

BROCHURE OF

Alternative Investment Resource, LLC

(d/b/a/ AIR Asset Management)

A Delaware Limited Liability Company registered with the U.S. Securities and Exchange
Commission as an Investment Adviser
CRD# 288165

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THIS BROCHURE PROVIDES INFORMATION ABOUT THE QUALIFICATIONS AND BUSINESS PRACTICES OF AIR ASSET MANAGEMENT. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS BROCHURE, PLEASE CONTACT US AT INFO@AIRASSETMANAGEMENT.COM. THE INFORMATION IN THIS BROCHURE HAS NOT BEEN APPROVED OR VERIFIED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION ("SEC") OR ANY STATE SECURITIES AUTHORITY. REGISTRATION AS AN INVESTMENT ADVISER DOES NOT IMPLY A LEVEL OF SKILL OR TRAINING.

ADDITIONAL INFORMATION ABOUT THE FIRM ALSO IS AVAILABLE ON THE SEC'S WEBSITE AT WWW.ADVISERINFO.SEC.GOV.

The delivery of this brochure (the "Brochure") at any time does not imply that the information contained herein is correct as of any time subsequent to the date shown above. This Brochure will supersede all other documents containing information about Firm.

Item 2. MATERIAL CHANGES

The material changes in this brochure from the last annual updating amendment the Firm on October 12, 2023, are described below. Material changes relate to the Firm's policies, practices or conflicts of interests.

- Item 4 was updated to disclose that the Firm provides non-discretionary investment advisory services to two (2) unaffiliated investment advisers.

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Item 4. ADVISORY BUSINESS

Alternative Investment Resource, LLC (d/b/a/ AIR Asset Management) (the "Firm", "we", "us", or "our") is a Delaware limited liability company, which was formed on September 27, 2012. The Firm is an SEC-registered investment adviser. The Firm's Chief Executive Officer is Richard Beleutz. Stephen Luongo is the Chief Investment Officer of the Firm, and Matthew Schaefer is the Chief Financial Officer and Chief Operating Officer of the Firm. Amy Boyet Besse is the Chief Compliance Officer of the Firm.

The Firm generally provides investment advice relating to life settlements, other longevity-linked products, private credit, and other investments. The Firm's objective is to seek long-term capital appreciation by investing in a diversified portfolio of life insurance policies, other mortality-related products, and private credit opportunities, which may also include investments in affiliated and unaffiliated investment funds.

Private Fund Advisory Services

The Firm provides investment advisory services on a discretionary basis to the following affiliated private funds (the "Affiliated Funds"), interests of which are made available to investors. Each investor in the Affiliated Funds is both: (i) an accredited investor, and (ii) (a) a qualified purchaser (as promulgated under the Securities Act of 1933, as amended, and the Investment Company Act of 1940, as amended, respectively) and/or (b) a qualified client (as promulgated under the Investment Advisers Act of 1940, as amended) (the "Advisers Act"). Although the Firm generally seeks minimum commitments from its Affiliated Fund investors in accordance with the respective Affiliated Fund's offering documentation, the Firm can waive such minimums in its sole discretion. Certain investors may be subject to greater or lesser minimum commitments as negotiated with the Firm and as described in the governing documents between the Firm, the Affiliated Fund, and investor.

AIR U.S. Life Fund I, LP ("AIR I")

AIR I is a Delaware limited partnership. AIR I invests substantially all of its assets into the Luxembourg Life Fund -- Long-Term Growth Fund 2021 (the "LTGF"). LTGF is a sub-fund of the Luxembourg Life Fund, which is a common fund (*fonds commun de placement*) formed under the laws of Luxembourg (the "Luxembourg Fund").

AIR U.S. Life Fund II, LP ("AIR II") and AIR US Life Fund II QP, LP ("AIR II QP")

AIR II and AIR II QP are Delaware limited partnerships operating under substantially the same strategy. Each is a diversified fund which invests in other Affiliated Funds, the LTGF, and/or opportunistically in other managers and/or strategies. The funds are differentiated in that AIR II is available to qualified clients whereas AIR II QP is only available to qualified purchasers.

AIR U.S. Life Fund II QP Offshore LP ("AIR II QP Offshore") (previously known as AIR U.S. Life Fund II Offshore, LP) and AIR U.S. Life Fund II Offshore LP ("AIR II Offshore")

AIR II QP Offshore and AIR II Offshore were established in the Cayman Islands and have been designed to provide tax efficiencies to certain categories of investors. These funds operate under substantially the same strategy as AIR II and AIR II QP. With respect to U.S.-based investors, AIR II QP Offshore is only available to qualified purchasers and AIR II Offshore is available to qualified clients.

AIR Legal Finance Fund, LP (“AIR Legal”)

AIR Legal is a Delaware limited partnership. AIR Legal implements a direct law firm lending strategy via an unaffiliated investment adviser.

AIR Legal Finance Fund Offshore, LP (“AIR Legal Offshore”)

AIR Legal Offshore was established in the Cayman Islands and has been designed to provide tax efficiencies to certain categories of investors. This fund operates under substantially the same strategy as AIR Legal. With respect to U.S.-based investors, AIR Legal Offshore is available to qualified clients.

AIR U.S. Life Fund III, LP (“AIR III”)

AIR III is a Delaware limited partnership. AIR III invests substantially all of its assets in the Luxembourg Life - Absolute Return Fund I (“ARF I”). ARF I is a sub-fund of the Luxembourg Fund.

AIR U.S. Life Fund IV, LP (“AIR IV”)

AIR IV is a Delaware limited partnership. Three classes of AIR IV invest substantially all of their assets in the Luxembourg Life Fund II - Absolute Return Fund II (“ARF II”). One additional class of AIR IV invests substantially all of its assets in Absolute Return Fund III (“ARF III”). ARF II and ARF III are sub-funds of the Luxembourg Life Fund II, which is a common fund - reserved alternative investment fund (*fonds commun de placement - fonds d'investissement alternatif reserve*) formed under the laws of Luxembourg (the “Luxembourg Fund II”).

AIR U.S. Life Fund V, LP (“AIR V”)

AIR V is a Delaware “series” limited partnership. One series of AIR V invests substantially all of its assets in the Luxembourg Life Fund II Absolute Return Fund IV (“ARF IV”).

AIR Finance Solutions Fund, LP (“AIR Finance”)

AIR Finance is a Delaware limited partnership and was organized for the purpose of making loans to affiliates of the Firm to satisfy working capital needs of such affiliates’ respective business.

