



BlueMar

CAPITAL

Form ADV Part 2A: Firm Brochure

BlueMar Capital Management, LLC

March 28, 2019

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This brochure provides information about the qualifications and business practices of BlueMar Capital Management, LLC (“BlueMar” or the “Company”). If you have any questions about the contents of this brochure, please contact Eric Bittelman, Chief Compliance Officer (“CCO”) at 212-446-2400 or email compliance@bluemarcapital.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

Any reference to BlueMar Capital Management, LLC as a “registered investment adviser” or as being “registered” does not imply a certain level of skill or training.

Item 2: Material Changes

This Part 2A of Form ADV contains the following material change since the most recent update on March 28, 2018: BlueMar entered into an agreement to provide investment advice to an Undertaking for Collective Investment in Transferable Securities (the “UCITS”).

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Item 4: Advisory Business

BlueMar is a limited liability company organized under the laws of the State of Delaware and provides discretionary investment management services to several related pooled investment vehicles. Formed in 2011, BlueMar is owned and controlled by David Rodriguez-Fraile. The investment activities of BlueMar are led by Mr. David Rodriguez-Fraile together with other investment professionals who assist in executing client investment strategies. At December 31, 2017, BlueMar had approximately \$287.34 million in regulatory assets under management.

BlueMar provides discretionary investment advice to the following private investment funds (collectively, the “Funds”):

- 1) BlueMar Master Fund, Ltd. (the “Master Fund”), a Cayman Islands exempted company;
- 2) BlueMar Partners, LP (the “Domestic Feeder Fund”), a Delaware limited partnership;
- 3) BlueMar Offshore Fund, Ltd., (the “Cayman Feeder Fund”), a Cayman Islands exempted company;
- 4) BlueMar Offshore Fund (Bahamas), Ltd., (the “Bahamian Feeder Fund”), an international business company registered under the laws of the Bahamas;
- 5) BlueMar Azul Master Fund, Ltd. (the “Azul Master Fund”), a Cayman Islands exempted company;
- 6) BlueMar Azul Partners, LP (the “Azul Domestic Feeder Fund”), a Delaware limited partnership;
- 7) BlueMar Azul Offshore Fund, Ltd., (the “Azul Cayman Feeder Fund”), a Cayman Islands exempted company; and
- 8) BlueMar Azul Offshore Fund (Bahamas), Ltd., (the “Azul Bahamian Feeder Fund”), an international business company registered under the laws of the Bahamas.

The Domestic Feeder Fund, Cayman Feeder Fund, and Bahamian Feeder Fund (collectively, the “Flagship Feeder Funds”) invest solely in the Master Fund. The Azul Domestic Feeder Fund, Azul Cayman Feeder Fund, and Azul Bahamian Feeder Fund (collectively, the “Azul Feeder Funds”) invest solely in the Azul Master Fund. The Flagship Feeder Funds and the Azul Feeder Funds are known collectively as the “Feeder Funds”. The Master Fund and Azul Master Fund are known collectively as the “Master Funds”.

BlueMar Capital GP, LLC is the general partner (the “General Partner”) of the Domestic Feeder Fund and the Azul Domestic Feeder Fund and also serves as an adviser and provides administrative services to the Master Funds, the Cayman Feeder Fund, the Bahamian Feeder Fund, the Azul Cayman Fund and the Azul Bahamian Feeder Fund. Mr. David Rodriguez-Fraile is the managing member of the General Partner.

Unless and only to the extent that the context otherwise requires, references to BlueMar includes the General Partner.

In providing services to the Funds, BlueMar (1) manages the Funds’ assets in accordance with the terms of the applicable Fund’s Confidential Private Offering Memorandum or Confidential

Explanatory Memorandum and individual limited partnership or shareholder agreements (the “Offering Documents”); (2) formulates investment objectives; (3) directs and manages the investment and reinvestment of the Funds’ assets; and (4) provides periodic reports to Investors. BlueMar provides investment advice directly to the Funds and not individually to the Funds limited partners or shareholders (“Investors”). Investment restrictions for the Funds, if any, are generally established in the applicable Fund’s Offering Documents.

