



PART 2A OF FORM ADV: FIRM BROCHURE

ZIMMER PARTNERS, LP

March 27, 2024

This brochure (this “Brochure”) provides information about the qualifications and business practices of Zimmer Partners, LP (“Zimmer” or the “Adviser”). If you have any questions about the contents of this brochure, please contact the Adviser at (212) 371-8688. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the “SEC”) or by any state securities authority.

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

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

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Item 2. Material Changes

The Adviser routinely makes changes throughout its Brochure to improve and clarify the descriptions of its and its affiliates' business practices and compliance policies and procedures or in response to evolving industry and firm practices.

Set out below are those changes that the Adviser believes reflect material changes since its last annual update of this brochure filed on March 31, 2023:

1. Item 4.A. – Updated disclosures relating to the withdrawal of Zimmer Frankel Property Group LLC as a relying adviser and conforming changes throughout the brochure.
2. Item 4.B. – Updated disclosures relating to the Adviser's Funds.
3. Item 4.E. – Updated the amount of client assets managed on a discretionary basis as of December 31, 2023.
4. Item 5.C. – Updated disclosure related to expenses borne by the Funds.
5. Item 8 – Updated the risk factors to include conflicts and risks in connection with updated regulatory risks including the private funds advisers rule and closed-end registered investment companies.
6. Item 11 – Updated disclosures relating to conflicts of interest in connection with special purpose acquisition company investments.

Item 3. Table of Contents

Item 2. Material Changes	2
Item 3. Table of Contents.....	3
Item 4. Advisory Business	5
Item 5. Fees and Compensation	6
Item 6. Performance-Based Fees and Side-by-Side Management.....	9
Item 7. Types of Clients.....	10
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss	16
Item 9. Disciplinary Information	26
Item 10. Other Financial Industry Activities and Affiliations	27
Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	28
Item 12. Brokerage Practices	22
Item 13. Review of Accounts.....	25
Item 14. Client Referrals and Other Compensation.....	26
Item 15. Custody	27
Item 16. Investment Discretion.....	28
Item 17. Voting Client Securities.....	29
Item 18. Financial Information	30

Item 4. Advisory Business

A. General Description of Advisory Firm.

The Adviser is a limited partnership organized in September 2012 under the laws of the state of Delaware. Its general partner is Zimmer Partners GP, LLC, a limited liability company also organized in September 2012 under the laws of the state of Delaware (the “Adviser General Partner”). The Adviser General Partner owns 1% of the interests in Zimmer and Stuart J. Zimmer indirectly owns 99% of the interests of Zimmer. Stuart Zimmer indirectly owns the Adviser General Partner, which has ultimate responsibility for the management, operations and the investment decisions made by the Adviser.

As of the date of this Brochure, Zimmer Frankel Property Group LLC, a limited liability company organized on December 6, 2019, under the laws of the state of Delaware, is no longer a relying adviser. Clients previously managed by Zimmer Frankel Property Group LLC are currently managed by the Adviser.

B. Description of Advisory Services.

The Adviser provides investment supervisory and management services on a discretionary basis to clients, which are commingled private investment funds (each, a “Fund” and collectively, the “Funds”) intended for institutional investors and other sophisticated investors.

As of the date of this Brochure, the Adviser provides investment supervisory and management services on a discretionary basis to the following Funds:

The **Utility Funds** (collectively referred to herein as the “Utility Funds”)

- ZP Master Utility Fund, Ltd., a Cayman Islands exempted company
- ZP Offshore Utility Fund, Ltd., a Cayman Islands exempted company
- ZP Utility Fund, L.P., a Delaware limited partnership. ZP Utility GP, LLC, an affiliate of the Adviser, serves as the general partner to ZP Utility Fund, L.P.
- ZP Utility Insurance, L.P. a Delaware limited partnership. ZP Utility Insurance GP, LLC, an affiliate of the Adviser, serves as the general partner to ZP Utility Insurance Fund, L.P.

The **Infrastructure Funds** (collectively referred to herein as the “Infrastructure Funds”)

- Zimmer Infrastructure Fund, L.P. (F/K/A ZP Energy Fund, L.P.), a Delaware limited partnership. Zimmer Infrastructure GP, LLC (F/K/A ZP Energy GP, LLC), an affiliate of the Adviser, serves as the general partner to Zimmer Infrastructure Fund, L.P.
- Zimmer Master Infrastructure Fund, L.P. (F/K/A ZP Master Energy Fund, L.P.), a Cayman Islands exempted limited partnership. Zimmer Offshore Infrastructure GP, LLC (F/K/A ZP Offshore Energy GP, LLC), an affiliate of the Adviser, serves as the general partner to Zimmer Master Infrastructure Fund, L.P.
- Zimmer Offshore Infrastructure Fund, Ltd. (F/K/A ZP Offshore Energy Fund, Ltd.), a Cayman Islands exempted company.

The **MidCap Funds** (collectively referred to herein as the “MidCap Funds”)

- ZP MidCap Fund, L.P., a Delaware limited partnership. ZP MidCap GP, LLC, an affiliate of the Adviser, serves as the general partner to ZP MidCap Fund, L.P.
- ZP Master MidCap Fund, L.P., a Cayman Islands exempted limited partnership
- ZP Offshore MidCap Fund, Ltd., a Cayman Islands exempted company

The **Triple Net Fund** (referred to herein as the “Triple Net Fund”)

- Sequentis Triple Net Fund, LP, a Delaware limited partnership. Sequentis Triple Net Fund GP, LLC an affiliate of the Adviser, serves as the general partner to Sequentis Triple Net Aggregator, LP.

The general investment objectives of the Utility, Infrastructure and MidCap Funds are focused, although not exclusively, on electric and gas utilities, integrated utilities, water utilities, telecommunication companies, renewable and independent power producers, midstream infrastructure companies, master limited partnerships (“MLPs”), exploration and production companies, oilfield services companies, and more broadly in energy and infrastructure-related industries (such as chemicals, materials, transportation infrastructure and real estate equities).

The Infrastructure Funds employ the same fundamental research and analysis as the Utility Funds and invest in a similar universe of companies but utilize different investment criteria. Although the Infrastructure Funds and the Utility Funds have the same investment team and investment process, the Infrastructure Funds’ investments are expected to have a longer investment horizon and greater individual position concentration, and the Infrastructure Funds will generally maintain fewer total positions than the Utility Funds. The MidCap Funds employ the same fundamental research and analysis as the Utility Funds and invest in similar sectors but invest in small to mid-cap companies and smaller IPOs, as described in the offering materials for the MidCap Funds.

The Triple Net Fund serves as a vehicle to facilitate an investment in RGMZ Venture REIT LLC, a Delaware limited liability company.

C. Tailoring of Advisory Services.

The Adviser’s investment decisions and advice with respect to each client are subject to each client’s investment objectives and guidelines, as set forth in its offering documents.

D. Wrap Fee Programs.

The Adviser does not participate in wrap fee programs.

E. Assets Under Management.

As of December 31, 2023, the Adviser managed approximately \$6,842,318,663, which is the aggregate regulatory assets under management, on a discretionary basis. The Adviser does not manage any assets on a non-discretionary basis.

A. Compensation for Advisory Services.

The fees applicable to each Fund are set forth in detail in each Fund's offering documents. A brief summary of such fees is provided below. The fees for the Triple Net Fund were negotiated at the time of the establishment of the Triple Net Fund and are set forth in the operating agreement governing the Triple Net Fund.

Asset-Based Compensation

The Adviser is generally compensated for its advisory services to each Fund through a management fee of 1.5% - 2.0% per annum of the relevant Fund's assets under management, calculated and payable quarterly in advance (the "Management Fee").