Other Affiliated Funds

The Firm also manages the following Affiliated Funds, which include “Sub-Funds” and separately managed accounts (each, an “SMA”). Sub-Funds are created to directly hold a defined subset of portfolio assets. Other Affiliated Funds and/or investors may subscribe to the Sub-Funds to gain exposure to the respective subset of portfolio assets. SMAs are created and managed in accordance with a directive established via contractual agreement between the Firm and the SMA requesting party. Such directive is generally consistent with investment objectives of other Affiliated Funds. The SMA requesting parties have permitted Affiliated Funds to subscribe to the respective SMAs to gain exposure to the respective subset of portfolio assets.

<i>Affiliated Fund Entity</i>	<i>Domicile</i>	<i>Type</i>
AIR Life Opportunity Fund, LP (“ALOF”)	Delaware	SMA
AIR Life SMA, LP (“ALSMA”)	Delaware	SMA

AIR Annuity and Life Settlement Fund, LP ("Annuity & Life Settlement")	Delaware	Sub-Fund
AIR Policy Portfolio I, LP ("PPI")	Delaware	Sub-Fund
AIR Policy Portfolio II, LP ("PPII")	Delaware	Sub-Fund
AIR Private Credit Fund, LP ("AIR PC")	Delaware	Sub-Fund

Private Fund Manager Services

The Firm also provides non-discretionary investment advisory services to two (2) unaffiliated investment advisers. The Firm provides certain advisory, product-related, branding, and other services to the manager of the Luxembourg Fund and Luxembourg Fund II (the "Luxembourg Manager"), pursuant to an advisory agreement.

The Firm provides non-discretionary advisory services to manager of the direct law firm lending strategy (the "Law Firm Lending Manager"), pursuant to an advisory agreement.

The Firm may also act in a sub-advisory capacity to other private fund managers.

Environmental, Social and Governance Considerations

In October 2019, the Firm became a signatory of the Principles of Responsible Investment ("PRI"), a United Nations-supported international network of investors that commit to responsible investing factoring environmental, social, and governance ("ESG") considerations.

The Firm integrates ESG factors in an attempt to achieve investor objectives. Specific decision-making parameters include: counterparty quality, the social benefit of investments, and whether the course of action reflects the Firm's core principals of ethics, integrity, compliance, and privacy. The Firm has established an ESG Committee which ensures that ESG policies are applied during the portfolio allocation process.

The Firm generally participates in the PRI Reporting Framework, in which the Firm provides an annual PRI Transparency and Assessment Report. The report's results are used as a key performance indicator to measure the Firm's responsible investment activities and outcomes.

Item 5. FEES AND COMPENSATION

The Firm (or an affiliate thereof) may, in its sole discretion, reduce, waive or rebate all or a portion of the management fee and/or the performance-based compensation at the Affiliated Fund level (the "Fund Level") and/or at the underlying fund level managed by the Luxembourg Manager (the "Target Fund Level").

Summary Table of Fees and Compensation

The following table summarizes the fee structures for the Affiliated Funds:

Affiliated Fund	Management Fee	Performance-Based Compensation	Hurdle Rate
AIR I	0% at the Fund Level 1.75% at the Target Fund Level until 9/30/2024; 2% at the Target Fund Level after 9/30/2024	0% at the Fund Level 20% at the Target Fund Level	N/A at the Fund Level 8% at the Target Fund Level
AIR II QP – Class A Interests	1.75%	20%	6%
AIR II QP – Class B Interests	2%	20%	6% (Soft Hurdle)
AIR II QP – Class C Interests	2%	20%	6%
AIR II QP – Class D Interests	1%	20%	6%
AIR II QP – Class I Interests	1.50%	20%	6%
AIR II – Class A Interests	1.75%	20%	6%
AIR II – Class B Interests	2%	20%	6% (Soft Hurdle)
AIR II – Class I Interests	1.50%	20%	6%
AIR II QP Offshore – Class A Interests	1.75%	20%	6%
AIR II QP Offshore – Class B Interests	2%	20%	6% (Soft Hurdle)
AIR II QP Offshore – Class I Interests	1.50%	20%	6%
AIR II Offshore – Class A Interests	1.75%	20%	6%
AIR II Offshore – Class B Interests	2%	20%	6% (Soft Hurdle)
AIR II Offshore – Class I Interests	1.50%	20%	6%
AIR Legal – Class A Interests	1.75%	20%	6%
AIR Legal – Class B Interests	2%	20%	6% (Soft Hurdle)
AIR Legal – Class I Interests	1.50%	20%	6%
AIR Legal Offshore – Class A Interests	1.75%	20%	6%
AIR Legal Offshore – Class B Interests	2%	20%	6% (Soft Hurdle)

AIR Legal Offshore – Class I Interests	1.50%	20%	6%
AIR III	0.5% at the Fund Level 1.5% at the Target Fund Level	0% at the Fund Level 20% at the Target Fund Level	N/A at the Fund Level 6% at the Target Fund Level
AIR IV	0.5% at the Fund Level 1.5% at the Target Fund Level	0% at the Fund Level 20% at the Target Fund Level	N/A at the Fund Level 6% at the Target Fund Level
AIR V	0.5% at the Fund Level 1.5% at the Target Fund Level	0% at the Fund Level 20% at the Target Fund Level	N/A at the Fund Level 6% at the Target Fund Level
ALSMA	1.75%	17%	8%
ALOF	2%	20%	6%
PPI	2%	20%	6%
PPII – Class A Interests	1.50%	20%	6%
PPII – Class B Interests	2%	20%	6%
Annuity & Life Settlement – Class A Interests	1.25%	20%	6%
Annuity & Life Settlement – Class B Interests	2%	20%	6%
AIR PC – Class A Interests	1%	20%	6%
AIR PC – Class B Interests	1.25%	20%	6%
AIR PC – Class C Interests	2%	20%	6%
AIR Finance	\$2,500	0%	N/A

Timing Fees and Compensation

With respect to AIR I, the Firm earns a management fee of \$500 per annum.

With respect to AIR II QP, AIR II, AIR II Offshore, AIR II QP Offshore, ALSMA, ALOF, Annuity & Life Settlement, PPI, PPII, AIR PC, AIR Legal, and AIR Legal Offshore, management fees at the Fund Level shall be calculated and collected by the Firm monthly, in advance, as of the first day of each month. The performance-based compensation at the Fund Level will be charged quarterly in arrears as of the last day of each quarter, subject to the hurdle rate, as further set forth in the relevant fund's offering documents.

With respect to AIR III, AIR IV, and AIR V, management fees shall be calculated and payable to the Firm quarterly, in arrears, as of the last day of each fiscal quarter.

Layering of Fees and Compensation

With respect to AIR III, AIR IV, and AIR V, fund assets invested in underlying funds managed by the Luxembourg Manager will be assessed a management fee at the relevant Target Fund Level. As such, the investors in these Affiliated Funds are subject to a layering of management fees.