BlueMar also provides discretionary investment advice to an Undertaking for Collective Investment in Transferable Securities (the “UCITS”). The terms of services provided to the UCITS are specified in the Investment Management Agreements (“IMAs”) between the UCITS and BlueMar.

The investment objective of the Funds and the UCITS (collectively, the “Clients”), is to generate attractive, risk-adjusted returns over time, primarily through long and short investments in liquid equity securities of U.S. and non-U.S. issuers. BlueMar’s primary focus is on investments in the global financial services sector. The investment decisions for the Clients are generally made through a value-oriented, deep, bottom-up research process. The Clients have a secondary focus on thematic opportunities when structural and/or cyclical developments are identified and may also seek to take advantage of tactical opportunities when available. A complete description of each Clients’ investment objective and strategy is available in the Fund’s respective Offering Documents and the UCITS’ IMA.

Item 5: Fees and Compensation

Fees and Compensation Generally

BlueMar’s compensation for the discretionary investment advisory services it provides to the Funds is comprised of an asset-based management fee and an incentive allocation that is based on the performance achieved for the account of each Investor. The fees and expenses applicable to each Fund are set forth in detail in each Fund’s respective offering memorandum. A brief summary of fees and expenses is provided below.

BlueMar fees collected as the investment manager to the UCITS are similar to those received by the Funds and set more specifically by the IMAs. The UCITS’ prospectus specifies all fees and expenses paid by UCITS’ shareholders.

Funds’ Management Fee

The Master Funds pay BlueMar a management fee of up to 2% of the net asset value of the Funds (the “Management Fee”). These Management Fees are paid quarterly in advance and are based on the value of the respective Master Funds as of the first business day of each calendar quarter. The Management Fees are adjusted for monthly contributions and quarterly withdrawals.

BlueMar may look through to the investors in the Feeder Funds and waive or modify the Management Fee for certain investors that are members, employees, or affiliates of BlueMar, relatives of such persons, and for certain early stage, large or strategic Investors.

Funds’ Incentive Allocation

At the end of each fiscal year, the General Partner receives an annual incentive allocation of up to 20% of the net profits attributable to each Investor's capital account (including unrealized gains and losses), if any, subject to a loss carry forward (the "Incentive Allocation"). When calculating the Incentive Allocation, net profits are reduced by the Management Fee and all other expenses of a Fund as described below. The Incentive Allocation is paid at the Master Fund level and not directly by the Feeder Funds.

The General Partner may waive or modify the Incentive Allocation for Investors that are members, employees, or affiliates of BlueMar, relatives of such persons, and for certain early stage, large or strategic Investors. Incentive Allocations received by BlueMar are in compliance with Rule 205-3 under the Investment Advisers Act of 1940 ("Advisers Act").

Fund Expenses

As further described in the Offering Documents of the Funds, certain expenses are paid by the Funds (or by the Master Funds and allocated to the Feeder Funds) and include: (1) legal, compliance, administrator, audit, and accounting expenses (including third-party accounting services); (2) organizational expenses; (3) investment expenses, such as commissions, market data services, and research fees (including research related travel); (4) interest on margin accounts and other indebtedness; (5) borrowing charges on securities sold short; (6) custodial and bank service fees; (7) Fund-related insurance costs (including D&O and E&O insurance for BlueMar and outside Directorship liability); and (8) any other expenses related to the purchase, sale, or transmittal of Fund assets. Some of these expenses are allocated pro-rata to Funds based on their net asset value or size of specific investments shared by more than one fund. Investors in the Funds are requested to refer to the applicable Funds' offering documents for complete information on other fees and expenses.

BlueMar may invest a portion of client's assets in shares of other investment companies, including exchange traded funds. Assets invested in such investment companies will be included in computing fees paid to BlueMar. The same assets will also be subject to additional fees and expenses, as set forth in the prospectuses of those investment companies, paid by the investment companies, but ultimately borne by the Funds.

