

Part 2A of Form ADV: Firm Brochure

Item 1 - Cover Page



Khronos LLC

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This brochure provides information about the qualifications and business practices of Khronos LLC. If you have any questions about the contents of this brochure, please contact us at (212) 763-8800 and/or compliance@khronos.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.

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

Any reference to Khronos LLC as a "registered investment adviser" or as being "registered," does not imply a certain level of skill or training.

Item 2 - Material Changes

Other than the change of address, there have been no material changes to this brochure since the last update on March 28, 2018.

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Item 4 - Advisory Business

- A. Khronos LLC ("Khronos" or "we" or "us") is a New York limited liability company that was formed on December 17, 2001. We are principally owned indirectly by Rafael Mayer. Rafael Mayer, Managing Director, serves as the Portfolio Manager for the Khronos Funds.
- B. We provide discretionary investment advice to private investment vehicles that generally operate as funds-of-funds and that are primarily owned by the Managing Director, family members and their affiliated entities, as well as close associates and their affiliates. Khronos advises the following private investment vehicles (collectively, together with investment vehicles we may form in the future, the "Funds"):
- (i) Khronos Liquid Opportunities Fund Ltd. ("KLOF Ltd.");
 - (ii) Liquid Opportunities Fund (US), a segregated series of Khronos Group LLC ("KLOF U.S." and with KLOF Ltd., the "KLOF Feeders");
 - (iii) Khronos LOF Holdings LLC, a private investment vehicle through which the KLOF Feeders invest ("KLOF Master," and collectively with the KLOF Feeders, the "KLOF Funds");
 - (iv) Khronos Debt Opportunities Fund II, Ltd. ("KDOF II");
 - (v) Khronos Credit Opportunities Fund (US) LP ("KCOF U.S.");
 - (vi) Khronos Credit Opportunities Fund (Cayman) LP ("KCOF Cayman" and together with KCOF U.S., the "KCOF Feeders");
 - (vii) Khronos COF Holdings LP, a private investment vehicle through which the KCOF Feeders invest ("KCOF Master" and collectively with the KCOF Feeders, the "KCOF Funds"); and
 - (viii) Khronos COF Series 2 Holdings LLC, a private investment vehicle through which the KCOF Funds invest.

Khronos is also party to an agreement with a family office to provide occasional consulting advice on alternative investments for a fixed annual fee.

Only the KLOF Funds are currently open for new subscriptions. The opportunity to invest in the Funds is generally limited to the Managing Director, family members and their affiliated and related entities, and close associates and their affiliates.

We primarily invest the Funds' assets in other private investment funds, pooled investment vehicles or managed accounts which are managed by other investment managers but may also invest and trade in a wide variety of securities and financial instruments, domestic and foreign, of all kinds and descriptions, whether publicly traded or privately placed. The Funds are sometimes referred to in this brochure as "clients."

- C. We generally do not permit investors in the Funds to impose limitations on the investment activities described in the offering documents for the Funds. (See *Item 16 "Investment Discretion."*)
- D. We do not participate in wrap fee programs.
- E. As of December 31, 2018, Khronos had approximately \$231,853,775 in regulatory assets under management, all of which are managed on a discretionary basis.

Item 5 - Fees and Compensation

- A. All of our clients are "qualified purchasers" (as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the "1940 Act")), and as such a schedule of our fees is not included in this brochure. Our fees and compensation are described in the advisory contracts we enter into with the Funds and/or each Fund's current confidential private offering memorandum or confidential investment summary (each, an "Offering Memorandum"), or governing documents, as applicable.
- B. We generally deduct management fees directly from those Funds which are subject to a management fee. The specific terms of the management fees applicable to the Funds are set forth in each Fund's Offering Memorandum and/or governing documents, as applicable. Generally, we receive performance-based fees or allocations from the Funds. Depending on the particular Fund, the performance-based fees or allocations are paid or allocated, as applicable, either: (i) on an annual basis in arrears and upon withdrawals/redemptions by investors or (ii) upon the return of contributed capital based on a private equity style waterfall as set forth in the applicable Offering Memorandum and/or governing documents.
- C. Each Fund is directly or indirectly responsible for its own expenses. Such expenses include operational expenses; transaction costs and brokerage expenses (see *Item 12 "Brokerage Practices" below*); legal, accounting, auditing, tax preparation, and administration fees and expenses; and expenses related to the ongoing offering of its shares or interests, if applicable; as well as other similar fees and expenses as set forth in more detail in each Fund's Offering Memorandum and/or governing documents.