With respect to AIR II, AIR II QP, AIR II Offshore, and AIR II QP Offshore the assets invested in SMAs are subject to a layering of management fees and performance-based compensation.

With respect to AIR II QP and AIR II, the Affiliated Fund assets invested in in underlying funds managed by the Luxembourg Manager will be subject to both a management fee and performance-based compensation at the Target Fund Level. As such, the investor in these Affiliated Funds will be subject to a layering of management fees and incentive-based compensation with respect to that portion of assets.

With respect to AIR I, AIR II QP, AIR II, AIR III, AIR IV, AIR V, Luxembourg Fund, and Luxembourg Fund II, the Firm is entitled to receive a percentage of the management fees and performance-based compensation received by the Luxembourg Manager with respect to the aggregate investment by investors in fund product advised by the Luxembourg Manager from the United States as follows:

- a) 30% on aggregate investment up to \$5,000,000; plus
- b) 40% on aggregate investment between \$5,000,000 to \$10,000,000; plus
- c) 50% on aggregate investment in excess of \$10,000,000.

An affiliate of the Luxembourg Manager also provides advisory services to the Firm in exchange for a fee with regard to a portion of the assets of AIR II, AIR II QP, and ALOF. That fee is exclusive of the fee earned by the Luxembourg Manager on assets invested by AIR II QP and/or AIR II into the Luxembourg Fund.

Broker-Dealer Fees and Compensations

Mr. Beleutz and Ms. Besse are each registered representative of Rainmaker Securities, LLC (CRD#: 132995), a FINRA-registered broker-dealer ("RMS"). Mr. Beleutz and Ms. Besse are not entitled to receive transaction-contingent commissions from the sale of securities of any Affiliated Fund. Commissions from the sale of securities through RMS are not a major source of revenue for Mr. Beleutz or Ms. Besse. If there is a recommendation for the sale of securities or investment products from which either Mr. Beleutz or Ms. Besse receives selling compensation, the Firm will disclose and document the conflict of interest prior to such transaction.

Mr. Beleutz is also an independent licensed insurance agent, as discussed in **Item 10** below. Mr. Beleutz, while qualified as an insurance agent, does not carry any insurance carrier appointments and cannot conduct insurance-based transactions, therefore the sale of insurance products is not a major source of revenue for Mr. Beleutz. If there is a recommendation for insurance products from which Mr. Beleutz receives selling compensation, the Firm will document and disclose the conflict of interest prior to such transaction.

Item 6. PERFORMANCE-BASED COMPENSATION AND SIDE-BY-SIDE MANAGEMENT

Investors may be assessed a performance-based compensation by the general partner of the Affiliated Funds. The general partner of each Affiliated Fund is an affiliate of the Firm. In some instances, investors may be charged both: (a) a management fee, payable to the Firm; and (b) a performance-based allocation or fee, payable or allocable to the Affiliated Fund's general partner. In some instances, including when an Affiliated Fund makes an investment into an underlying fund managed by the Luxembourg Manager, there may be investors that are charged a performance-based fee or allocation and a management fee assessed by a third-party investment adviser in addition to the Firm's management fee and performance-based compensation. Payment of these different types of fees or allocations is dictated by separate agreements depending on the service provided by the Firm.

Because the Firm advises private funds that assess both a management fee and a performance-based compensation, or a combination of both, potential conflicts of interest may exist. In order to mitigate any such conflicts, the Firm reviews investment decisions for the purpose of ensuring that all accounts with substantially similar investment objectives are treated fairly and equitably. The performance of similarly managed accounts is compared to determine whether there are any unexplained significant discrepancies.

To the extent that the general partner of an Affiliated Fund charges a performance-based fee or allocation, such performance-based compensation will comply with the requirements of Section 205 and Rule 205-3 under the Advisers Act. In situations where the general partner of an Affiliated Fund has entered into a performance-based compensation arrangement, it may have an economic incentive to make investments that are riskier or more speculative than would be the case if this special allocation were not made.

Details of any performance-based compensation charged by the relevant general partner with respect to each Affiliated Fund will be set forth in the Affiliated Fund's offering materials and details of fees charged by the Firm with respect to an SMA will be negotiated and described in such SMA's operating documents and/or contractual arrangements.

Item 7. TYPES OF CLIENTS

The Clients of the Firm are the Affiliated Funds and other private fund managers and advisors such as the Luxembourg Manager (the "Clients"). For the purpose of clarity, the investors in the Affiliated Funds are not deemed to be the Clients of the Firm solely by way of such investor's subscription into the Affiliated Fund.

Item 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

The investment strategy employed by the Firm has its own set of risks, but, in all cases, the Firm's strategies involve a risk of loss that both the Clients and investors in Affiliated Funds should understand and be prepared to bear.

The investment objective of the Firm is to seek long-term capital appreciation through investing in a diversified portfolio on life settlement and longevity-related products, as well as investing in

private credit opportunities. A "Life Settlement" is an existing life insurance policy, sold to a third party for more than its cash surrender value but less than its death benefit. These policies generally insure elderly individuals or business owners and are no longer wanted or needed by the owners due to changes of circumstances since the initial issuance of the life insurance policy.

The Firm will also consider purchasing other "Life Settlement Assets" for the Clients, such as existing portfolios of Life Settlements, fractions of Life Settlements, providing loans to companies who make loans secured by life insurance policies, synthetic instruments and derivative instruments related to Life Settlements, Life Settlement-backed notes, annuities/structured settlements, and opportunistic investments in mortality and/or longevity-related instruments.

Investments made by the Firm on behalf of the Clients involve a number of material risks, including, but not limited to: the lack of a liquid public market for Client interests; restrictions on the ability of the Clients to withdraw or redeem their capital; and the ability of the Firm and its investment professionals to correctly identify and assess what they believe are good investment opportunities.

A more complete discussion of the investment strategy and the risks involved is contained in the relevant offering documents for each Affiliated Fund managed by the Firm and the governing documents of the relevant SMA, and should be read by prospective clients and investors carefully.

Certain Risk Factors

Uncertainty of Life Settlements Market. The value of a policy in the Life Settlements or secondary market depends significantly on the health and medical condition and life expectancy of the insured, life expectancy tables then in use by the Life Settlements industry, and any changes in general economic conditions, including interest rates, inflation rates, government regulations, overall industry conditions, competition, political conditions, volatility in the financial markets, and legislation at the time the Firm may seek to sell the policy. The demand for the purchase, and the liquidity, of in-force policies is uncertain. Therefore, policies acquired by the Firm may be overpriced by the Firm or its affiliates and/or may not be readily able to be resold in the tertiary market for life insurance if the need should arise for the liquidation of any of the policies.