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

As noted in the *Fees and Compensation* section above, BlueMar receives an Incentive Allocation that is based on a percentage of the realized and unrealized gains (i.e., the performance) of Clients' investments. The fact that BlueMar is compensated based on the success of investments held by Clients create an incentive for BlueMar to make investments that are riskier or more speculative than would be the case in the absence of such compensation or different performance fee terms. BlueMar has adopted policies and procedures to operate in a manner whereby all its Clients are treated fairly and equitably and to minimize the risk of any potential conflict of interest.

In addition, because the Management Fees and Incentive Allocations are based directly on the net asset value of the Clients, BlueMar has a conflict of interest when it is in the position of valuing the assets

held by the Clients. BlueMar will follow its documented valuation policies and rely and/or consult with custodians and third-party administrator in order to mitigate this conflict.

Item 7: Types of Clients

BlueMar provides investment advisory services to private funds and UCITS. Investment advice provided directly to the Funds is subject to the direction and control of the General Partner and/or directors of each Fund and not individually to Fund Investors. Investors in the Funds may include, but are not limited to, high net worth individuals, family offices, funds of hedge funds, endowments, foundations, trusts, charitable organizations, pension plans, and corporate or business entities.

The minimum investment requirement to invest in a Feeder Fund is generally \$1 million; however, BlueMar may accept a lesser amount at its discretion. Each Investor is required to meet certain suitability qualifications, such as being an “accredited investor” within the meaning set forth in Regulation D under the Securities Act of 1933, as amended, and a “qualified purchaser” as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended. Complete details concerning applicable Investor eligibility criteria are set forth in each Fund’s Offering Documents and subscription materials.

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

Methods of Analysis and Investment Strategies Generally

The Clients’ investment objective is to generate attractive, risk-adjusted returns over time, primarily through long and short investments in securities of U.S. and non-U.S. issuers. The Clients’ primary focus is on investments in the global financial services sector with a secondary focus on certain thematic opportunities. Investment decisions are generally made following a value-oriented, bottom-up research process.

To achieve the Clients’ investment objectives, BlueMar follows a rigorous investment process coupled with a disciplined risk management process. BlueMar invests the Clients’ assets predominantly in publicly-traded equity securities and adheres to a stringent research process in order to identify investments whose intrinsic value BlueMar believes the market has mispriced.

BlueMar believes that core long investment ideas should generally have at least 50% upside over two years, while core short ideas should generally have at least 20% downside over one year. Most opportunities are developed via a combination of bottom-up research and thematic views, and may be contrarian in nature. BlueMar will seek to identify specific catalysts to unlock the value of the investments and also seeks out tactical opportunities.

BlueMar will seek to invest (either long or short) in securities of businesses that, in its opinion, exhibit some or all of the following characteristics:

- A different expected economic output (typically earnings and return on equity) than is perceived by the general investment community;

- There is a mispricing of the inherent risk by the general investment community;
- The company has suffered (or is expected to suffer) a significant and destructive economic shift either through regulation, pricing pressures, declining demand, increased competition, or other market-related factors;
- The company is expected to experience an increase or decline in value due to an identifiable event or catalyst; and/or
- The investment opportunity provides intelligent risk-adjusted exposure to broad sector, business, or macroeconomic trends

The Clients may make investments outside these criteria if BlueMar deems it appropriate or advantageous, and the Clients may retain cash or cash equivalents for liquidity and redemption purposes.

Idea Generation

BlueMar's idea generation is derived from:

- Active monitoring of the global investment universe;
- Valuation screens, primary research, and top-down thematic views;
- Continuous review of regulatory developments;
- Due diligence meetings;
- Discussions with select buy-side analysts and portfolio managers;
- Traditional Wall Street research; and
- Active searches for dislocations and event-driven or tactical opportunities

Research Process

BlueMar's bottom-up research processes generally include, but are not limited to:

- Use of detailed models,
- Meeting with company management,
- Reviewing company filings and earnings transcripts,
- Conducting scenario analyses and internal stress tests,
- Monitoring the regulatory environment,
- Independent verification of the key drivers of an investment thesis,
- Disproving or hedging identified risks, and
- Continuously monitoring news flow and data points for existing positions

Investment Selection

New core positions are generally required to meet return and time objectives and have a specific investment thesis and price target. BlueMar will generally identify fundamental risk factors, liquidity data, potential catalysts, and scenarios that would trigger a re-evaluation of the investment thesis prior to placing a trade. BlueMar conducts regular follow-up and investment team meetings in order to critically consider whether the investment thesis for each position remains valid.