The Management Fee will be prorated in the event the Adviser does not remain the investment manager or management company of a Fund for the entire calendar quarter. Provisions relating to a prorated refund of Management Fees upon an investor's redemption or withdrawal, if any, during a calendar quarter are described in the offering memorandum for the applicable Fund.

The Management Fees are generally non-negotiable; however, the Adviser is permitted to charge investors in the Funds a Management Fee that is lower than the rates listed above or waive the Management Fee for particular investors.

Performance-Based Compensation

The Adviser or an affiliate is generally entitled to receive an incentive allocation or fee (the "Performance-Based Compensation") at the end of each fiscal year of a Fund of 20% of the realized and unrealized net profits (if any) allocated to a capital account of each investor or a series of shares, as applicable, in such Fund for the fiscal year, subject to a "high water mark." The Performance-Based Compensation with respect to capital accounts of certain investors (or series of share classes of certain investors, as applicable) of the Utility Funds and for investors in the MidCap Funds increases to 30% on any net realized and unrealized appreciation in the net asset value (as adjusted as set forth in the Funds' offering documents) in excess of 15% annualized return. The Performance-Based Compensation with respect to the Infrastructure Funds is 17.5% in excess of a "hurdle rate" equal to the Federal Reserve Bank of New York's overnight bank funding rate during the applicable period plus 2.0%; provided that if such amount exceeds 4.0%, the hurdle rate shall be 4.0%.

The Performance-Based Compensation is generally non-negotiable; however, the Adviser or its affiliate is permitted to charge investors in the Funds' Performance-Based Compensation that is lower than the rates listed above.

The Adviser or one of its affiliates generally waives the portion of the Management Fee and Performance-Based Compensation otherwise payable by the Funds which are attributable to any general partner associated with such Fund and to any investors that are members, officers, principals, directors or employees of such general partner, the Adviser, or their respective affiliates.

B. Payment of Fees.

Fees and other compensation paid to the Adviser or an affiliate are generally deducted from the assets of the Funds. Management Fees are generally deducted on a quarterly basis and Performance Compensation is generally deducted on an annual basis.

The Performance-Based Compensation received by the Adviser or its affiliates, to the extent subject to the requirements of Section 205 of U.S. Investment Advisers Act of 1940, as amended (the “Advisers Act”), will be paid in compliance with Rule 205-3 under the Advisers Act.

C. Additional Expenses and Fees

Generally, the Funds pay their own expenses including, but not limited to, (i) the fees paid to the Adviser and the administrator, including expenses associated with middle office support and other services provided to the Funds, and consultants (in connection with investments, trading, compliance, risk management, research and infrastructure (including telecommunications)), directors' fees, if any; administrative expenses; legal and compliance expenses (including filings to be made with regulators in non-U.S. jurisdictions, “blue sky” filings, fees and expenses associated with non-U.S. registered agents and paying agents, responding to formal and informal inquiries and expenses associated with regulatory filings relating to the Funds and their portfolios and legal, compliance, archiving and research services), accounting, audit and tax preparation expenses and costs related to errors and omissions insurance and directors and officers insurance for the Adviser and its affiliates; (ii) investment-related expenses (e.g., brokerage commissions and transaction costs, clearing and settlement charges, custodial fees, interest expense, research-related expenses, including, without limitation, third-party research, research-related travel expenses, news and quotation equipment and services (including fees for data and software providers), fees and costs related to risk analytics, and third party trading-related software, and costs associated with the transmittal of trade information, including trade order management software (i.e. software used to route trade orders)); interest on margin accounts and other indebtedness; borrowing charges on securities sold short; custodial fees; bank service fees and other reasonable expenses related to the purchase, sale or transmittal of Fund assets; additional investment expenses such as: expenses relating to any special purpose vehicles formed for making or holding investments, expenses of prospective investments, whether or not consummated, costs, fees and expenses related to due diligence, proxies, brokerage commissions, trade errors that are not the result of a breach of the Adviser’s standard of care, additional research expenses such as: subscriptions to research services, research calls and meetings and research or industry conferences, expenses relating to the continual offer and sale of interests (iii) regulatory expenses of the Funds and the Adviser (including, without limitation, consulting fees, legal fees and filing fees, but excluding the Adviser’s Form ADV), expenses and costs associated with FATCA compliance or KYC obligations (such as outsourced diligence services); (iv) any withholding, transfer or other taxes imposed or assessed on, or collected from, the Fund or any of its Shareholders or partners (including any interest or penalties); and (v) telecommunication costs, computer hardware and software (including modifications, upgrades and servicing), fiber optic charges, and data (including Bloomberg and other information sources used for investment-related, compliance and other purposes), as determined by the Adviser in its sole and absolute discretion, and all other reasonable expenses related to the purchase, sale or transmittal of Fund assets. To the extent Fund assets are invested in a master-feeder structure, the applicable feeder fund bears a pro rata share of the expenses associated with the related master fund.

For expenses that relate to more than one client account, the Adviser’s general policy is to allocate such

expenses amongst the participating accounts pari passu based on relative assets under management or in proportion to the size of the investment made by each client to which such expense relates, or in such other manner as the Adviser considers fair and equitable.

For more information on brokerage transactions, please see Item 12 (Brokerage Practices).

D. Prepayment of Fees.

Please see responses to Item 5.A. above.

E. Compensation for Sale of Securities and Other Investment Products

Neither the Adviser 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

The Adviser and its affiliates accept Performance-Based Compensation from every client.

Because the Adviser and its investment personnel manage more than one client account, the potential exists for one client to be favored over another client. In particular, the Adviser and its investment personnel have a greater incentive to favor clients that pay the Adviser (and indirectly its investment personnel) higher Performance-Based Compensation. In addition, the principals and certain employees of the Adviser have personal investments in one or more of the Funds, and such investments are not proportionate among the various Funds. Accordingly, the Adviser has an incentive to favor Funds in which its principals or employees have a greater interest.

The Adviser has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple client accounts. The Adviser reviews Fund performance as part of the daily review of risk reports conducted by members of the Adviser's compliance group and as part of the Adviser's quarterly Pricing and Allocation Committee meetings. See Item 11 for discussion of the Adviser's allocation policies. The Adviser prohibits the allocation of investment opportunities based on anticipated compensation or profits to the Adviser, any affiliates or their professionals.

Performance-Based Compensation is subject to regulation under Section 205 of the Advisers Act and Rule 205-3 thereunder. Therefore, the Adviser seeks to ensure that any client or investors in a client that are directly or indirectly assessed Performance-Based Compensation meets the qualifications of Rule 205-3 under the Advisers Act and have been advised of such fees and their risks.

Item 7. Types of Clients

The Adviser generally provides investment advice to Funds, as described above in Item 4. The Adviser also provides investment advice to managed accounts for an insurance company's holding company and one of its subsidiaries and expects to provide investment advice to managed accounts for institutional and other investors in the future including affiliated insurance companies, co-investment vehicles, registered investment companies or listed vehicles.

The offering documents of each Fund set minimum amounts for investment by prospective investors in such Funds. These minimum amounts can be waived by the Adviser or an affiliate.

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

Methods of Analysis and Investment Strategies

The descriptions set forth in this Brochure of specific advisory services that the Adviser offers to clients, and investment strategies pursued, and investments made by the Adviser on behalf of its clients, should not be understood to limit in any way the Adviser's investment activities. The Adviser can offer any advisory services, engage in any investment strategy, and make any investment, including any not described in this Brochure, that the Adviser considers appropriate, subject to each client's investment objectives and guidelines. The investment strategies the Adviser pursues are speculative and entail substantial risks. Investors must be prepared to bear capital losses that might result from an investment in a client, including a complete loss of the investor's invested capital. There can be no assurance that the investment objectives of any client will be achieved.