Uncertainty of Life Expectancy. The cost in the Life Settlements market of the policies that may be obtained by the Firm depends, in large measure, upon the life expectancy of the insured life under the policy. The return, with respect to life expectancy on such purchases, is almost entirely dependent upon how accurate the expectancy is as compared to actual longevity. Life expectancies are estimates of the expected longevity or mortality of an insured and are inherently uncertain. There can be no assurance that any life expectancy obtained on an insured for a policy will be predictive of the future longevity or mortality of the insured.

Insurable Interest Risk. All states require that the initial purchaser of a new life insurance policy insuring the life of an individual has an insurable interest in such individual's life at the time of original issuance of the policy. Whether an insurable interest exists in the context of the purchase of a life insurance policy is critical because, in the absence of a valid insurable interest, life insurance policies are unenforceable under the laws of most states. When a life insurance policy has been issued to a policy holder without an insurable interest in the life of the individual who is insured, the life insurance company is generally not required to pay the death benefit under the

policy, but typically must repay to the owner of the policy all premium payments, usually without interest. Generally, there are two forms of insurable interests in the life of an individual: familial and financial. Additionally, an individual is deemed to have an insurable interest in his or her own life. Insurable interest is determined at the inception of the policy. Any determination that a policy purchased by the Firm was issued without insurable interest may render the policy void or subject the death benefit to legal claims by former policy beneficiaries.

Premium Increases. For any policies that may be obtained for a Client, such Client will be responsible for maintaining the policies, including paying insurance premiums. If a life insurance company is able to increase the cost of insurance charged for any of the policies, the amounts required to be paid for insurance premiums due for these policies may increase, requiring a Client to incur additional costs for the policies which may adversely affect returns on such policies and consequently reduce the resale value of such policies in the tertiary market for life insurance policies.

NAIC Viatical Settlements Model Act. Industry groups, including the National Association of Insurance Commissioners ("NAIC") and the North American Securities Administrators Association ("NASAA"), perceived there to be an industry regulatory void and passed the NAIC Viatical Settlements Model Act and subsequent Guidelines Regarding Viatical Investments to protect seniors from over-reaching by less than scrupulous and forthcoming Life Settlements brokers and providers. In addition to the states which adopt the NASAA guidelines, other states which license insurance purchases follow many of the provisions of the NAIC Viatical Settlements Model Act. Most states regulate Life Settlements through their insurance departments and/or securities administrators.

Compliance with State Insurance Laws. Approximately forty-five states have adopted viatical or Life Settlements laws which require entities that buy or sell Life Settlements and viatical settlement contracts be licensed in such states. The Firm and/or a Client may be required to be licensed as a viatical or Life Settlements provider, or purchase policies only through such licensed entities, in a state that has adopted such laws before it can be permitted to effect the purchase of policies in a Life Settlement or viatical settlement transaction in that state. However, the Firm and/or a Client may not be able to comply with every state's laws, or to renew or prevent revocation of a previously issued license or approval. The Firm and/or a Client may be precluded from doing business in any state in which they are unable to obtain or otherwise maintain a required license or otherwise comply with the insurance or securities laws of that state. In the event that the Firm and/or a Client are not licensed or approved to do business, or has its license suspended, revoked or non-renewed in any state (or is unable to purchase policies through such a properly licensed entity), the Firm and/or such Client may not be able to acquire and then resell policies in such states. The inability to purchase policies from the "regulated states" may significantly diminish the number of policies available for purchase by the Firm.

Changes in U.S. Insurance Regulation. Changes in state and federal statutes, laws and regulations might make it more difficult for the Firm to purchase and sell policies, thereby hindering the implementation of the Firm's strategies for acquiring, reselling, holding, or securitizing the policies.

Credit Risk. The Firm may also enter into loans for the Clients to companies that extend credit to consumers whereby the consumer loans are secured by life insurance policies or other bespoke

portfolio assets. When engaging in such transactions the Firm would be assuming the underlying credit risk on the companies that receive such loans.

Speculative Purchases of Securities. The Firm may also make certain speculative purchases of securities. Such purchases may include securities which the Firm believes to be undervalued, or where a significant position in the securities of the particular company has been taken by one or more other persons or where other companies in the same or a related industry have been the subject of acquisition attempts. There can be no assurance that securities which the Firm believes to be undervalued are in fact undervalued. Nor can there be any assurances that undervalued securities will increase in value. If the Firm purchases securities in anticipation of an acquisition attempt or reorganization, and an acquisition attempt or reorganization does not in fact occur, the Firm may sell the securities at a substantial loss. Further, when securities are purchased in anticipation of an acquisition attempt or reorganization, a substantial period of time may elapse between the Firm's purchase of the securities and the acquisition attempt or reorganization.

Hedging Transactions. The Firm may employ certain hedging techniques, directed primarily toward general market risks. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus, moderating the decline in the portfolio positions' value. Such hedge transactions also limit the opportunity for gain if the value of the portfolio position should increase. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio position being hedged may vary. Moreover, for a variety of reasons, the Firm may not seek or be able to establish a sufficiently accurate correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent a Client from achieving the intended hedge or expose it to risk of loss. Hedging may be employed to limit certain market risks and credit risks. As a general matter, Client portfolios will still be exposed to basic event risk and other risks attendant to its investment strategy, which risks will not be generally hedged.

Concentration of Investments. While the Firm currently intends to adhere to its risk control and management guidelines, the Firm may concentrate its positions. Clients may not be subject to any formal policies regarding diversification and may sometimes concentrate portfolio holdings in industries, geographic regions or companies which, in light of investment considerations, market risks and other factors, the Firm believes will provide the best opportunity for attractive risk-adjusted returns. The concentration of a Client's portfolio in a small number of issuers or in any one industry would subject such Client to a greater degree of risk with respect to the failure of one or a few issuers or with respect to economic downturns in relation to such industry.

Highly Competitive Market for Investments. The business of identifying, negotiating, acquiring, monitoring, managing and selling investments is highly competitive, and involves a high degree of uncertainty. The Firm will encounter competition from other persons or entities with similar investment objectives. These competitors include other investment partnerships and corporations, small business investment companies, large industrial and financial companies investing directly or through affiliates, foreign investors of various types and individuals.

Temporary Defensive Investments. In times of unusual or adverse conditions, for temporary defensive purposes, the Firm may invest outside the scope of its principal investment focus. Under

such conditions, the Firm may invest without limit in money market and other investments and may not invest in accordance with a Client's stated investment objectives or investment strategies and, as a result, may not achieve its investment objectives.