Risk of Loss

Investing in securities involves a risk of loss that Investors should be prepared to bear. There are a number of risks associated with the Clients' trading programs and strategies, including risks associated with a concentration of investments in the financial sector, the practice of using leverage, margin transactions, short sales, options and derivatives, illiquidity of investments, counterparty risk, and general market and economic conditions. Please refer to each Fund's Offering Documents for a more detailed description of these risks and others associated with the Clients' trading programs and strategies.

Risks of Investing in the Financial Services Sector

As Clients investing primarily in the financial services sector, the Clients are subject to the risks associated with investments in financial services companies, in addition to the general risks of the stock and bond markets. This means that the Clients are more vulnerable to price fluctuations of financial services companies and other factors that particularly affect financial services industries than a more broadly diversified portfolio.

Among the factors that the financial services industry is vulnerable to are: extensive government regulation, rapid business changes, general economic conditions, significant competition and value fluctuations. This extensive governmental regulation, which may change frequently, can, among other things, increase costs for new services or products and make it difficult to pass increased costs on to consumers. In certain areas, deregulation of financial service companies has resulted in increased competition and reduced profitability for certain companies. Moreover, the prices of stocks issued by many financial services companies have historically been more closely correlated with changes in interest rates than other stocks.

There is no guarantee that BlueMar will be able to adequately anticipate or react to these various risks and vulnerabilities.

Use of leverage

The use of leverage exposes the Clients to additional levels of risk, including (i) greater losses from investments than would otherwise have been the case had the Clients not borrowed to make investments, (ii) margin calls or interim margin requirements which may force premature liquidations of investment positions and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the Clients' cost of borrowing. In the event of a sudden, precipitous drop in value of the Clients' assets, the Clients may not be able to liquidate assets quickly enough to repay borrowings, further magnifying losses.

Short Sales

Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on the Clients' portfolio. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short

position and a theoretically unlimited loss. There can be no assurance that securities necessary to cover a short position will be available for purchase.

Use of Options

The purchase or sale of options involves the payment or receipt of a premium by the investor and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security, commodity or other instrument for a specific price at a certain future time. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses its premium. Selling options involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received (which could result in a potentially unlimited loss). Over-the-counter options also involve counterparty solvency risk.

Use of Derivatives

To the extent that the Clients invest in swaps, derivative or synthetic instruments, repurchase agreements or other over-the-counter transactions or, in certain circumstances, non-U.S. securities, the Clients may have credit risk with regard to the counterparties with whom they trade and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions that generally are backed by clearing organization guarantees, daily mark-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default. It is expected that all securities and other assets deposited with custodians or brokers will be clearly identified as being assets (directly or indirectly) of the Clients, and hence the Clients should not be exposed to credit risk with regard to such parties. However, it may not always be possible to achieve this segregation, and there may be practical or time problems associated with enforcing rights to its assets in the case of an insolvency of any such party.

Lack of Liquidity Investments

While BlueMar expects the vast majority of the portfolios to be liquid, the Clients' assets may, at any given time, include securities and other financial instruments or obligations that are thinly-traded or for which no market exists and/or which are restricted as to their transferability under applicable securities laws. The sale of any such investments may be possible only at substantial discounts, and it may be extremely difficult to accurately value such investments.

Litigation Risk

Some of the activities that BlueMar engages as part of its operations may result in litigation. The Clients could be a party to lawsuits either initiated by it, or by a company in which the Clients invest other shareholders, or state, federal and non-U.S. governmental bodies. There can be no assurance that any such litigation, once begun, would be resolved in favor of any Fund.

Cyber Security Breaches and Identity Theft

Cybersecurity incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. The information and technology systems of BlueMar, the Clients and their respective investments may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although BlueMar has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, the Clients and/or their investments may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in BlueMar's, the Clients' and/or their respective investments' operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm BlueMar's reputation, subject BlueMar or the Clients to legal claims and otherwise affect their business and financial performance.