In addition to the fees and expenses discussed above, due to the fact that we allocate substantially all of the Funds' capital to private investment funds and accounts that are managed by other investment managers (including registered investment companies) and may also allocate a portion of the Funds' capital to money market funds or exchange-traded funds, investors will indirectly incur additional similar fees and expenses, as these funds and accounts in turn pay similar fees to their investment managers and other service providers. A Fund may be subject to performance-based fees or allocations to the managers of the private investment funds and accounts in which it invests, even if the Fund, as a whole, experiences a loss.

- D. Some Funds pay management fees in advance and some pay management fees in arrears, as set forth in each Fund's Offering Memorandum and governing

documents. Once paid, management fees that are paid in advance are not refundable if the advisory contract is cancelled prior to the end of a payment period.

- E. Neither our firm nor our supervised persons accepts compensation for the sale of securities or other investment products.

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

Khronos or Khronos GP II LLC, an affiliated entity, receive performance-based fees or allocations from the Funds that are based on a percentage of the capital appreciation of their assets. Performance-based fees or allocation arrangements may create an incentive for us to recommend investments that may be riskier or more speculative than would be the case under a different fee or allocation arrangement.

The specific terms of the performance-based fees and allocations may differ among the various Funds. This results in a potential conflict of interest when we provide investment advice to the Funds because we may have an incentive to allocate investment opportunities to Funds that have higher performance-based fees and allocations. To the extent that an investment opportunity is appropriate for more than one Fund or investment vehicle we may form in the future, we will follow documented procedures which do not take into account the performance-based fees and allocations to which the Funds are subject in order to avoid such a conflict of interest. Such procedures generally require that we allocate limited investment opportunities that could reasonably be expected to fit the investment objectives of multiple clients in a manner we believe to be as fair and equitable as possible taking into consideration a number of factors, including, but not limited to: each client's investment objectives and restrictions, capital available for investment, liquidity requirements, volatility objectives, and tax or legal considerations. Application of these factors may result in different allocation decisions for different clients and may not result in a pro rata allocation of an investment opportunity among all clients or all clients with similar investment objectives and restrictions.

Item 7 - Types of Clients

We primarily provide investment advice to private investment funds. Investors in the Funds are generally institutional investors and high net worth individuals that satisfy eligibility standards under applicable securities laws. The minimum investment in the KLOF Funds is generally \$250,000, subject to our discretion (or the discretion of the directors in the case of KLOF Ltd.) to accept lesser amounts.

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

- A. Methods of Analysis and Investment Strategies Generally

The methods of analysis and specific investment strategies that we use vary among the Funds, but each of the current Funds is considered to be a "fund of fund(s)" because we primarily allocate capital among private investment funds and pooled investment vehicles ("Portfolio Funds") managed by other investment managers ("Portfolio Managers").

These Portfolio Funds invest or trade in a wide variety of securities and other instruments, including but not limited to, equities and debt securities, currencies,

commodities, futures, options and other derivative instruments. The Portfolio Funds employ a wide variety of investment strategies that primarily fall into one of the following four categories:

- **Hedge fund strategies**, including equity long/short, equity market independent, event driven, macro, and futures trading.
- **Long only strategies**, including equity long and fixed income.
- **Debt strategies**, including distressed, credit (commercial and consumer), direct lending and asset backed lending.

In addition to the foregoing, we may on behalf of certain Funds or investment vehicles to be formed in the future, invest and trade directly in a variety of securities and financial instruments, domestic and foreign, of all kinds and descriptions, whether publicly traded or privately placed.

Each Fund is managed in accordance with the investment objectives, policies and restrictions set forth in the applicable Fund's current Offering Memorandum. We have discretion to invest each Fund's assets in Portfolio Funds (or other types of investments) in a manner that we consider will best achieve the objectives of the Fund, subject to the availability of Portfolio Funds in which to invest, available capital and other factors. Please refer to each Fund's Offering Memorandum for a full description of such Fund's investment objective, principal investment strategies and principal investment risks.