The investment objective of the Utility Funds is to employ an energy and infrastructure-focused, long/short strategy which seeks to deliver absolute returns in all market conditions with minimal correlation to energy related indices and broader market indices. The investment objective of the Infrastructure Funds is to employ a long-biased equity strategy incorporating fundamental research to construct a portfolio of high conviction names in various energy and infrastructure sectors. The investment strategies utilized for the Infrastructure Funds will generally consist of long-term purchases and, to a lesser extent, short sales designed to allocate capital to compelling investment opportunities, while aiming to limit portfolio volatility and downside risk.

The Utility and Infrastructure Funds invest primarily in equity securities of electric and gas utilities, integrated utilities, water utilities, telecommunication companies, independent power producers and pipelines, exploration and production companies, oilfield services companies, renewable energy companies, real estate investment trusts, and more broadly in energy and infrastructure-related industries (such as chemicals, materials, transportation infrastructure and real estate equities). The Adviser seeks to achieve the clients' investment objectives primarily through individual security selection based on fundamental research and analysis.

The investment objective of the MidCap Funds is to employ a long/short strategy, generally focused on the energy and infrastructure sectors, which seeks to deliver absolute returns in all market conditions with minimal correlation to broader market indices. The MidCap Funds invest primarily in small to mid-cap public companies with securities that trade, or are expected to be traded, at approximately \$20 million per day or less on a rolling 1-year average; however, this threshold could be higher or lower in certain circumstances depending on the overall liquidity of a given sector. The MidCap Funds' investments include equities of electric and gas utilities, integrated utilities, water utilities, telecommunication companies, independent power producers, pipelines, exploration and production companies, oilfield services companies, renewable energy companies, and more broadly in energy and infrastructure related industries (such as chemicals, materials, transportation infrastructure, and real estate equities).

The Triple Net Fund is a real estate fund that serves as a vehicle to facilitate an investment in RGMZ Venture REIT LLC, a Delaware limited liability company.

Related Risks

The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in the clients. These risk factors include only those risks the Adviser believes to be material,

significant, unusual and relative to certain investment strategies or methods of analysis employed by the Adviser.

General Investment Risks. All client investments risk the loss of capital. There can be no assurance that a client's investment program will be successful or that the investments will increase in value. Clients and investors in clients should consult their own legal, tax and financial advisors prior to investing.

Market Risks. The profitability of a significant portion of each client's investment program will depend to a great extent upon correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that the Adviser will be able to predict accurately these price movements. With respect to the investment strategies utilized by the clients, there is always some, and occasionally a significant, degree of market risk.

Developments in Financial Markets. The global financial markets have gone through pervasive and fundamental disruptions and may do so again in the future. In light of such market turmoil and the potential weakening of the financial services industry, clients' and other financial institutions' financial condition can be adversely affected and they can become subject to legal, regulatory, reputational and other unforeseen risks that could have a material adverse effect on clients' business and operations. Furthermore, increased regulatory oversight may impose additional administrative burdens on the Adviser and clients, including, without limitation, responding to investigations and implementing new policies and procedures. Such burdens require the Adviser's (and affiliates') time, attention and resources that could otherwise be devoted to portfolio management activities.

Utility Industry Related Risks. The clients' investment portfolios contain securities in the electric and gas utility sectors. The risks associated with the long side of the portfolio of electric utility companies include those involving the construction, operation and licensing of nuclear power plants, including the risk of nuclear accident. The market value of the stock of electric and gas utility companies also could be adversely affected by inadequate rate increases from regulatory agencies. Conversely, the short side of the portfolio is subject to different risks, which might cause the price of these securities to rise, such as higher than expected dividends, unexpectedly positive regulatory changes, merger takeover or acquisition and lower interest rates. Other risks of electric and gas utilities include their sensitivity to changes in interest rates, their continuing requirements for raising additional capital and their obligation to comply with environmental and other governmental mandates.

Concentration in Energy and Utility Sector. Since the clients' investment portfolios are concentrated in the energy and/or utility sectors, such investment portfolios can be subject to more rapid change in value than would be the case if the clients were to maintain a wide diversification among securities or industry sectors. Furthermore, even within the energy and utility sectors, the investment portfolios can be relatively concentrated. This lack of diversification could subject the investments of the clients to more rapid change in value than would be the case if the assets of the clients were more widely diversified.

The value of the clients' portfolios can be vulnerable to factors affecting the energy and utility industries, such as increasing regulation of the energy and utility sectors by both the U.S. and non-U.S. governments, developments in the energy and utility sectors and conservation incentives. Increased energy and/or utility regulations could, among other things, increase compliance costs and affect business opportunities for the companies in which the clients invest.

In addition, energy markets can be subject to short-term volatility due to a variety of factors, including weather, international political and economic developments, supply and demand for the relevant energy resource, interest rates, currency exchange rates, investment and trading activities in commodities markets, special risks of constructing and operating facilities, breakdowns in the facilities for the production, storage or transport of energy and energy-related products, acts of terrorism, changes in government regulation

and sudden changes in fuel prices. Clients face the risk that the earnings, dividends, and stock prices of energy companies will be greatly affected by changes in the prices and supplies of oil, gas and other energy resources. Companies operating in the energy sector could be affected by fluctuations in the prices of energy commodities, including, for example, natural gas, natural gas liquids, crude oil and coal, in the short- and long-term. Fluctuations in energy commodity prices would directly impact companies that own such energy commodities and could indirectly impact companies that engage in transportation, storage, processing, distribution or marketing of such energy commodities. Fluctuations in energy commodity prices can result from changes in general economic conditions or political circumstances (especially of key energy-consuming countries), market conditions, weather patterns, domestic production levels, volume of imports, energy conservation, domestic and foreign governmental regulation, international politics, policies of the Organization of Petroleum Exporting Countries, taxation, tariffs, and the availability and costs of local, intrastate and interstate transportation methods. The energy sector as a whole can also be impacted by the perception that the performance of energy sector companies is directly linked to commodity prices. Because the clients' performance depends on a variety of factors affecting energy companies, in addition to factors affecting the stock markets generally, the performance of the clients could decline, even if the performance of either the U.S. or foreign stock markets are positive.

Depletion Risk. Companies engaged in the exploration, development, management or production of energy commodities face the risk that commodity reserves are depleted over time. Such companies seek to increase their reserves through expansion of their current businesses, acquisitions, further development of their existing sources of energy commodities, or exploration of new sources of energy commodities or by entering into long-term contracts for additional reserves; however, there are risks associated with each of these potential strategies. If such companies fail to acquire additional reserves in a cost-effective manner and at a rate at least equal to the rate at which their existing reserves decline, their financial performance can suffer. Additionally, failure to replenish reserves could reduce the amount and affect the tax characterization of the distributions paid by such companies.

Real Estate Equities. Real estate equity investments are subject to varying degrees of risk. Real estate values are affected by a number of factors, including changes in the general economic climate, local conditions (such as an oversupply of space or a reduction in demand for space), the quality and philosophy of management, competition based on rental rates, attractiveness and location of the properties, financial condition of tenants, buyers and sellers of properties, quality maintenance, insurance and management services, and changes in operating costs. Real estate values are also affected by such factors as government regulations (including those governing usage, improvements, zoning and taxes), interest rate levels, the availability of financing and potential liability under changing environmental and other laws.

Valuation and Liquidity Risk of Real Estate Investments. There can be no assurance that there will be a liquid market for real estate investments. The market prices for such investments can be volatile and are not always readily ascertainable. The ability to liquidate a real estate portfolio investment is reliant upon the health and stability of the global capital, credit and real estate markets. However, any unforeseen macro-economic events and/or adverse changes to the global capital, credit and real estate markets could force a change to a liquidation strategy as well as a business plan specific to a real estate portfolio investment, which could make it more difficult to determine the fair value of the portfolio investment. Further, such fair value (which is determined as per the Adviser's real estate valuation policy) from time to time, will differ from the amount ultimately realized from a portfolio investment, and the differences could be material.