A complete description of risk factors relevant to each Fund can be found in their respective Offering Documents.

Item 9: Disciplinary Information

There have been no legal or disciplinary events to BlueMar or the Funds' advisory business or its management.

Item 10: Other Financial Industry Activities and Affiliations

As previously noted in Item 4 titled *Advisory Business*, BlueMar Capital GP, LLC, a related entity of BlueMar, is the General Partner of the Domestic Feeder Fund and also serves as an adviser and provides administrative services to the Master Fund and the Azul Domestic Feeder Fund and also serves as an adviser and provides administrative services to the Master Funds, the Cayman Feeder Fund, the Bahamian Feeder Fund, the Azul Cayman Fund and the Azul Bahamian Feeder Fund.. Additionally, the Funds themselves may be considered related entities of BlueMar.

Furthermore, certain family members of Mr. Rodriguez-Fraile are employed by placement agents with whom BlueMar has agreements to receive Investor introductions to potentially commit capital to the Funds. BlueMar, not clients or the Fund's Investors, compensates the placement agents based on a percentage of the management fees attributable to the introduced assets. These arrangements are discussed in more detail under Item 14 below. BlueMar believes this arrangement does not create any conflict of interest for BlueMar. Placement agents have agreed to provide introduced Investors with BlueMar's brochure.

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

Code of Ethics

BlueMar has adopted a written Code of Ethics (the “Code”) that, among other things, requires BlueMar and its employees to act in clients’ best interests, abide by all applicable regulations, avoid even the appearance of insider trading, and pre-clear and report any personal securities transactions. BlueMar’s restrictions on personal securities trading apply to employees, as well as employees’ family members living in the same household. A copy of BlueMar’s Code is available upon request by contacting the Company’s Chief Compliance Officer at compliance@bluemarcapital.com.

Participation or Interest in Client Transactions

BlueMar, the General Partner, and certain employees invest in the Feeder Funds and the Master Funds, in which other clients (i.e., the Feeder Funds) also invest. As a result, BlueMar and its related persons have an interest in investments that are also recommended to clients.

Personal Trading

Employees are prohibited from trading in securities except mutual funds, exchange-traded funds (“ETFs”), and, for eligible employees, the Funds managed by BlueMar. In certain situations exceptions may be made requiring pre-approval in writing from the CCO. For example, pre-existing holdings are not required to be sold as a condition of employment and may be sold following pre-approval in writing from the CCO. In the event the CCO wishes to sell a pre-existing holding, written pre-clearance must be obtained from the Managing Member. BlueMar’s personal securities transactions policies and procedures apply to all accounts holding any securities over which employees have any beneficial ownership interest, which typically include accounts held by immediate family members sharing the same household. Employees are also required to provide periodic reports regarding transactions and holdings in “Reportable Securities” as defined in the Advisers Act.

Item 12: Brokerage Practices

Selection of Brokers and Dealers

BlueMar has complete discretion in deciding which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and commissions or markups and markdowns paid.

In selecting brokers to effect portfolio transactions for the Clients, BlueMar considers such factors as the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution; the financial strength, integrity, and stability of the broker; the firm’s risk in positioning a block of securities; the quality, comprehensiveness, and frequency of related services considered to be of value; and the competitiveness of commission rates

in comparison with other brokers satisfying the Company's selection criteria. Accordingly, if BlueMar determines in good faith that the amount of commissions charged by a broker is reasonable in relation to the value of the brokerage and products or services provided by such broker, the Funds may pay commissions to such broker in an amount greater than the amount another broker might charge for effecting the same transaction, or in an amount that the same broker might charge to another client.

Soft Dollar Benefits

Section 28(e) of the Securities Exchange Act of 1934, as amended, is a "safe harbor" that permits BlueMar to use commissions or "soft dollars" to obtain research and brokerage services that provide lawful and appropriate assistance in the investment decision-making process. BlueMar will limit the use of soft dollars to obtain research and brokerage services to those that constitute research and brokerage within the meaning of Section 28(e). Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from brokers on order execution; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an investment manager and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms, or trade affirmations.