We determine the relevant strategies, Portfolio Funds and Portfolio Managers that we believe will best achieve the investment objective of each Fund through an investment process that generally incorporates a top-down macroeconomic view and bottom-up analysis. The investment process we employ may differ among the Funds depending on a number of factors, including the overall strategy of a particular Fund. Our process generally narrows the field of potential Portfolio Funds and Portfolio Managers through a screening and assessment process that may include quantitative and qualitative factors, including but not limited to:

- experience and background of key personnel;
- investment style and process;
- portfolio composition and liquidity of the portfolio assets;
- quantitative analysis of performance, exposures, volatility and correlation with peers and broader indices;
- risk management techniques;
- offering documentation and financial statement review;
- our past experience or due diligence with respect to a Portfolio Manager or family of Portfolio Funds; and

- operational capabilities.

Investing in securities involves risk of loss that clients and investors should be prepared to bear.

B. Certain Risks Associated with Methods of Analysis and Investment Strategies

Our investment strategies involve significant risks, including risks associated with investments in general, reliance on Portfolio Managers, investments in illiquid securities and derivatives, the practice of short selling, and other risks.

We primarily utilize a “fund-of-funds” investment approach. There are special risks that are associated with this type of strategy. Some of the primary risks are summarized below.

Please refer to each Fund’s Offering Memorandum or other disclosure documents for a more detailed description of the various risks associated with our investment strategies.

Lack of Control. Neither our firm nor the Funds control the individual investments made by Portfolio Managers, their choice of investments and other investment decisions, which are within the discretion of the Portfolio Managers. In addition, we generally do not control the selection of the financial institutions used by the Portfolio Managers for transactional or custodial services. There can be no assurances that such investments will be successful or will not result in substantial losses.

Limited Information. The Portfolio Funds in which we invest are subject to limited regulation, disclosure and reporting requirements. We may not always be provided with detailed information regarding their holdings and performance.

Monitoring Managers. If a Portfolio Manager does not operate in accordance with its investment strategy or guidelines, or if the information furnished by a Portfolio Manager is not accurate, a Fund may sustain losses with respect to its investment with such Portfolio Manager despite our efforts to monitor the investment.

Multi-Manager Investing. Portfolio Managers selected to manage Fund assets invest independently of one another. Portfolio Managers may take positions on behalf of a Fund which are the same as, or opposite from, positions taken by other Portfolio Managers. To the extent that the Portfolio Managers hold economically offsetting positions, a Fund, taken as a whole, may not achieve any gain or loss despite incurring expenses.

Inadvertent Concentration. There can be no assurance that the selection of multiple Portfolio Funds or Portfolio Managers will result in an effective diversification of investment styles. In addition, different Portfolio Managers acting separately may each acquire significant positions in the same investment, resulting in an inadvertent concentration by a Fund in such investment. Such concentration may subject the investments of a Fund to more rapid changes in value than would be the case if the assets of the Fund were more widely diversified.

Limited Liquidity of Portfolio Funds. The Portfolio Funds and accounts in which we invest may have restrictions in their governing documents that limit the ability to withdraw capital from or invest in these entities, including lock up periods and withdrawal gates. The Portfolio Funds may also have the ability to designate certain assets as illiquid and restrict redemptions with respect to such assets. Such restrictions may limit a Fund's flexibility to reallocate assets among underlying investments or to honor a withdrawal request on a timely basis. In addition, if a Portfolio Fund or account imposes a withdrawal gate, a Fund's ability to withdraw such investment shall be subject to certain limitations and the Fund will not be able to withdraw such investment on the usual terms.

Layering of Fees. As described above, in addition to the fees and expenses incurred directly by the Funds, investors will indirectly incur additional similar fees and expenses as the Portfolio Funds and accounts in turn pay similar fees to their investment managers and other service providers. *(See Item 5 above.)*

Valuation. We rely on valuations provided by the Portfolio Funds or third-party administrators to the Portfolio Funds. There is no assurance that such valuations will be correct.

Business Dependent upon Key Individuals. Khronos makes all investment decisions on behalf of the Funds. There is no guarantee that the Managing Director of Khronos will continue to be available to manage the Funds.

- C. We do not primarily recommend a particular type of security 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 Khronos' advisory business.

Item 10 - Other Financial Industry Activities and Affiliations

- A. Neither our firm, nor any of our management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither our firm, nor any of our management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.
- C. None of our related persons are among any of the following types of entities:
- broker-dealer, municipal securities dealer, or government securities dealer or broker
 - other investment adviser or financial planner
 - futures commission merchant, commodity pool operator, or commodity trading advisor

- banking or thrift institution
- accountant or accounting firm
- lawyer or law firm
- insurance company or agency
- pension consultant
- real estate broker or dealer
- sponsor or syndicator of limited partnerships.