Short Sales. The Firm may sell securities short. Selling securities short runs the risk of losing an amount greater than the amount invested. Theoretically, short selling may be subject to the unlimited risk of loss because there may be no limit on how much the price of a security may appreciate before the short position is closed out. In addition, the supply of securities which can be borrowed fluctuates from time to time. A Client may be subject to losses if a security lender demands return of the lent securities, and an alternative lending source cannot be found or if the Firm is otherwise unable to borrow securities which are necessary to hedge its positions.

Cybersecurity Risks. The Firm's information and technology systems 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 its professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the Firm 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 Firm 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 the Firm's 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 the Firm's reputation or subject it or its affiliates to legal claims and otherwise affect their business and financial performance. Additionally, any failure of the Firm's information, technology or security systems could have an adverse impact on its ability to manage the private investment funds and separately managed accounts referred to herein.

Leverage. When deemed appropriate by the Firm and subject to applicable regulations, a Client may incur leverage in its investment program, whether directly through the use of borrowed funds, or indirectly through investment in certain types of financial instruments with inherent leverage, such as puts, calls and warrants, which may be purchased for a fraction of the price of the underlying securities while giving the purchaser the full benefit of movement in the market of those underlying securities. While such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss. To the extent that a Client purchases securities with borrowed funds, its net assets will tend to increase or decrease at a greater rate than if borrowed funds are not used. The level of interest rates generally, and the rates at which such funds may be borrowed in particular, could affect the operating results of a Client. If the interest expense on this leverage were to exceed the net return on the investments made with borrowed funds, a Client's use of leverage would result in a lower rate of return than if a Client were not leveraged.

No Obligation of Full-Time Service. Neither the Firm nor its affiliates have any obligation to devote its full time to the business of a Client. Each is only required to devote such time to certain of the Clients as the Firm deems necessary to accomplish their purposes, and each may engage in other business activities, including competing ventures and/or unrelated employment, which may result in various conflicts of interest between such persons and a Client.

Potential Risks Related to Investing Pursuant to ESG Considerations. the Firm intends to seek to take into account ESG factors in discovering, evaluating and developing its investment strategy, and may also take into account ESG factors in negotiating, acquiring, structuring, holding, carrying, monitoring, managing and disposing of the fund's investments. In general, compliance with such factors, or the integration or incorporation of such factors into the Firm's investment process, could result in additional ESG-related expenses or costs for the funds. For example, the fund may bear costs associated with compliance, oversight and reporting on ESG objectives, policies and processes.

Further, although the Firm believes that pursuing ESG initiatives should, generally, not negatively impact an investment's financial returns (and can even enhance profitability of investments), it is possible that such potential focus on both financial returns and ESG-related factors would require the Firm or another relevant party to make decisions that favor one goal at the expense of the other. At the same time, if an underlying investment does comply with, or implement, ESG policies, there is still no guarantee that such investment will yield a return that will be as large as it would have been absent the implementation of ESG policies. Additionally, the Firm or another relevant party may agree with one or more investors to abide by certain investment policies or restrictions based on ESG or other considerations. ESG-based determinations may potentially result in the foregoing of opportunities that would, absent ESG considerations, have been attractive to the fund.

By considering ESG factors in evaluating potential investment opportunities, the opportunity set for potential investments will necessarily be smaller than it would otherwise be were the Firm seeking to make investments for the fund's portfolio solely on the basis of financial returns. This could have a material adverse impact on fund's performance over time and from time to time.

The Firm's ESG policy will be updated from time to time without the consent of, or notice to, the investors.

Epidemics, Pandemics, Outbreaks of Disease and Public Health Issues. The Firm's business activities, as well as the activities of the funds and its operations and investments, could be materially adversely affected by outbreaks of disease, epidemics and public health issues in Asia, Europe, North America, the Middle East and/or globally, such as COVID-19 (and other novel coronaviruses), Ebola, H1N1 flu, H7N9 flu, H5N1 flu, Severe Acute Respiratory Syndrome, or SARS, or other epidemics, pandemics, outbreaks of disease or public health issues. In particular, coronavirus, or COVID-19, has spread and is currently spreading rapidly around the world since its initial emergence in December 2019 and has negatively affected (and may continue to negatively affect or materially impact) the global economy, global equity markets and supply chains (including as a result of quarantines and other government-directed or mandated measures or actions to stop the spread of outbreaks). Although the long-term effects of coronavirus, or COVID-19 (and the actions and measures taken by governments around the world to halt the spread of such virus), cannot currently be predicted, previous occurrences of other epidemics, pandemics and outbreaks of disease, such as H5N1, H1N1 and the Spanish flu, had material adverse effects on the economies, equity markets and operations of those countries and jurisdictions in which they were most prevalent. A recurrence of an outbreak of any kind of epidemic, communicable disease, virus or major public health issue could cause a slowdown in the levels of economic activity generally (or push the world or local economies into recession), which would be reasonably likely to adversely affect the business, financial condition and operations of the Firm and the funds. Should these or other major public health issues, including pandemics, arise or spread farther

(or continue to worsen), the Firm and the funds could be adversely affected by more stringent travel restrictions (such as mandatory quarantines and social distancing), additional limitations on the Firm's (or the fund's) operations and business activities and governmental actions limiting the movement of people and goods between regions and other activities or operations.

Russia-Ukraine Conflict. As of the date hereof, there is an ongoing military conflict between Russia and the Ukraine which, in a relatively short period of time, has caused disruption to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place global sanctions and other severe restrictions or prohibitions on the activities of individuals and businesses connected to Russia. However, the ultimate impact of the Russia-Ukraine conflict and its effect on global economic and commercial activity and conditions generally, as well as on the operations, financial condition and performance of investment vehicles or any particular industry, business or investee country, and the duration and severity of those effects, is impossible to predict.

The Russia-Ukraine conflict may have a significant adverse impact on, and may result in significant losses to, the funds. This impact may include reductions in revenue and growth, unexpected operational losses and liabilities and reductions in the availability of capital. Developing and further governmental actions (e.g., military or otherwise) may cause additional disruptions and/or may constrain or alter existing financial, legal and regulatory frameworks and systems in ways that are or may be adverse to the funds and/or the Firm, any or all of which could adversely affect the Firm's ability to fulfill its investment objectives for the funds.

Banking and Liquidity Risks. The investments in the funds may be exposed to banking and liquidity risks arising from the recent failures of smaller banks, including Silicon Valley Bank (also known as SVB), Signature Bank, and First Republic Bank, and the potential failures of additional small banks that serve niche sectors. In general, small banks may be more vulnerable to financial shocks, market volatility, or regulatory changes than larger or more diversified banks, and may also have lower capital ratios, higher leverage, or weaker risk management practices than larger or more diversified banks. If small banks fail or experience financial distress, they may trigger deposit runs, credit crunches, asset fire sales, or contagion effects that could affect the banking sector and the economy as a whole.