Commodities Risk. Commodity prices generally relate to the overall level of economic activity and industrial production. Historically, during periods of economic or financial instability, commodities and the securities of producers have been subject to extreme fluctuations in market price. The earnings and general financial conditions of producers are highly dependent on the market price of the underlying resources which, historically, have been extremely volatile. Natural disasters, such as earthquakes,

droughts and floods, can lead to severe supply disruptions. These events can significantly influence prices of commodities and prices of natural resource equities. Similarly, supply interruptions as a result of social factors such as strikes and civil unrest can have a material impact on commodity prices. The production of some commodities can be concentrated in geographic regions or specific countries, and as such the impact of natural, political or social factors can have a significant effect. Commodity prices can be influenced, often unpredictably, by co-operative or coordinated actions, by producers or sovereign nations (e.g., members of the Organization of the Petroleum Exporting Countries). New technology could lead to substitution of a commodity or commodities, thereby reducing demand. Similarly, new technology could lower production costs and increase supply of a commodity, influencing its price.

Master Limited Partnerships. The value of the clients' investments in MLPs will depend largely on the MLPs being treated as partnerships for federal income tax purposes. If an MLP does not meet current law requirements to maintain partnership status, or if it is unable to do so because of tax law changes, it would be taxed as a corporation. In that case, the MLP would be obligated to pay income tax at the entity level and distributions received by the clients would be taxed entirely as dividend income and subject to US withholding tax. As a result, there would be a material reduction in such client's after-tax return.

Items of income, gains, losses and deductions of each MLP will flow through to a client in its capacity as a partner of the MLP. Historically, a substantial portion of MLP income has been offset by tax deductions. If the amount of MLP income tax deductions that can be claimed by a client is less than anticipated, the investors will incur greater current income taxes. A significant slowdown in acquisition activity by the MLPs in a client's portfolio also could accelerate the investors' obligations to pay income taxes due in part to less accelerated depreciation generated by new acquisitions. In addition, distributions from the MLP could be treated as dividend income (the amount of which would be determined, in part, by the amount of depreciation or amortization deductions claimed by such an MLP on its federal corporate income tax return, which in the case of many MLPs would be substantial). As a result of any such MLP's being treated as a corporation for federal income tax purposes, there would be a material reduction in the client's returns on its investments in MLPs.

Increased Costs of Frequent Trading. The clients' investment strategies can involve frequent trading due to the active nature of such clients' portfolios. As a result, the brokerage and commission expenses of such clients will generally exceed those of other, less active, investment entities of comparable size.

Business and Financial Risk of Portfolio Companies. The companies in which the clients invest (both public and private) can involve a high degree of business and financial risk. The companies in which the clients plan to invest could be operating at a loss or have significant variations in operating results, could be engaged in a rapidly changing business with products subject to a substantial risk of obsolescence, could require substantial additional capital to support their operations, to finance expansion or to maintain their competitive position, or could otherwise have a weak financial condition. The companies in which the clients invest are a times highly leveraged. Leverage can have important consequences to these companies and the clients as investors. These companies can be subject to restrictive financial and operating covenants. The leverage could impair these companies' ability to finance their future operations and capital needs. As a result, these companies' flexibility to respond to changing business and economic conditions and to business opportunities can be limited. A leveraged company's income and net assets will tend to increase or decrease at a greater rate than if borrowed money were not used.

In addition, portfolio companies generally face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing, and other capabilities, and a larger number of qualified managerial and technical personnel.

Small to Medium Cap Stocks. At any given time, the clients can have investments in smaller-to-medium sized companies with market capitalizations of less than \$5 billion. These securities often involve greater

risks than the securities of larger, better-known companies.

Short Sales. Certain of the clients' investment programs typically include a significant amount of short selling. Short selling, or the sale of securities not owned by a client, necessarily involves certain additional risks. Such transactions expose a client to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed by such client in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, wherein such client might be compelled, at the most disadvantageous time, to replace borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier. There can be no assurance that securities necessary to cover a short position will be available for purchase.

Leverage. The clients' investment programs generally utilize leverage which involves the borrowing of funds from brokerage firms, banks and other institutions in order to be able to increase the amount of capital available for marketable securities investments. Although leverage increases returns to investors if a client earns a greater return on the investments purchased with borrowed funds than it pays for such funds, the use of leverage decreases returns to investors if such client fails to earn as much on such investments as it pays for such funds. A client faces additional risks in the event that its securities or other assets posted as collateral for borrowings decline in value, or the lender changes the margin requirements. In this event, such client could be subject to a "margin call" or "collateral call" pursuant to which such client must deposit additional assets with the lender or suffer mandatory liquidation of the pledged collateral to compensate for the decrease in value of the collateral.

Options. Purchasing put and call options, as well as writing such options, are highly specialized activities and entail greater than ordinary investment risks especially when such options are not used as a hedge or are uncovered. Because option premiums paid or received by an investor will be small in relation to the market value of the investments underlying the options, buying and selling put and call options can result in large amounts of leverage. As a result, the leverage offered by trading in options could cause an investor's asset value to be subject to more frequent and wider fluctuations than would be the case if the investor did not invest in options.

Non-U.S. Securities. Investing in securities of non-U.S. governments and companies which are generally denominated in non-U.S. currencies and utilization of options on non-U.S. securities involves certain considerations comprising both risks and opportunities not typically associated with investing in securities of the U.S. Government or U.S. companies. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the U.S., higher transaction costs, less government supervision of exchanges, brokers and issuers, greater risks associated with counterparties and settlement, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

Special Situations. The clients can invest in companies involved in (or the target of) acquisition attempts or tender offers or in companies involved in or undergoing work-outs, liquidations, spin-offs, reorganizations, bankruptcies or other catalytic changes or similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the clients of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, a client could be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which the clients invest, there is a potential risk of loss by the clients of their entire investments in such companies.

Initial Public Offerings. Certain of the clients' investment portfolios at times contain securities from initial public offerings. The risks associated with long positions in such companies include poor market conditions or poor reception for the securities in the secondary market. The market value of new securities also can be adversely affected by bear markets, excessive market volatility and rising interest rates. Conversely, short positions in such companies are subject to different risks, which might cause the price of the securities to rise, such as higher than expected earnings reports, unexpected positive contracts, mergers, takeovers or other acquisitions or restructurings (whether unconfirmed or announced), lower interest rates and positive investor sentiment (whether or not supported by underlying fundamentals).

Private Investments in Public Equities. Certain of the clients' investment portfolios can make private investments in public equities ("PIPEs"). In a PIPE transaction, a client could be required to enter into a lock-up agreement and will be subject to securities law restrictions on its ability to liquidate the shares. As a result, such client could be required to bear the price risk from the time of pricing for a period of six months or longer. In addition, a client could have to commit to purchase a specified number of shares at a fixed price, with the closing conditioned upon, among other things, the SEC's preparedness to declare effective a resale registration statement covering the resale, from time to time, of the shares sold in the private financing. To the extent that the public market for such companies declines, it is possible that private investments in public equities transactions will generate losses or returns that do not justify the risk associated with such investments. In addition, due to securities law regulations, the client could be restricted from *selling*, or hedging its exposure to, such securities during a time when the client would otherwise seek to do so. For example, the client can be required to hold such security even though the value of such security is continuing to decrease. Such restrictions could have an adverse effect on the client and its ability to achieve its investment objective.

Counterparty and Settlement Risk. To the extent a client invests in swaps, "synthetic" or derivative instruments, repurchase agreements, forward contracts, certain types of options or other customized financial instruments, or, in certain circumstances, non-U.S. securities, such client takes the risk of non-performance by the other party to the contract. This risk includes credit risk of the counterparty and the risk of settlement default. These risks can differ materially from those entailed in exchange-traded transactions, which generally are supported by guarantees of clearing organizations, daily marking-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. In addition, a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, whether or not a counterparty of a client, can cause a series of defaults by the other institutions, some of which could be counterparties of such client. Such a circumstance also can adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which such client interacts on a daily basis. Misconduct by counterparties could also cause significant losses to a client.