In some instances, BlueMar may receive a product or service that may be used only partially for functions within Section 28(e) (e.g., an order management system, trade analytical software, or proxy services). In such instances, BlueMar will make a good faith effort to determine the relative proportion of the product or service used to assist BlueMar in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e). The proportion of the product or service attributable to assisting BlueMar in carrying out its investment decision-making responsibilities will be paid through brokerage commissions generated by client transactions and the proportion attributable to administrative or other purposes outside Section 28(e) will be paid for by BlueMar from its own resources. Consistent with Section 28(e), research products or services obtained with "soft dollars" generated by one or more client may be used by BlueMar to service other clients.

Although BlueMar will make a good faith determination that the amount of commissions paid is reasonable in light of the products or services provided by a broker, commission rates are generally negotiable and thus, selecting brokers on the basis of considerations that are not limited to the applicable commission rates may result in higher transaction costs than would otherwise be obtainable. The receipt of such products or services, and the determination of the appropriate allocation in the case

of “mixed use” products or services, creates a potential conflict of interest between BlueMar and its clients.

Trade Errors

BlueMar has adopted a policy for the purpose of addressing trade errors that may arise, from time to time, with respect to the securities transactions of the Clients. BlueMar seeks to identify and correct any trade errors in an expeditious manner, including by cancelling, breaking, or reallocating a trade. To the extent an error is caused by a third party, such as a broker-dealer, BlueMar will strive to recover any losses associated with such error from such third party. Unless BlueMar determines that a trade error has occurred as a result of bad faith, gross negligence, willful misconduct or violation of applicable laws; error losses will be borne by (and any gains will benefit) the applicable Fund. All trade errors will be addressed in a timely manner and prompt corrective trading shall be undertaken in order to mitigate the effect of any errors. The determination of whether or not a trade error has occurred will be made in the sole and absolute discretion of BlueMar.

Investor Introductions

The broker-dealers that have entered into prime brokerage arrangements with BlueMar will occasionally provide BlueMar with introductions to potential Investors. Capital introduction is a service provided by primer brokers and is designed to “introduce” fund managers to potential investors, typically through individual meetings or in a conference format. Although capital introductions are customarily offered as a free service, various conflicts of interest are presented by such arrangements. While BlueMar does not compensate these broker-dealers based on capital introductions, BlueMar may be incentivized to use the services of a specific prime broker due to the broker’s ability to raise capital for BlueMar. In addition, BlueMar benefits from arrangements where Investors are referred to BlueMar because its management fees are generally based upon a percentage of assets managed and its incentive or performance based fees are generally based upon a percentage of net profits on such assets. Thus, the more assets BlueMar has under management, the higher its management fees and, potentially, its incentive fee income. Also, there is a direct conflict between the prime brokers’ desire to increase their revenues by raising capital through their prime brokerage services. The prime broker and/or its affiliates generally receive fees and/or commissions as a result of BlueMar’s decision to utilize their services. While the relationship may present the appearance of a conflict of interest, the availability of products and services offered to BlueMar is not contingent upon BlueMar committing to any specific amount of business (e.g., assets in custody or trading commissions).

Cross and Principal Trades

BlueMar and its personnel do not purchase or sell any securities for their own accounts to or from clients. However, from time to time, subject to client’s investment guidelines and restrictions, BlueMar may direct one client to sell securities to another client through an internal cross transaction in which neither BlueMar nor a related person will receive compensation. Any such transaction will be effected based on the then current independent market price and consistent with valuation procedures established by BlueMar. Such cross transactions generally will be made without brokerage commissions or dealer markups being charged. To the extent that any such cross transaction may be

viewed as a principal transaction due to the ownership interest in the Funds by BlueMar and its personnel, BlueMar will comply with the requirements of Section 206(3) of the Advisers Act, including that BlueMar will notify the clients in writing of the transaction and obtain the consent of the clients.

Trade Allocation and Aggregation Policies and Procedures

BlueMar may aggregate client trades when such aggregation is expected to be in the best interest of all participating clients and has adopted policies and procedures to allocate trades in a manner that is fair to all Clients. In these cases, trades will generally be allocated pro-rata to each account based on the respective account's participation ratio. Such a participation ratio is generally based on the assets under management and the relative target exposure of the participating Clients. Nonetheless, BlueMar will also consider diversification, cash availability, investment objectives, leverage, and any other relevant factors when determining how trades should be allocated.