The funds may have direct or indirect exposure to small banks, and may face difficulties in accessing its funds, obtaining financing, refinancing existing debt, or executing transactions with these banks and/or their counterparties. Further, the funds may also incur losses or impairments on its investments due to the deterioration of the financial condition or creditworthiness of these banks or their borrowers.

The Firm cannot predict the likelihood or magnitude of the banking and liquidity risks arising from the potential failures or distress of small banks, or their potential impact on the funds' performance, financial condition, and/or ability to achieve its investment objectives. The Firm may not be able to mitigate these risks effectively or timely, and the Firm may incur substantial losses as a result.

General Regulatory Risks. The Affiliated Funds and the Firm are subject to various laws and regulations that could limit some aspects of the Affiliated Funds' operations or subject the Firm, to the risk of sanctions for noncompliance. Statutes, regulations and policies are continually under review by congress and state legislatures, as well as federal and state regulatory agencies. The

introduction of new legislation or amendments to existing legislation and regulations (including changes in how they are interpreted or implemented) by governments, the decisions of courts and tribunals, and the rulings and decisions of regulatory authorities, can adversely impact the Affiliated Funds' returns. The regulatory environment for private investment funds is evolving, and changes in the regulation of these funds may adversely affect the following, without limitation: the value of the Affiliated Funds' investments held by the Affiliated Fund, the cost of compliance with applicable regulations, and/or the ability of the Affiliated Fund to obtain the leverage it might otherwise obtain or to pursue its investment or trading strategies.

Specifically, but without limitation of the foregoing, on August 23, 2023, the SEC finalized certain rules and amendments under the Advisers Act to enhance the regulation of private fund advisers (collectively, the “**Private Fund Rules**”) that will, as applicable and as the case may be, affect investment advisers, including the Firm, by: (i) requiring such investment advisers to comply with additional reporting and compliance obligations; (ii) restricting or prohibiting certain business practices; (iii) restricting certain types of preferential treatment offered by such investment advisers to certain (but not all) investors in a private fund, including, among other things, the provision of information regarding portfolio holdings of the private fund or of a substantially similar pool of assets; and/or (iv) restricting other forms of preferential treatment for certain (but not all) investors without providing sufficiently detailed written disclosures about such preferential treatment to prospective and current investors. The costs of complying with certain obligations under the Private Fund Rules could be substantial, and it is currently unclear if the costs of preparing certain of such reports would be borne by the Affiliated Funds or by the Firm. If the Affiliated Fund is ultimately responsible for such expenses, the Affiliated Funds' ability to fund investments and/or make distributions to investors may be negatively impacted. Each investor must make its own determination as to: (w) whether its investment in the Affiliated Fund will be affected by the Private Fund Rules, (x) the potential impact of the Private Fund Rules on such investor's investment in the Affiliated Fund, (y) any impact on liquidity in connection therewith, and/or (z) any impact on the Affiliated Funds' portfolio generally

The foregoing list of risk factors does not purport to be a complete analysis or explanation of the risks associated with the Firm's investment strategies and, as applicable, with an investment by a Client. Prospective clients and investors should read the relevant offering memoranda of the relevant fund or governing documents of the SMA, as applicable, for a more detailed list of risk factors and consult with their own advisors before deciding whether to invest.

Item 9. DISCIPLINARY INFORMATION

On January 24, 2008, Richard Beleutz entered into a negotiated settlement (“Negotiated Settlement”) with the Financial Industry Regulatory Authority (“FINRA”) related to market timing mutual fund transactions entered into by certain of his hedge fund clients in violation of FINRA Conduct Rule 2110. Pursuant to the terms of Negotiated Settlement, without admitting or denying the truth, Mr. Beleutz paid a civil monetary penalty of \$15,000 and agreed to a temporary suspension in all capacities with any FINRA member for 45 days. In addition, in connection with Negotiated Settlement, on November 27, 2009, Mr. Beleutz also entered into a stipulation with the Secretary of State of the State of Illinois, in which he agreed to certain heightened supervisory actions and to pay certain investigatory costs.

Additional information with regard to this action may be found on the following FINRA website:
https://files.brokercheck.finra.org/individual/individual_2403229.pdf

Item 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Firm Financial Industry Activities

Neither the Firm nor its affiliates have an existing or pending application as a broker-dealer.

Neither the Firm nor its affiliates have an existing or pending application with a Futures Commission Merchant (“FCM”), commodity pool operator (“CPO”), or a commodity trading adviser.

However, each general partner of each private fund mentioned in Item 4, is an exempt CPO under Rule 4.13(a)(3) promulgated pursuant to the Commodity Futures Trading Commission (“CFTC”) regulations.

Management Team Financial Industry Affiliations

Mr. Beleutz and Ms. Besse are currently registered representatives of Rainmaker Securities, LLC (referred to herein as RMS). Ms. Besse has a minority interest in RMS. RMS is a private placement broker-dealer and does not conduct any public securities transactions. These activities may require variable time commitments from Mr. Beleutz and Ms. Besse. As such, an Investment Advisor Representative (“IAR”) of the Firm may also act as agent and offer investors private securities through RMS. If investors choose to engage with an IAR in these other services or products, the IAR may receive additional compensation typically in the form of commissions. Investors should be aware that services that pay a commission or other compensation create a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. Investors are in no way required to utilize the services of any IAR of Firm in such individual’s outside capacities. In general, public securities and insurance activities are not conducted with the Clients of the Firm.

Mr. Beleutz is also an independent licensed insurance agent. Mr. Beleutz does not carry any insurance carrier appointments and cannot offer insurance products, including fixed annuities and life insurance sales, at this time.

Other Affiliations of the Management Team

Mr. Luongo is the managing member of Columbus Global Advisors LLC (“Columbus”). For tax purposes, Mr. Luongo’s services to the Firm are conducted via an independent contractor agreement between the Firm and Columbus.

Ms. Besse is the sole officer and primary owner of Private Market Advisory Services, LLC (“PMAS”). For tax purposes, Ms. Besse’s services to the Firm are conducted via an independent contractor agreement between the Firm and PMAS. Ms. Besse also serves as the Chief Compliance Officer of Lifelink, LLC, an affiliate of the Firm that is a licensed life insurance provider and servicer.

Mr. Beleutz is a managing member of Admodum Holdings, LLC, a private equity holding company with investments into several small private businesses (“Admodum”). Some of Admodum’s investments are in companies in the area of healthcare and financial services, including the Firm. Mr. Beleutz also serves as the President and sole owner of Richard Beleutz LTD, a consulting company.

Mr. Schaefer is affiliated with and provides certain services to MTS Advisory, LLC (“MTS”). For tax purposes, Mr. Schaefer’s services to the Firm are conducted via an independent contractor agreement between the Firm and MTS.