In addition, with respect to synthetic securities, a client will usually have a contractual relationship only with the counterparty of such synthetic securities, and not the reference obligor on the debt security or other obligation upon which the synthetic security is based (the "Reference Obligation"). A client generally will have no right to directly enforce compliance by the reference obligor with the terms of the Reference Obligation or any rights of off-set against the reference obligor, nor have any voting rights with respect to the Reference Obligation. A client will not benefit directly from the collateral supporting the Reference Obligation or have the benefit of the remedies that would normally be available to a holder of such Reference Obligation. In addition, in the event of insolvency of the counterparty, a client will be treated as a general creditor of such counterparty and will not have any claim with respect to the credit risk of the counterparty as well as that of the reference obligor. As a result, concentrations of synthetic securities in any one counterparty subject the notes to an additional degree of risk with respect to defaults by such counterparty as well as by the reference obligor.

Custody and Prime Brokerage Risk. There are risks involved in dealing with the custodians or prime brokers who settle client trades. The clients maintain custody accounts with prime brokers. Although the Adviser monitors the prime brokers and believes that they are appropriate custodians, there is no guarantee that any of the prime brokers, or any other custodian that the clients use from time to time, will not become bankrupt or insolvent. While both the U.S. Bankruptcy Code and the Securities Investor Protection Act of 1970 seek to protect customer property in the event of a bankruptcy, insolvency, failure, or liquidation of a broker-dealer, it is likely that, in the event of a failure of a broker-dealer that has custody of client assets, the clients would incur losses due to their assets being unavailable for a period of time, the ultimate receipt of less than full recovery of its assets, or both.

The clients and/or any of the prime brokers can appoint sub-custodians in certain non-U.S. jurisdictions to hold the assets of the clients. Such prime brokers in some instances are not responsible for cash or assets which are held by sub-custodians in certain non-U.S. jurisdictions, nor for any losses suffered by the clients as a result of the bankruptcy or insolvency of any such sub-custodian. The clients will therefore have a potential exposure on the default of any sub-custodian and, as a result, many of the protections that would normally be provided to a fund by a custodian would not be available to the clients. Further, the investment strategy of the clients can require the Adviser to actively trade the clients' portfolios, and if as a result of the insolvency of a custodian or prime broker, the Adviser is not able to actively trade the clients' portfolios for some period of time, the clients could be significantly adversely affected. Under certain circumstances, including certain transactions where the clients' assets are pledged as collateral for leverage from a non-broker-dealer custodian or a non-broker-dealer affiliate of one of the prime brokers, or where the clients' assets are held at a non-U.S. custodian, the securities and other assets deposited with the custodian or broker could at times not be clearly identified as being assets of the clients and hence the clients could be exposed to a credit risk with regard to such parties. Custody services in certain non-U.S. jurisdictions remain undeveloped and, accordingly, there is a transaction and custody risk of dealing in certain non-U.S. jurisdictions. Given the undeveloped state of regulations on custodial activities and bankruptcy, insolvency, or mismanagement in certain non-U.S. jurisdictions, the ability of the clients to recover assets held by a sub-custodian in the event of the sub-custodian's bankruptcy or insolvency could be in doubt, as the clients can be subject to significantly less favorable laws than many of the protections that would be available under U.S. laws.

Increased Regulatory Risk. Increased regulation and regulatory oversight of private investment funds and their managers may impose administrative burdens on the Adviser, including, without limitation, responding to examinations and other regulatory inquiries and implementing policies and procedures. Such administrative burdens may divert the Adviser's time, attention and resources from portfolio management activities. Such regulatory inquiries are generally 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 August 2023, the SEC adopted new rules and rule amendments under the Advisers Act (collectively, the "Private Fund Advisers Rules") that significantly expand the regulatory compliance requirements for investment advisers of private investment funds. The rules are being challenged in court, but the outcome of that litigation remains unclear.

If the Private Fund Advisers Rules are not overturned or limited by the pending legal challenge, they will impose additional requirements on the Adviser, the implementation of which could result in material alterations to the operations of the Funds and impact the investment strategies of the Funds. Such requirements include but are not limited to: additional reporting and disclosure obligations, limitations with respect to the expenses to be borne by the Funds, and consent requirements with respect to certain actions by the Adviser. Certain incremental costs and expenses of compliance with the Private Fund Advisers Rules, to the extent permitted under the partnership agreement of the Funds and consistent with

applicable law, would be borne by the Funds, and could be significant. The implementation of the Private Fund Advisers Rules could require the Adviser to allocate additional resources to compliance with the rule, which could impact the availability of these resources for other aspects of the management of the Funds. There can be no assurance that such alterations made pursuant to the Private Fund Advisers Rules will not have a material adverse effect on the Adviser or the Funds or their investments.

Dependence on Information Systems and Cyber-Security Threats. The Adviser's business is highly dependent on its communications and information systems. Any failure, interruption or unauthorized access of these systems could cause delays or other problems in the Adviser's securities trading activities, which could have a material adverse effect on clients. The Adviser faces various cyber and security threats, including malicious software, attempts to gain unauthorized access to data, and other electronic security breaches that could lead to disruptions to critical systems, unauthorized release of confidential or otherwise protected information and corruption of data, network or systems.

Volatile Markets. The clients' portfolio investments can be adversely affected by changes in economic conditions or political events that are beyond the Adviser's and the clients' control. Continued prevalence or mutation of the Covid-19 outbreak, acts of terrorism, the escalation of international conflicts, and/or the imposition of sanctions, countersanctions and credit rating downgrades may result in extreme market volatility and limited liquidity, which would adversely affect the Adviser and its clients. These market conditions present the risk of large losses. Price movements are influenced by many unpredictable factors, such as market sentiment, inflation rates, political events, interest rate movements, natural disasters, epidemics, pandemics and general economic conditions. A recent failure of major U.S. and international banks is one of the upshots of such volatility. Although the Adviser monitors its counterparties on a regular basis, there can be no guarantee that the Adviser and the clients will not enter into arrangements with counterparties, including banks, that later become insolvent, resulting in potential material losses. Any of these factors can have a material adverse effect on the Adviser and/or the clients.

Inflation Risk. Inflation risk is the risk that the value of assets or income from clients' investments will be worth less in the future as inflation decreases the value of payments at future dates. As inflation increases, the real value of the clients' portfolios could decline and the interest payments on clients' borrowings, if any, could increase. Inflation and rapid fluctuations in inflation rates have had in the past, and could in the future have, negative effects on economies and financial markets, which can consequently have a materially adverse impact on the investment performance of the clients or their relationships with counterparties, including as a result of bank failures. There can be no guarantee that the clients will not transact with banks or other counterparties that would subsequently become insolvent and such insolvency can have a material negative impact on the clients and their performance. Wages and prices of inputs increase during periods of inflation, which can negatively impact returns on investments. In an attempt to stabilize inflation, countries can impose wage and price controls or otherwise intervene in the economy. Governmental efforts to curb inflation often have negative effects on the level of economic activity. There can be no assurance that inflation will not become a serious problem in the future and have an adverse impact on a client's returns.

Tax Audit Risk. The tax treatment of clients and investment portfolios is complex. There is no assurance that the tax positions taken by the Adviser will be accurate.

Please refer to each Fund's applicable offering memorandum for a more detailed description of the risks associated with the Adviser's methods of analysis and investment strategies and techniques.

Certain Conflicts of Interest

Various potential and actual conflicts of interest arise from the overall investment activities of the Adviser and its affiliates for their own accounts and for the accounts of others, including clients. The following

briefly summarizes some of these conflicts but is not intended to be an exhaustive list of all such conflicts.