The Funds are pooled investment vehicles that may be deemed to be our related persons. In addition, Khronos GP II LLC, an affiliated entity, acts as the general partner of the KCOF Funds which are organized as limited partnerships.

The management of multiple pooled investment vehicles may result in conflicts of interests when we and our related persons allocate time and investment opportunities among the Funds. In addition, the compensation earned by us and our related persons from each of the Funds may differ from one another. If necessary, we and our related persons will generally follow documented procedures in allocating trades among the Funds (see *Item 6 above*).

The Managing Director (and/or other related persons) may have a greater portion of their personal assets invested in certain of the Funds than in the others. As a result, we may have a conflict of interest in allocating investment opportunities among the Funds. If a need to allocate trades among the Funds arises, we will generally follow documented procedures in doing so. (See *Item 6 above*.)

- D. We do not receive any compensation, directly or indirectly, from the Portfolio Managers that we select for the Funds in exchange for selecting those Portfolio Managers. However, from time to time, members of our investment team may sit on the board of directors or advisory board of a Portfolio Fund, often at the request of the Portfolio Manager and may receive compensation from the Portfolio Fund in such capacity. It is our policy that any such compensation be given to the relevant Funds, or alternatively the management fees paid to us by such Funds may be reduced to offset this compensation. Such compensation is allocated to the relevant Funds in a manner we believe to be fair and equitable and is typically allocated pro rata based on the size of each Fund's investment in the Portfolio Fund. While we believe such positions are beneficial to our clients by providing us with a better understanding of the Portfolio Fund and Portfolio Manager, a board member's fiduciary duty to the Portfolio Fund may occasionally conflict with the interests of our Funds. In such situations, the members of our investment team that serve on such boards may seek a resolution of the conflict (which may be based on advice of outside counsel) or abstain from participating in any votes or other determinations.

We may at times also own a minority economic interest in other investment advisers, including one or more Portfolio Managers of the Portfolio Funds in which

the Funds invest, and may share in a portion of the fees paid and allocations made to such Portfolio Managers indirectly from the Funds. The management fees and performance-based fees paid, and the allocations made, to us by the Funds will not be reduced or offset as a result of our share in the fees paid and allocations made to such Portfolio Managers indirectly from the Funds. As a result, we may face a conflict of interest if we determine to allocate a Fund's capital to such Portfolio Managers, since we will share in a portion of the fees paid or allocations made to such Portfolio Managers in addition to the fees paid and allocations made to us directly from the Funds. We believe that this conflict is mitigated because we maintain economic interests in other investment advisers on an infrequent basis and in very small amounts. In addition, in order to further mitigate a possible conflict, we select Portfolio Funds based on our methods of analysis without taking into account any economic interest that we may have in the applicable Portfolio Managers (*see Item 8, Section A "Methods of Analysis, Investment Strategies and Risk of Loss"*).

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

- A. We have adopted a Code of Ethics (the "Code of Ethics") which is designed to ensure that we conduct our business in accordance with all applicable laws and regulations and in an ethical and professional manner. In addition, we recognize that we have a fiduciary duty to our clients, and that all of our employees must conduct their business on our behalf in a manner that enables us to fulfill this fiduciary duty. In this regard, we have developed policies and procedures in our Code of Ethics that are premised on fundamental principles of openness, integrity, honesty and trust. In addition, among other things, our Code of Ethics governs all personal securities transactions by our employees (as further described in *Item 11, Section C* below) and certain policies relating to the protection of material non-public information about securities transactions and our clients. Employees are provided with a copy of the Code of Ethics and are required to sign and acknowledge that they will comply with its provisions on an annual, or as amended, basis. We will provide a copy of our Code of Ethics to any client, prospective client, investor or prospective investor upon request.
- B. We make available to qualified prospective investors the opportunity to invest in the Funds. The Managing Director and/or his family members have personal investments in the Funds, and we receive performance-based fees and allocations from the Funds.

We may at times allocate the capital of one of the Funds as an investment in one of the other Funds. In such circumstances we will generally waive the fees paid or allocations made to us so that investors in the Funds will not be subject to fees and allocations with respect to both Funds. However, investors will still be subject to the expenses incurred by both Funds.