General Partner-Firm Affiliations

The general partner of each Affiliated Fund is under common control with the Firm. This creates a material financial interest in the Affiliated Funds with respect to custody of Client assets. The Firm follows all regulations concerning custody and provides audited financials of the Affiliated Funds to the limited partners of the Affiliated Funds.

Luxembourg Manager-Firm Affiliations

The Firm provides advisory services to the Luxembourg Manager which sponsors Luxembourg Fund and Luxembourg Fund II. The Clients of the Firm invest pursuant to the discretionary authority of the Firm. The Firm receives management fees and performance-based compensation from the Luxembourg Manager in addition to its own management fees and performance-based compensation in some instances or on a standalone basis which creates a conflict of interest. The Firm has previously disclosed this conflict in **Item 5** above.

Service Provider Affiliations

The Firm relies on multiple service providers for Life Settlements policy origination, valuation, and servicing of assets held by the Affiliated Funds. In 2022, the Firm acquired Q Capital Strategies, LLC and Life Settlement Solutions, LLC (together, “Acquired Service Provider”) in order to perform a portion of these services on behalf of the Firm. All these service providers along with the Acquired Service Provider may earn fees from Client transactions initiated by the Firm.

Item 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING POLICIES

In recognition of the Firm's fiduciary obligations to the Clients and the Firm's desire to maintain its high ethical standards, the Firm has adopted a Code of Ethics ("Code of Ethics") which sets forth, among other things, policies and procedures governing employees' personal securities transactions, the giving and receipt of gifts and entertainment (including to government, union and pension representatives), political contributions, outside activities, and the treatment of confidential information (including material non-public information). The Code of Ethics establishes a standard of conduct expected of all the Firm employees and is designed to foster compliance with applicable law and regulatory requirements, and to promote a culture of high ethical standards.

Personal Trading

The Firm employees may, on a limited basis, purchase or sell for themselves securities that a Client also holds or may acquire. In addition, a Client may, on a limited basis, purchase and sell securities

of an issuer in which employees of the Firm also have a position or interest. The Firm employees are required to seek pre-approval for all personal investments other than investments in certain non-reportable securities in order to prevent the existence of, or appearance of any potential or actual conflicts of interest in this respect. The Code of Ethics requires employees to report personal transactions on a periodic basis, submit initial and annual personal account holdings reports, and certify their compliance with the Code of Ethics on an annual basis. The Firm monitors adherence to this policy by periodically reviewing employee account statements.

Gifts and Entertainment

The Code of Ethics prohibits the Firm employees from giving a gift to, receiving a gift from, or giving or accepting entertainment to or from certain third parties if such gift or entertainment is not of de-minimis value or it deemed likely to compromise the independence of its recipient or his/her judgment and is likely to cast doubts over his/her integrity or to seem disproportionate to the business relationship. Certain limits, reporting requirements, and prohibitions have been established with respect to giving and the receipt of gifts above certain thresholds.

Political Contributions

The Firm places restrictions on political contributions by the Firm and its employees. Political contributions are permitted only in compliance with pay-to-play regulations and corresponding local laws and regulations. The Firm employees are required to pre-clear all political contributions.

Outside Activities

The Firm's employees may engage in activities for their community or personal development. Such activities, however, should not impair the working efficiency or responsibilities of the individual. The Firm employees may from time to time be asked to serve as a director, adviser, consultant, or employee or engage in other forms of participation in other companies or organizations. Because such commitments may involve substantial responsibilities, or they may present actual or apparent conflicts of interest, the Firm personnel are required to obtain written approval prior to accepting such positions.

Insider Trading/Material Non-Public Information

The Firm maintains an insider trading policy that includes policies and procedures that are designed to detect and prevent the misuse of material, non-public information by the Firm and its officers, directors and employees. In accordance with these policies, to prevent trading of public securities based on material, non-public information, the Firm maintains and updates as needed a "restricted" securities list of companies about which the Firm employees have material, non-public information. The Firm has a separate privacy policy designed to protect the security, confidentiality, and integrity of private information of the Firm and the Clients.

Interests in Client Transactions

The Firm and/or affiliates of the Firm may have an interest in a Client. In addition, certain members, directors, officers and employees of the Firm and its affiliates are permitted to own, buy and/or sell

interests in a Client. Subject to internal compliance policies and approval procedures designed to address any conflicts of interest that may arise, the Firm may engage, from time to time, in personal trading of securities and other financial instruments, including securities and financial instruments in which a Client may invest. Moreover, the Firm has entered into transactions for Affiliated Funds whereby it has invested the Affiliated Funds' assets into a company controlled by an investor in an affiliate of the Firm. Please refer to the Firm's Code of Ethics for a full description of the policies and procedures the Firm has implemented in order to address these and other conflicts of interest.

The Firm will provide a copy of the Code of Ethics to any current or prospective investor/Client upon request.

Item 12. BROKERAGE PRACTICES

As the Clients acquire Life Settlements, the Clients typically pay a market-based origination fee as part of the cost of acquisition of each policy. This is a transaction cost, which is part of the capitalized cost basis of each policy, and is ultimately borne by a Client. An Acquired Service Provider may earn fees from Client transactions initiated by the Firm, as described in **Item 10**.

To the limited extent that the Firm may transact in public securities in the future, the Firm may have discretion to determine, subject to a Client's investment objectives, policies and strategies, the public securities to be purchased and sold and in what amounts, the brokers, dealers or other counterparties to use in effecting transactions and the commission rates (or mark-ups or mark-downs), if any, to be paid for such transactions. In selecting public securities brokers, dealers and counterparties, the Firm will seek to obtain "best execution" by attempting to ensure that the total cost or proceeds of any transaction for a Client is the most favorable under the circumstances.

The full range of brokerage services applicable in a particular transaction may be considered when selecting a broker, dealer or other counterparty, which may include, but is not limited to, the following:

- ability of the broker-dealer to minimize costs associated with implementing investment decisions;
- communication links between the broker-dealer and the Firm;
- adequacy of the information provided to the Firm by the broker-dealer;
- accommodation of special needs by the broker-dealer;
- broker-dealer commission rates;
- the availability, as well as the quality and suitability, of electronic trading platforms and algorithms;
- administrative ability (including settlement processing);
- responsiveness of the broker-dealer;
- financial strength, reputation and stability of the broker-dealer;
- ability of the broker-dealer to handle large and/or complex transactions;
- knowledge of other buyers and sellers as well as the particular security or market in which the transaction is to occur; and
- efficiency of the broker-dealer in executing past transactions.