There can be circumstances where an opportunity or amount that would have otherwise been allocated to a Fund will instead be allocated to co-investors (who either are or are not investors in such Fund, including, for greater certainty, investors in other clients or the principal and other senior personnel of the Adviser (or its affiliates)), and there is no guarantee that any investor will be offered any such co-investment opportunities or that a Fund will receive such allocation. As a general matter, the allocation of co-investment opportunities is entirely discretionary and it is expected that many investors in Funds who have expressed an interest in co-investment opportunities will not be allocated any co-investment opportunities or will receive a smaller amount of co-investment opportunities than the amount requested. The Adviser will take into account various facts and circumstances deemed relevant by the Adviser in allocating co-investment opportunities, including, but not limited to, whether a potential co-investor has expressed an interest in evaluating co-investment opportunities, the potential strategic implication of the investors co-investment, the Adviser's assessment of a potential co-investor's ability to invest an amount of capital that fits the needs of the investment (taking into account the amount of capital needed as well as the maximum number of investors that can realistically participate in the transaction) and the Adviser's assessment of a potential co-investor's ability to commit to a co-investment opportunity within the required timeframe of the particular transaction. In the event a transaction is not ultimately consummated, co-investors generally would not bear any related broken deal expenses (such as reverse termination fees, extraordinary expenses such as litigation costs and judgments and other expenses) even if such co-investors would have borne their proportionate share of any transaction expenses had the investment been consummated. Similarly, if a co-investor is required to bear their proportionate share of any transaction expenses, it could fail to fund its portion of broken-deal expenses. In such events a Fund, together with any participating other clients, could bear a disproportionate share of broken deal expenses that would otherwise have been borne by such co-investors. Finally, the fee structure for the co-investor could differ from the fee structure for the Fund.

The Adviser (or its affiliate) can act as investment adviser or investment manager for others (or have an interest in such an investment adviser or investment manager), can manage funds or capital for others, can have, make and maintain debt or equity investments in its own name or through other entities and can serve as an officer, director, consultant, partner or stockholder of one or more private or listed investment funds, partnerships, securities firms, advisory firms, insurance or reinsurance companies or Special Purpose Acquisition Companies ("SPACs"). Under certain circumstances, clients can hold an interest in certain entities that the Adviser (or its affiliate) hold an interest, serve as investment adviser or investment manager (or have an interest in such an investment adviser or investment manager) and/or serve as an officer, director, consultant, partner or stockholder, including certain SPAC investments. below. Additionally, in some instances the Adviser (or its affiliate) will have the opportunity to vote shares held by clients in favor of certain strategic initiatives by the Adviser (or its affiliate). In these instances, the Adviser (or its affiliate) will face conflicts in voting the shares held by such clients, as described further in Item 17 below.

Certain clients or the principal and other senior personnel of the Adviser (or its affiliates) can, in certain circumstances, acquire an investment and subsequently syndicate, or sell some or all of it, to, or permit co-investment in such investment by, other clients, co-investors (including the principal and other senior personnel of the Adviser (or its affiliates), or affiliates or related parties of the foregoing (a "Transfer"), notwithstanding the availability of capital from such clients and other investors thereof or applicable credit facilities. The Adviser can cause these Transfers to be made at cost, or cost plus an interest rate or investment expenses and carrying cost (including financing costs) charged from the time of acquisition by a client or the principal or other senior personnel of the Adviser (or its affiliates), to the time of Transfer, notwithstanding that the fair market value of any such investments could have declined below or increased above cost from the date of acquisition to the time of such Transfer. The Adviser can also determine another methodology for pricing such a Transfer, including fair market value at the time of Transfer. Conflicts of interest are expected to arise in connection with these affiliate transactions, including with respect to timing, structuring, pricing and other terms. More specifically, clients could initially acquire all

or a portion of certain investments intended as co-investments and syndicate all or part of such co-investments to one or more co-investors or such syndication could fail and the client will be required to hold the entire investment which could lead to overexposure to a particular investment opportunity, including illiquid investments. The value of the investment during such period could increase by a greater amount, but the clients will not receive the full benefit of such increase. Additionally, an investor who withdraws out of a Fund prior to such Transfer would not receive the benefit of a total or partial realization on the investment, or reimbursement of investment expenses or carrying costs (including financing costs), in connection with such Transfer.

Certain clients have invested in and may in the future invest in closed-end registered investment companies (“Closed-End RICs”). A conflict of interest will arise if the Adviser or its affiliates acquires an ownership interest in the investment manager to a Closed-End RIC in which the clients invest because the Adviser or its affiliates will indirectly receive fees from the Closed-End RIC through its interest in the Closed-End RIC’s investment manager. While the Adviser will take steps to mitigate the conflict, the Adviser will be conflicted in making investment decisions for the Fund because of the Adviser’s or its affiliates’ interest in the Closed-End RIC’s investment manager.

The Adviser or its affiliates will generally select the clients’ service providers and will determine the compensation of such providers without review by or the consent of the clients’ investors or other independent party. The clients will bear the fees, costs and expenses related to such services. The Adviser or its affiliates can enter into arrangements with service providers that provide for fee discounts for services rendered to the Adviser and its affiliates. In addition, in certain circumstances, research expenses that the clients pay for using soft dollars also reduce the compensation of certain employees of the Adviser. The Adviser addresses these conflicts of interest by using reasonable diligence to ascertain whether each service provider provides its service on a “best execution” basis, taking into account factors such as expertise, availability and quality of service and the competitiveness of compensation rates of a particular service provider in comparison to other service providers satisfying the Adviser’s service provider selection criteria.

The business terms and structures of the Funds were not negotiated at arm’s length. The Funds do not have counsel separate and independent from that of the Adviser. No separate counsel has been retained by the Funds or the Adviser to represent or to act on behalf of investors in the Funds.

Item 9. Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of the Adviser's advisory business or the integrity of the Adviser's management.

Item 10. Other Financial Industry Activities and Affiliations

A. Broker-Dealer Registration Status.

The Adviser and its respective management persons are not registered as broker-dealers and do not have any application pending to register with the SEC as broker-dealers or registered representatives of broker-dealers.

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

The Adviser and its respective management persons are not registered as, and do not have any application to register as, futures commission merchants, commodity pool operators, commodity trading advisors, or associated persons of the foregoing entities.

C. Material Relationships or Arrangements with Industry Participants

Other than its relationship with its affiliates, as described in Item 4.B., the Adviser and its management persons do not have material relationships or arrangements with industry participants.

However, insurance companies indirectly owned and controlled by Stuart Zimmer (and trusts established for the benefit of his immediate family members) invest in the Utility Fund through ZP Utility Insurance Fund, L.P. (the “Insurance Feeder”). It is possible that the other Utility Fund feeders will be materially affected by the actions of the Insurance Feeder. For example, if the Insurance Feeder redeems from ZP Master Utility Fund, Ltd., the other feeder funds can experience higher pro rata operating expenses, thereby producing lower returns. Similarly, ZP Master Utility Fund, Ltd. could become less diverse due to a withdrawal by the Insurance Feeder, resulting in increased portfolio risk. The Adviser attempts to mitigate these risks by causing the insurance companies to invest in the Insurance Feeder on terms that are substantially similar to those applicable to other Utility Fund investors.

D. Selection of Other Investment Advisers.

The Adviser does not recommend or select other investment advisers for the clients.