We may also at times allocate a Fund's capital to Portfolio Funds that are managed by Portfolio Managers in which we own a minority economic interest (*see Item 10, Section D*).

We also allocate a portion of KLOF's capital to separately managed accounts that are wholly owned and controlled by Khronos, but which are managed on a discretionary basis by an independent investment adviser pursuant to managed account agreements. Khronos does not receive any economic benefit for KLOF's investment in these accounts. The investment management fees are paid to the independent investment adviser entity.

Currently, we do not engage in transactions between client accounts that we manage (*i.e.* "cross trades" or "principal transactions"). Therefore, the risks that may be associated with such transactions are generally not applicable to our investment activity. However, in the event that we determine that it is beneficial to the Funds, subject to applicable law, we may in the future effect a transaction between Funds (including Funds in which we or our related persons may have a significant interest), whereby one Fund will purchase securities from, or sell securities to, another Fund. We have adopted policies and procedures in order to mitigate any risks associated with such transactions.

- C. Under the Code of Ethics, employees must seek consent before trading securities of issuers that are included on our "Restricted List" in any personal accounts. Our Restricted List includes all issuers held directly by any of the Funds and issuers about which we or any of our employees have obtained material non-public information.

Employees must also obtain the prior approval of our Chief Compliance Officer ("CCO") before engaging in (i) a direct or indirect acquisition of beneficial ownership in a security in an initial public offering; or (ii) a direct or indirect acquisition of beneficial ownership in a security in a limited offering (which includes any offering of securities that is exempt under the Securities Act of 1933, as amended, such as interests in hedge funds or other pooled investment vehicles, restricted securities, private placements, *etc.*).

- D. From time to time, we may buy or sell securities for one Fund at the same time that we buy or sell the same security for one or more other Funds (which are our related persons). This will typically happen when more than one Fund is capable of purchasing or selling a particular security based on investment objectives, available cash and other factors. Given the current status of the Funds' managed by Khronos, this is unlikely to happen. However, given that such an occurrence may create a conflict of interest if one account may benefit from making the trade before or after the other account, procedures have been developed that generally require trades be aggregated in order to avoid any such conflict of interest.

As described above, employees may also trade securities for their own accounts that are the same securities that we are trading on behalf of our clients with the prior approval of the CCO (*see Item 11, Section C*).

Item 12 - Brokerage Practices

- A. Selection of Brokers

We do not typically use brokers to transact for the Funds as the investments made for the Funds are generally in private investment funds. However, Khronos may

on a limited basis trade in mutual funds and exchange traded funds and specific individual securities or commodities. Additionally, on occasion, the Funds may receive security positions as part of a distribution or liquidation of an underlying Portfolio Fund.

When Khronos does choose a broker-dealer for a client account, consistent with its duty to seek best execution, we select brokers and dealers taking into account various factors, including, among others reputation, quality of service, ability to effect transactions, creditworthiness, overall relationship with us, facilities, reliability, financial responsibility, experience in handling similar transactions (based on various factors, including, without limitation, size, market conditions and type of security), and overall responsiveness.

1. Research and Other Soft Dollar Benefits

We do not have any formal soft dollar arrangements in place. Our policy is not to use commissions generated by trading for client accounts to pay for third party research services.

From time to time, we execute securities transactions on behalf of certain Funds with broker-dealers that provide us with access to proprietary research reports (such as standard investment research and credit reports). To our knowledge, these services are generally made available to all institutional investors doing business with such broker-dealers. These bundled services are made available to us on an unsolicited basis and without regard to the rates of commissions charged or paid by the Funds or the volume of business that we direct to such broker-dealers.

Research provided by brokers may be used to service all of the Funds and not exclusively in connection with the management of the Funds that generated the particular commissions.

To the extent we utilize brokerage services, we have taken into account the quality, comprehensiveness and frequency of available research and brokerage services considered to be of value provided by brokers. Although we realize this creates an incentive for us to select certain broker-dealers when directing Fund transactions, we directed Fund transactions to such brokers only consistent with best execution.

2. Brokerage for Client Referrals

We do not use brokerage relationships for client referrals.

3. Directed Brokerage.

Our clients do not direct us to execute transactions through a specified broker-dealer.

B. Aggregation of Orders

Given the investment mandate of the Funds, aggregation is generally not applicable to our business. However, Khronos has developed policies and procedures to address potential trade aggregation and allocation issues should they become relevant to the firm's business in the future.