The Firm may engage in soft dollar arrangements concerning acquisitions of settlement policies. Certain brokers, dealers and other counterparties provide the Firm with access to industry information, newsletters, seminars and conferences, but these services are provided in an effort to compete for the Firm's settlement policy trading business rather than on a formal soft-dollar credit basis. This type of research does not have an identifiable value and is provided based on the Firm's total trading activity or by simply opening an account. Moreover, certain brokers, dealers and other counterparties may sometimes suggest a level of business they would like to receive in return for the various products and services they provide. Actual settlement policy brokerage business received by any counterparty may be more or less than the suggested allocations because total brokerage is allocated on the basis of all the best execution considerations described above. A broker will not be excluded from receiving business simply because it has not been identified as providing research services. This may create an incentive for the Firm to select or recommend a broker-dealer based on its interest in receiving those products and services and may result in higher transaction costs than would otherwise be obtainable by the Firm on behalf of a Client. While the Firm may take into consideration whether it receives the products and services discussed in this paragraph in selecting such trading counterparties, the Firm will not allocate settlement brokerage business to a particular counterparty solely on the basis of the provision of these services. Rather, the Firm's decisions to select trading counterparties requires a determination in good faith that the commissions (or mark-ups or mark-downs, to the extent that they are knowable) are consistent with its obligation to seek best execution by taking into account a variety of factors pursuant to the policies and procedures described above. The Firm intends to utilize only those soft-dollar related services that would be within the safe harbor afforded by Section 28(e), such that credits generated by a Client would only be used to obtain investment research and brokerage services that provide lawful and appropriate assistance to the Firm in the performance of its investment decision-making responsibilities.

In the event of an error in the investment or trading process, the Firm shall take steps to ensure that the error is corrected as soon as possible, and with as minimal an impact to a Client as possible.

Absent willful misconduct, fraud, gross negligence, or bad faith, however, a Client will not be reimbursed should there be a loss as a result of a trade or investing error. Such errors are generally classified as either trade errors or operational errors. Examples of trade errors including an allocation to an incorrect account, issuing a duplicate trade ticket, processing a buy when a sell was intended (or vice versa), noting an incorrect broker on a trade ticket, or purchasing the incorrect security. Operational errors are those errors that generally occur after a trade has been executed. These operational errors include trade fails due to incorrect information, programming errors, or late delivery instructions, among other things. For an error which either: (1) is not corrected on, or reasonably soon after, trade date, or (2) requires material remedial action to be taken by the Firm, such errors are to be: (i) resolved with the input from the operations and investment teams as quickly as practicable and in a manner that attempts to mitigate or prevent any loss to a Client, and (ii) promptly reviewed by certain the Firm management who shall determine the appropriate course of action with respect to any trade or investing errors. A trade error file is maintained by the Firm that contains all documentation necessary to substantiate the actions taken with respect to each error.

The Firm does not have a relationship with a broker-dealer or prime broker to conduct public securities transactions on behalf of the Clients at this time.

Item 13. REVIEW OF ACCOUNTS

Accounts are reviewed by Mr. Luongo, Mr. Schaefer and Mr. Beletz on a periodic basis depending on activity in the account and the frequency of Client reporting. Investors in an Affiliated Fund receive written statements containing individual net asset values on a monthly or quarterly basis, either from the Luxembourg Manager or from the relevant fund's independent administrator, as set forth in the relevant offering memorandum or limited partnership agreement.

Item 14. CLIENT REFERRALS AND OTHER COMPENSATION

The Firm does not receive any monetary compensation or any other economic benefit from a non-client for the Firm's provision of investment advisory services to a Client except for the additional benefits disclosed in **Item 12**.

The Firm entered into arrangements with unaffiliated third parties whereby compensation is paid for referring clients to the Firm or, where compensation is paid for referring investors into funds managed by the Firm. Generally, these payments are based on a percentage of management fees earned by the Firm with respect to such client/investors. Because such arrangements contain inherent conflicts of interests between the referring party, on the one hand, and a client/investor, on the other, this disclosure is provided prior to a client/investor entering into a relationship with the Firm, prior to receiving this Brochure or equivalent disclosure document and prior to the receipt or payment of a referral fee.

Item 15. CUSTODY

The Firm has custody with respect to the Affiliated Funds because a related person to the Firm is the general partner of each fund. The Firm will comply with the custody rule by having each fund provide audited financial statements each year to its investors.

Item 16. INVESTMENT DISCRETION

Currently, the Firm has discretionary authority with respect to the assets or securities bought and sold and in what quantities, the amount of leverage employed, the broker-dealer, Life Settlement or annuity broker used. The Firm does not have discretionary authority with respect to the assets advised by the Luxembourg Manager. The specific terms regarding the Firm's discretion are detailed in relevant offering documents or the relevant SMA's governing documents.

Item 17. VOTING CLIENT SECURITIES

Due to the nature of the Firm's investment programs and the types of investments made on behalf of the Clients, the Firm is not typically solicited to vote proxies of traditional operating companies. Given the fact that the funds and SMAs primarily invest in Life Settlements and other longevity-based assets, it is more common for the Firm to receive requests related to amendments, consents, and/or resolutions as a result of investments in Life Settlement Assets.

However, to the extent that any funds or SMAs receive proxies, the Firm will vote proxies in a manner that it believes maximizes the value of a Client's investments. In so doing, the Firm may

take into consideration recommendations made by third parties, such as attorneys and independent actuaries.

The Firm will not neglect its proxy voting responsibilities, but it may abstain from voting if it deems that abstinence is in a Client's best interests. The Chief Compliance Officer will ensure that documentation, such as meeting minutes or a separate memorandum, is maintained that describes the rationale for any instance in which the Firm does not vote a Client's proxy.

If the Firm determines that it is faced with a material conflict of interest in voting proxies, an Advisory Committee (the "Committee") will be convened and will determine the appropriate vote. Decisions of the Committee are nonbinding. If a unanimous decision cannot be reached by the Committee, a competent third party will be engaged, at the Firm's expense, who will determine the vote that will maximize the applicable Client's value. As an added protection, the third party's decision is binding.

Our complete proxy voting policy and procedures are memorialized in writing and are available for review by investors and prospective investors. The Firm's complete proxy voting record is available to all the Clients and limited partners of the Affiliated Funds. Please contact the Firm if you have any questions or if you would like to review either of these documents.

Item 18. FINANCIAL INFORMATION

The Firm does not require or solicit prepayment of \$1200 in management fees six or more months in advance. The Firm has no financial condition to disclose that is reasonably likely to impair its ability to meet contractual commitments to the Clients. Additionally, the Firm has not been the subject of a bankruptcy petition during the past ten (10) years.

For questions or requests for additional information, please contact Ms. Besse at the number or address listed on the cover page of this brochure.

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