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

A. Code of Ethics.

The Adviser has adopted a Code of Ethics that has been designed to comply with the requirements of Rule 204A-1 of the Advisers Act. The Code of Ethics prohibits employees from engaging in personal securities transactions for most securities and provides reporting and pre-clearance requirements with respect to gifts and entertainment, and outside business activities. Employees' personal business or investment transactions are pre-cleared when necessary and monitored by the Adviser's compliance personnel. The Code of Ethics also contains policies and procedures designed to prevent the misuse of material, non-public information. All personnel of the Adviser are required to certify their compliance with the Code of Ethics on a periodic basis. Clients or prospective clients can obtain a copy of the Code of Ethics by contacting the Adviser at the address or telephone number listed on the first page of the Brochure.

B. Securities in Which You or a Related Person Has a Material Financial Interest.

The Adviser or an affiliate acts as a general partner in one or more U.S. Funds in which the Adviser solicits client investments and also acts as investment adviser to one or more offshore Funds (for non-U.S. investors and U.S. tax-exempt investors) in which the Adviser solicits investments. The Adviser, its employees, affiliates or their related persons are invested directly in certain of the Funds, but not in others (including, for example, the Utility Funds, the Infrastructure Funds and the MidCap Funds, in which certain entities that are owned and controlled by Stuart J. Zimmer (and trusts established for the benefit of his immediate family members) have made significant investments). Investors generally will not be provided with notice of principals' or employees' investments in, or withdrawals from, a Fund. These practices create a conflict of interest because the Adviser or related person has an incentive to recommend securities to Funds based on its own financial interests, rather than solely the interests of a Fund.

On occasion, the Adviser, on behalf of the clients, engages in cross trades. If the Adviser determines that it is advisable to engage in such a cross trade, the Adviser will (i) ensure that the trade is in the respective best interest of the clients involved; (ii) ensure that the transaction is consistent with the duty to obtain best execution; and (iii) rely on the Adviser's valuation procedures to determine the appropriate price at which to effect the transaction. The Adviser will receive no transaction-based compensation in connection with cross trades (other than incentive allocations and management fees received in the ordinary course of business). To the extent a cross trade is viewed as a principal transaction due to the ownership interest in a Fund by the Adviser or its personnel, the Adviser will either not effect such transactions or comply with the requirements of Section 206(3) of the Advisers Act, including that any such transactions will be considered on behalf of investors in such a client and approved or disapproved by (i) an advisory board comprised of representatives of such investors or (ii) a committee consisting of one or more persons selected by the Adviser (or its affiliate), and any valuation approved by such a committee will be determined by an independent third party that has appropriate experience in providing such valuations. The Pricing and Allocation Committee reviews principal and internal cross transactions that took place during the prior quarter.

C. Investing in Securities That You or a Related Person Recommends to Clients.

The Code places restrictions on personal trades by employees. Employees are required to disclose their personal securities holdings and transactions to the Adviser on a periodic basis and are required to pre-clear certain types of personal securities transactions. Generally, and subject to certain exceptions, the Adviser's employees cannot engage in personal securities trading. Employees can however purchase and sell mutual funds, municipal securities, money market instruments and certain broad-based, liquid exchange-traded funds ("ETFs"). Disposition of securities not otherwise permitted that are held in an employee's personal trading accounts must be pre-cleared.

Some clients invest in the same or similar mutual funds and ETFs that employees are permitted to transact in; however, the Adviser does not view this as a significant conflict of interest due to the large market for and liquidity of these types of investments.

The Adviser's personal account trading policies and procedures also extend to employees' spouses, minor children, any individuals residing in the same household and over whose purchases, sales or other trading activities the employee exercises control or investment decision, persons to whom the employee provides financial support and either whose financial affairs the employee controls or for whom the employee provides discretionary advisory services, any trust or other arrangement which names the employee as a beneficiary, and any partnership, corporation, or other entity in which the employee is a director, officer or general partner or in which the employee has a 25% or greater beneficial interest or in which the employee owns a controlling interest or exercises effective control.

D. Conflicts of Interest Created by Contemporaneous Trading.

Although the Adviser will attempt to allocate investment opportunities in a manner which is in the best interests of all the entities involved and will allocate investment opportunities believed to be appropriate for one or more clients among the clients in a manner which the Adviser determines is fair and equitable under the circumstances to all clients, there can be no assurance that an investment opportunity which comes to the attention of the Adviser will not be allocated to one client and not another client, with such other client being unable to participate in such investment opportunity or participating only on a limited basis. In addition, it is noted that there are circumstances under which the Adviser will consider participation by certain clients in investment opportunities in which the Adviser does not intend to invest, or intends to invest only on a limited basis, on behalf of other clients. The Adviser will evaluate for the clients a variety of factors which can be relevant in determining whether a particular situation or strategy is appropriate and feasible for a particular client at a particular time, including the nature of the investment opportunity taken in the context of the other investment or regulatory limitations on a client and the transaction costs involved. Because these considerations can differ for each client in the context of any particular investment opportunity, investment activities of the clients differ considerably from time to time. Situations can occur where a client could be disadvantaged because of the investment activities conducted by the Adviser for other clients due, among other things, to the limited availability of an opportunity or the market impact of orders for multiple accounts. For example, co-investing funds and accounts could have different terms, investment strategies, return profiles and/or structures than a client. These factors could result in such client's investment being made or disposed of at a different time or with differing costs or terms than the co-investor. From the standpoint of a client, simultaneous identical portfolio transactions for multiple clients tend to decrease the prices received, and increase the prices required to be paid, by such client for its portfolio sales and purchases. Where less than the maximum desired number of shares of a particular security to be purchased is available at a favorable price, the shares purchased will be allocated among the clients in an equitable manner as determined by the Adviser.

The Adviser has determined and expects in the future to determine that certain investments will be suitable for acquisition by one or more clients. The Adviser will make investment decisions consistent with the

investment mandate of each client. If it is determined by the Adviser that a particular investment is suitable for more than one client, it will make such allocations among clients in any manner which it considers to be fair and equitable under the circumstances, including, but not limited to, allocations based on relative account sizes, the degree of risk involved in the investments acquired, the size, liquidity and duration of the investment opportunity, and the extent to which such investments are consistent with the investment policies and strategies of the various accounts involved. Additionally, if the Adviser is not able to acquire the desired aggregate amount of an investment that it wishes to allocate to multiple clients, the Adviser will endeavor to allocate in good faith the limited amount of such investment acquired among the various clients for which the Adviser considers it to be suitable.

The Chief Compliance Officer, in conjunction with the Adviser's compliance staff, monitors the conflicts of interest described above, including personal account trading, allocation and aggregation of trades and cross trading. The Pricing and Allocation Committee also reviews these issues at its regular quarterly meetings.

A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions.

The Adviser is authorized to determine the broker or dealer to be used for each securities transaction for the clients. The Adviser considers a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation. In determining best execution, an investment manager can take into account the full range and quality of a broker's services that benefit an account under management such as brokerage, research and other services. In selecting the counterparties to execute a particular transaction, the Adviser uses its best judgment in evaluating the terms of the transaction, and gives consideration to various relevant factors, which generally include financial stability, credit-worthiness, and general reputation of the broker, actual executed price of the security and the broker's commission rates, research (including economic forecasts, investment strategy advice, fundamental and technical advice on individual securities, valuation advice and market analysis), custodial and other services provided by such brokers and/or dealers that are expected to enhance the Adviser's general portfolio management capabilities, size and type of the transaction, difficulty of execution and the ability to handle difficult trades, operational efficiency and facilities of the brokers and/or dealers involved including back office efficiency, ability to handle a block order for securities and distribution capabilities, clearing broker's responsiveness to the Adviser and the Adviser's ability to negotiate standard agreement terms that adequately protect the clients. Therefore, the Adviser will not necessarily negotiate "execution only" commission rates and could "pay up" for research and other services provided by the broker through the commission rate ("soft dollars"). However, since commission rates are generally negotiable, selecting brokers on the basis of considerations which are not limited to applicable commission rates can result in higher transaction costs than would be otherwise obtainable.

The Adviser maintains policies and procedures to review the quality of executions, including periodic review by its investment professionals and the Pricing and Allocation Committee.