Item 13: Review of Accounts

The Clients' portfolios are reviewed on a continuous basis by BlueMar's investment personnel. BlueMar's investment personnel also hold investment meetings as necessary to discuss investment ideas, investment strategies, economic developments, current events, and other issues related to current portfolio holdings and potential investment opportunities.

BlueMar provides each Investor with the following reports in accordance with the terms of the applicable Fund's Offering Documents: (1) unaudited monthly account statements, (2) annual audited financial reports, and (3) annual tax information needed to complete applicable U.S. tax returns (Domestic Feeder Funds only) and for certain Funds, (4) mid-month account performance estimates.

Shareholders of the UCITS receive periodic reports on market value, performance, and other information according to the UCITS' prospectus.

Item 14: Client Referrals and Other Compensation

BlueMar does not receive any economic benefits from non-clients in connection with the provision of investment advice to clients.

BlueMar has engaged placement agents who will introduce new Investors that may commit capital to the Funds. Compensation under this arrangement will generally be a percentage of the management fees attributable to the introduced assets. The compensation is paid by BlueMar, not the Funds. Placement agent conflicts of interest, that may exist, will be fully disclosed to Investors. At a minimum, investors will receive BlueMar's disclosure brochure.

Item 15: Custody

BlueMar is deemed to have custody of the Funds' assets because of the authority that BlueMar and/or the General Partner have over the assets. The Funds' financial statements are subject to an annual audit by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and the audited financial statements are distributed to each Investor within 120 days of each Fund's fiscal year-end. The audited financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. Each Client's cash and securities are held in accounts in the name of the Client at the Client's prime brokers, ISDA counterparties, and in bank accounts.

Item 16: Investment Discretion

BlueMar has discretionary authority to determine, without obtaining specific consent from the Clients or Investors, the securities and the amounts to be bought or sold on behalf of the Clients. Any limitations on such authority are included in the respective Fund's Offering Documents and partnership agreements or IMAs.

Item 17: Voting Client Securities

BlueMar manages its client's assets with the overriding goal of seeking to provide the greatest possible return to investors consistent with governing laws and the investment policies of each client. In pursuing that goal, BlueMar seeks to exercise its clients' rights as holders of voting securities to support sound corporate governance of the companies issuing those securities, with the principal aim of maintaining or enhancing the investors' economic value. BlueMar's Clients have authorized BlueMar to vote proxies on their behalf for securities held in the accounts that BlueMar advises.

BlueMar has adopted a proxy voting policy pursuant to which it generally follows the guidelines and recommendations of a governance analysis and proxy voting firm. BlueMar has determined that those guidelines and recommendations are generally consistent with BlueMar's own views of common types of proxy proposals, although under its proxy voting policy BlueMar may deviate from the proxy voting firm's guidelines and recommendations as deemed in the best interest of fund investors.

In the event that, with respect to a particular proxy, the proxy voting firm does not issue a recommendation or BlueMar has determined to depart from the proxy voting firm's recommendation, BlueMar will vote in accordance with BlueMar's own guidelines which generally seek to direct vote in a manner that will maximize the returns to fund investors.

In certain circumstances BlueMar refrains from voting or is unable to vote, the shares of particular issuers. This may occur where, for example BlueMar refrains from voting because the associated costs outweigh the potential benefits of exercising the right to vote, such as where a country requires "share blocking." In addition BlueMar is sometimes unable to vote proxies where the relevant issuer's shares have been re-hypothecated by the client's prime broker or are otherwise unavailable to vote.

BlueMar maintains a record of all proxy votes cast on behalf of the Clients. A copy of BlueMar's proxy voting policies and procedures and proxy voting record is available to Investors upon written request.

From time to time, BlueMar may be involved in class action lawsuits involving securities that are or were held by clients. BlueMar has engaged a third-party service provider to facilitate its submission of class action claims to process all class actions on behalf of its clients.

Item 18: Financial Information

BlueMar has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.