account such factors as it deems appropriate, including, without limitation: (i) the overall liquidity profile and risk profile of the various Clients’ respective investment portfolios; (ii) the potential for withdrawals from each Client; (iii) the transferability of such investments; (iv) the minimum denominations of such investments; (v) the

availability of price quotes with respect to such investments; (vi) the structural and operational differences (and any applicable investment limitations, including, without limitation, exposure limits, hedging limits, and diversification considerations) between, the Clients; (vii) the eligibility of each Client to make such investment under applicable laws and regulations; and (viii) any other applicable tax, legal, regulatory, compliance, operational or administrative issues.

In allocating an investment opportunity among Clients with differing fee, expense, and compensation structures, we have an incentive to allocate investment opportunities to the Clients from which we may derive, directly or indirectly, a higher fee, compensation, or other benefit. In addition, our professionals may participate indirectly in investments made by our Clients through their interests in such Clients. The existence of these varying circumstances may present conflicts of interest in determining how much, if any, of certain investment opportunities to offer to a given Client.

We will have no obligation to purchase or sell a Financial Instrument for, enter into a transaction on behalf of, or provide an investment opportunity to any Client solely because we purchase or sell the same Financial Instrument for, enter into a transaction on behalf of, or provide an opportunity to any Client if, in our reasonable opinion, such Financial Instrument, transaction or investment opportunity does not appear to be suitable, practical or desirable for the Client.

TwinBeech's policy is to allocate investment opportunities fairly and equitably among its Clients. In general, TwinBeech's various trading strategies independently generate orders, which are generally routed directly to brokers and counterparties for execution; with respect to allocations, these orders are generally executed without regard for other instructions generated for the account of the same or a different Client of TwinBeech and orders are generally filled independently.

It is possible that, in the future, orders may be optimized or otherwise netted within a legal entity, or aggregated for execution purposes. Aggregated or block orders would be subject to equitable allocation procedures for partial fills. In such a case, TwinBeech will employ procedures to allocate the trades among strategies in an equitable manner. At such time, TwinBeech could consider, among other factors, assets under management by various strategies, timing of execution of the relevant trade by various strategies, importance of the trade to various strategies, and potential future availability of the trade for various strategies, as well as any of the other considerations herein, or any other factors it deems relevant. There can be no assurance that the application of the trade allocation procedures described above will result in a Client participating in all investment opportunities that fall within its investment objectives.

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 Financial Instruments are bought and sold, the amount and price of those Financial Instruments, the brokers or dealers to be used for a particular transaction, and commissions or markups and markdowns paid. TwinBeech'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, the following:

- price;
- latency;
- port fees;
- commission sharing agreements;
- financing costs;
- available leverage;
- hedging capabilities;
- netting benefits;
- coverage and support; and
- the ability to source locate/borrow.

Accordingly, the commission rates (or dealer markups and markdowns arising in connection with riskless principal transactions) 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. A significant portion of the trading done for our Clients is done on a net basis, so in many circumstances it may not be possible to determine the amount of

commission being paid to a broker or dealer. TwinBeech need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost or spread. Generally, neither TwinBeech nor its Clients separately compensate any broker or dealer for any of these other services.

If TwinBeech 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.

From time to time, TwinBeech may pay a broker-dealer commissions (or markups or markdowns with respect to certain types of riskless principal transactions) for effecting Client transactions in excess of that which another broker-dealer might have charged for effecting the transaction in recognition of the value of the brokerage and research services provided by the broker-dealer. TwinBeech will effect such transactions, and receive such brokerage and research services, only to the extent that they fall within the safe harbor provided by Section 28(e) of the Exchange Act, as amended, and subject to prevailing guidance provided by the SEC regarding Section 28(e). TwinBeech believes it is important to its investment decision-making processes to have access to independent research.

Also, consistent with Section 28(e), research products or services obtained with “soft dollars” or credits under “commission sharing arrangements” generated by our Clients may be used by TwinBeech to service one or more other Clients, including Clients that may not have paid for the soft dollar benefits. TwinBeech does not seek to allocate soft dollar benefits to Client accounts in proportion to the soft dollar credits the Client accounts generate. Where a product or service obtained with soft dollars provides both research and non-research assistance to TwinBeech (*i.e.*, a “mixed use” item), TwinBeech will make a good faith allocation of the cost which may be paid for with soft dollars. In making good faith allocations of costs between administrative benefits and research and brokerage services, a conflict of interest may exist by reason of TwinBeech’s allocation of the costs of such benefits and services between those that primarily benefit TwinBeech and those that primarily benefit its Clients.