Section 28(e) of the U.S. Securities Exchange Act of 1934, as amended, is a "safe harbor" that permits an investment manager to use Commissions to obtain research and brokerage services that provide lawful and appropriate assistance in the investment decision-making process. The Adviser will limit the use of Commissions to obtain research and brokerage services to services which constitute research and brokerage within the meaning of Section 28(e). Research services within Section 28(e) 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) 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, the Adviser receives a product or service that is used only partially for functions within Section 28(e) (*e.g.* an order management system, trade analytical software or proxy services). In such instances, the Adviser will make a good faith effort to determine the relative proportion of the product

or service used to assist the Adviser in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other purposes outside Section 28(e).

Within the last fiscal year of the Adviser or its related persons acquired the following types of products and services with client brokerage commissions (or markups or markdowns):

- Research reports and forecasts on particular industries and companies;
- Economic data, surveys, research and analyses;
- Research consultant services;
- Market, industry and financial data and analysis;
- Company and industry news, public filing and event aggregators;
- Exchange fees;
- Trading software and services and post-trade allocation and settlement services

The Chief Compliance Officer, in consultation with the Pricing and Allocation Committee and legal counsel, as necessary, will determine whether a service can be paid with soft dollars. The use of client commissions (or markups or markdowns) to obtain research and brokerage products and services raises conflicts of interest. For example, the Adviser will not have to pay for the products and services itself. This creates an incentive for the Adviser to select or recommend a broker-dealer based on its interest in receiving those products and services.

Research and brokerage services obtained by the use of commissions arising from the clients' portfolio transactions can be used by the Adviser in its other investment activities and thus, the relevant client is not necessarily, in any particular instance, the direct or indirect beneficiary of the research or brokerage services provided. The Adviser does not allocate soft dollar benefits to clients proportionately to the soft dollar credits the accounts generate.

Although the Adviser will make a good faith determination that the amount of commission rates paid is reasonable in light of the products or services provided by a broker, commissions are generally negotiable and thus, selecting brokers on the basis of considerations that are not limited to the applicable commission rates can 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 create a potential conflict of interest between the Adviser and its clients and investors.

The Adviser can place transactions with a broker or dealer that (i) provides the Adviser (or an affiliate) with the opportunity to participate in capital introduction events sponsored by the broker-dealer or (ii) refers investors to the Funds, if otherwise consistent with seeking best execution; provided the Adviser is not selecting the broker-dealer in recognition of the opportunity to participate in such capital introduction events or the referral of investors.

The Adviser has complete discretion in deciding what brokers and dealers the clients will use and in negotiating the rates of compensation the clients will pay and does not permit clients to direct brokerage. The Pricing and Allocation Committee reviews whether the Adviser has sought best execution during its regular quarterly meetings.

B. Aggregation of Orders

If the Adviser determines to buy or sell the same security, including interests in a private investment vehicle, on behalf of more than one client, it can, but is under no obligation to, aggregate, to the extent permitted by applicable law and regulations, client orders to achieve more efficient execution or to provide for fair treatment among the clients. The Adviser will generally follow the guidelines set forth below in aggregating client orders for securities, including any orders placed for private investment vehicles:

- (1) No client will be favored over any other client.
- (2) Each client that participates in an aggregated order will participate at the average share price for all of the Adviser's transactions in that security on a given business day and transaction costs will be shared pro rata based on each client's participation in the transaction.

C. Trade Error Policy

In the event that the Adviser experiences an error with respect to trades made on behalf of the clients, the Adviser will correct such error in accordance with its policies and procedures. The clients will be responsible for any losses resulting from trading errors and similar human errors, absent gross negligence and certain other bad acts. The Pricing and Allocation Committee has discretion to determine whether the error will be borne by a client or the Adviser.

Item 13. Review of Accounts**A. Frequency and Nature of Review of Client Accounts or Financial Plans**

The Adviser's investment, trading, operations and compliance staff perform various daily, weekly, monthly, quarterly and periodic reviews of each client's portfolio. At the overall portfolio composition level for all clients, reviews are conducted by the Adviser's chief executive officer, Stuart Zimmer. In addition, individual investments constituting the Funds' portfolios are monitored and analyzed by the applicable investment professional primarily responsible for such investments.

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

Since all portfolios are reviewed daily, generally a special review would only be carried out in the event of an unusual event involving a portfolio security or the economy in general.

C. Content and Frequency of Account Reports to Clients.

The Adviser generally provides annual audited financial statements to its clients within 120 days of the applicable client's fiscal year end.

Investors in the Funds generally receive the following regular reports: (i) after the end of each fiscal year of the Funds, annual audited financial statements (including a balance sheet, income statement and statement of changes in net assets) for the recently completed fiscal year; and (ii) monthly regular net asset value statements of the investors' Fund's shares or capital accounts. Other periodic reports will be provided to investors in a particular Fund. For example, investors in domestic-based Funds receive annual tax information necessary for the completion of U.S. federal, state and local income tax returns. In addition, the Adviser generally provides weekly and/or monthly performance updates regarding the portfolios. In addition, certain investors request additional information and reports. Other investors will not receive some or all of the items provided in response to such requests and, as a result, the requesting investors could be able to act on such additional information before the non-receiving investors.

Item 14. Client Referrals and Other Compensation

A. Economic Benefits for Providing Services to the Clients.

The Adviser does not receive economic benefits from non-clients for providing investment advice and other advisory services.

B. Compensation to Non-Supervised Persons for Client Referrals.

Neither the Adviser nor any related person directly or indirectly compensates any person for client referrals. However, the Adviser or its affiliates could in the future enter into arrangements with third party placement agents or distributors to solicit investors in the Funds and such arrangements will generally provide for the compensation of such persons for their services at the Adviser's expense.

Item 15. Custody

The Adviser is deemed to have custody of certain 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 these clients are sent by qualified custodians to the Adviser.

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

Item 16. Investment Discretion

The Adviser serves as the investment manager with discretionary trading authority to each client. The Adviser's investment decisions and advice with respect to the clients is subject to each client's investment objectives and guidelines, as set forth in its offering documents. The Adviser or an affiliate of the Adviser has entered into an investment management agreement, or similar agreement, with each client or its general partner, as applicable, pursuant to which the Adviser or an affiliate of the Adviser has been granted discretionary trading authority.

Item 17. Voting Client Securities

Proxy Voting Policies and Procedures

The Adviser has adopted written proxy voting guidelines in accordance with Rule 206(4)-6 of the Advisers Act. In voting proxies, it is the general policy of the Adviser to consider and vote each proposal with the objective of maximizing long-term investment returns for each client.

In order to facilitate the proxy voting process, the Adviser has retained an independent proxy voting service (the “Proxy Service”) to vote proxies in a timely manner and has selected a particular voting guideline program. The Adviser generally votes in accordance with the Proxy Service’s recommendations and only reviews material non-routine proposals that it believes could have a material impact on shareholder value. In such situations where the Adviser has chosen to review the Proxy Service’s recommendation (which are rare), the Adviser can override individual recommendations by the Proxy Service and/or, vote in a manner that is contrary to the Adviser’s general guidelines if it believes that it would be in a client’s best interest to do so.

Conflicts of interest arise between the interests of the clients on the one hand and the Adviser or its affiliates on the other hand. If the Adviser determines that it may have, or is perceived to have, a conflict of interest when voting proxies, the Adviser will base its voting decision exclusively on the Adviser’s judgment of what will best serve the financial interests of the client that beneficially owns the securities that are the subject of the vote. The proxy policy can be revised in the Adviser’s discretion. Clients are able to obtain a copy of the Adviser’s proxy policy and its voting record by contacting the Adviser at the address or telephone number listed on the first page of the Brochure.

Item 18. Financial Information

The Adviser 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.