Item 13 - Review of Accounts

- A. The Managing Director and Analysts are primarily responsible for determining whether the securities (or other financial instruments) held by each Fund are consistent with the Fund's applicable investment objective and guidelines, as set forth within its Offering Memorandum and governing documents. The Funds' investments are evaluated periodically based on various factors, including asset allocation, portfolio construction, cash management, macroeconomic and market outlook, portfolio exposure, concentration of investments and such other considerations as we deem appropriate.
- B. There are generally no specific events that automatically trigger reviews of the Funds' portfolios on a basis other than periodically.
- C. We generally furnish investors in the Funds with written unaudited capital statements on a periodic basis. On an annual basis, investors receive a copy of the relevant Fund's annual audited financial statements and, where applicable, a statement of taxable income.

We provide certain investors access to more frequent and/or more detailed information regarding the Funds' securities positions, performance, finances, and management and/or other information about the Funds or us, possibly enabling such investors to better assess the prospects and performance of the Funds.

Item 14 - Client Referrals and Other Compensation

Members of our investment team may earn compensation in exchange for serving on advisory boards or boards of directors of Portfolio Funds. Any such compensation will be for the benefit of the Funds. (See *Item 10, Section D.*) Other than the foregoing, Khronos and its employees do not receive any economic benefits, such as sales awards or other incentives, from third parties in relation to services provided to client accounts nor does Khronos compensate any person for client referrals.

Item 15 - Custody

Together with Khronos GP II LLC (the general partner of KCOF), Khronos is authorized to withdraw funds or securities from the Funds for the payment of management fees and other expenses, and our capacities as investment manager and general partner afford us overall access to Fund securities and funds. As a result of this access and authority, we are deemed to have custody of client funds and securities within the meaning of the Advisers Act.

In order to comply with the custody rule, annual financial statements of the Funds are prepared in accordance with GAAP, audited by an independent accounting firm registered with the Public Accounting Oversight Board and distributed to all investors within 180 days of a Fund's fiscal year end.

Item 16 - Investment Discretion

We have discretionary authority to manage securities accounts on behalf of the Funds. The investors in the Funds generally may not place any limits on our authority beyond the limitations set forth in the offering and governing documents of the Funds.

Item 17 - Voting Client Securities

We generally have voting discretion over securities held in the client accounts. Clients are generally not able to direct their votes in a particular situation. We will exercise our discretion in the best interests of our clients. In fulfilling our obligations to our clients, we will act in a prudent and diligent manner intended to enhance the economic value of the securities. We have adopted proxy voting policies and procedures which are summarized below.

Our direct trading activities on behalf of the Funds are limited in nature, since the Funds invest primarily in private investment funds and other pooled investment vehicles. As such, our activities do not generate many proxies. Proxies received by us that require voting or other action generally deal with matters related to the operative terms and business details of the vehicles in which the Funds invest or securities obtained by us by way of an in-kind distribution from such vehicles. We are not responsible for, and our procedures are not applicable to, proxies received by the Portfolio Managers of the Portfolio Funds invested in by the Funds (related to issuers invested in by such Portfolio Funds).

In evaluating how to vote a proxy, we first determine whether there is a conflict of interest related to the proxy in question between us and our client. If a conflict is identified and deemed "material," we determine whether voting in accordance with our established proxy voting guidelines is in the best interests of the affected client.

In the absence of specific voting guidelines mandated by a particular client or a conflict of interest, we endeavor to vote proxies in the best interests of each client, which may result in different voting results for proxies for the same Portfolio Fund or issuer.

We have adopted written guidelines as to how we will vote proxies on behalf of the clients in particular situations. We generally vote in favor of routine corporate housekeeping proposals, including the election of directors (where no corporate governance issues are implicated).

For proxies addressing any other issues (which may include proposals related to fees paid to Portfolio Managers, withdrawal/redemption rights provided by Portfolio Funds, investment objective modifications, etc.), we will make a determination (which may be based upon the advice of outside counsel or third-party compliance consultants) whether a proposal is in the best interest of the affected client.

Upon a request by a client, we will disclose to clients or investors how we voted securities it owned. Clients and investors may also contact us via e-mail or telephone to request a copy of our proxy voting policies and procedures.

Item 18 - Financial Information

Not applicable.