When TwinBeech uses Client brokerage commissions (or markups or markdowns) to obtain research or other products or services, TwinBeech receives a benefit because it does not have to produce or pay for such products or services. TwinBeech may have an incentive to select or recommend a broker-dealer based on TwinBeech’s interest in receiving research or other products or services, rather than on its Clients’ interest in receiving most favorable execution.

2. Brokerage for Client Referrals.

Neither TwinBeech nor any related person receives Client referrals from any broker-dealer or third party. However, subject to best execution, TwinBeech may consider, among other things, capital introduction and marketing assistance with respect to its Clients or their investors in selecting or recommending broker-dealers for its Clients.

3. Directed Brokerage.

TwinBeech does not recommend, request or require that a Client direct TwinBeech to execute transactions through a specified broker-dealer.

B. Order Aggregation.

If TwinBeech is aware that the purchase or sale of a Financial Instrument will occur simultaneously with regard to multiple Clients, TwinBeech may, but is not obligated to, purchase or sell such a Financial Instrument 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, TwinBeech will allocate price and transaction costs in a fair and equitable manner.

ITEM 13

REVIEW OF ACCOUNTS

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

We perform periodic reviews of each Client's portfolio. Such reviews are conducted by our personnel.

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

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

C. Content and Frequency of Account Reports to Clients.

We provide annual audited financial statements within 90 days of each Client's fiscal year end, or as soon as reasonably practicable thereafter.

Investors in our Clients may receive a periodic letter from TwinBeech documenting the performance of the applicable Client although TwinBeech may provide certain investors with information on a more frequent and detailed basis if agreed to by TwinBeech. In addition, TwinBeech issues investors tax reports and audited financial statements concerning their respective Clients within 90 days of the end of each Client's fiscal year, or as soon as reasonably practicable thereafter. 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 Client's regular reports to investors, such information may provide such investor with greater insight into the Client's activities. This may enhance such investor's ability to make investment decisions with respect to the Client and possibly affect such investor's decision to request a withdrawal from the Client.

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 or 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, including placement agents, for Client referrals.

ITEM 15 CUSTODY

With respect to the TwinBeech Fund, TwinBeech 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 TwinBeech.

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

TwinBeech is not deemed to have custody, as defined in Rule 206(4)-2, for the EGMF Funds.

ITEM 16

INVESTMENT DISCRETION

TwinBeech serves as the management company with discretionary trading authority to its Clients.

Our investment decisions and advice with respect to each Client are subject to each Client's investment objectives and guidelines, as set forth in its applicable governing or offering documents.

TwinBeech or an affiliate of TwinBeech entered into an investment management agreement with the TwinBeech Fund, pursuant to which TwinBeech or an affiliate of TwinBeech was granted discretionary trading authority.

With respect to the EGMF Funds, TwinBeech entered into a sub-advisory agreement with the investment advisor of the EGMF Funds, pursuant to which TwinBeech was granted discretionary trading authority to a portion of the assets.

We may in the future engage third party sub-advisers to provide specialized advice or otherwise to manage portions of our Clients' portfolios. We will retain oversight and overall management of each such Client portfolio, irrespective of whether such an engagement grants any authority to execute transactions or otherwise to exercise investment discretion.

ITEM 17

VOTING CLIENT SECURITIES

A. Policies and Procedures Relating to Voting Client Securities.

In compliance with Advisers Act Rule 206(4)-6, TwinBeech has adopted proxy voting policies and procedures, copies of which are available upon request. The general policy is to not vote proxy proposals, amendments, consents or resolutions (collectively, “Proxies”). TwinBeech has a quantitative investment strategy and we have determined that the costs of voting proxies while employing such a strategy would outweigh any potential benefits to our Clients.

ITEM 18
FINANCIAL INFORMATION

TwinBeech 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.