

**ITEM 1  
COVER PAGE**

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**PART 2A OF FORM ADV: FIRM BROCHURE**

**DKR CAPITAL PARTNERS L.P.**

**March 31, 2011**

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*This Brochure provides information about the qualifications and business practices of DKR Capital Partners L.P. (the "Investment Adviser"). If you have any questions about the contents of this Brochure, please contact us at 203-324-8200 or email: [dkrcompliance@dkrcapital.com](mailto:dkrcompliance@dkrcapital.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.*

*The Investment Adviser is registered as an investment adviser with the SEC. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.*

*Additional information about DKR Capital Partners L.P. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

## **ITEM 2**

### **MATERIAL CHANGES**

The Investment Adviser is required to identify and discuss any material changes made to its Brochure since the last annual update. This Brochure is the Investment Adviser's first Form ADV Part 2A submitted to the SEC pursuant to amendments made to certain rules promulgated under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), and the form formerly known as Form ADV Part II. The Investment Adviser previously provided to its clients a Form ADV Part II, dated October 2010 (the "Old Part II"), which was used as a basis for certain disclosure provided in this Brochure. Differences between the Old Part II and this Brochure are generally attributable to the new disclosure rules and the new form, and not to any material changes in the qualifications or business practices of the Investment Adviser. Accordingly, there are no material changes to report. If the Investment Adviser makes any material changes to this Brochure, this section will be revised to include a summary of such changes.

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## **ITEM 4**

### **ADVISORY BUSINESS**

#### **A. General Description of Advisory Firm.**

DKR Capital Partners L.P. is a Delaware limited partnership which commenced operations in December 2000, with offices in Connecticut, U.S.A. The general partners of the Investment Adviser are DKR Capital Inc., a Delaware corporation owned by Messrs. Gary S. Davis and Barry L. Klein (and trusts for their respective benefit and the benefit of their respective families), and DKR Management Company Inc., a Delaware corporation and a wholly-owned subsidiary of DKR Capital Inc.

Throughout this Brochure, references to "we," "our," and similar terms refer to the Investment Adviser.

#### **B. Description of Advisory Services.**

##### **1. Advisory Services.**

The Investment Adviser serves as the investment manager with discretionary trading authority to Chester Square Ltd., a private pooled investment vehicle that is a Cayman Islands exempted company (the "Fund").

In addition, the Investment Adviser serves as the investment adviser to other investment vehicles which are in liquidation and not being offered to third parties (the "Liquidating Funds").

As used herein, the term "client" generally refers to the Fund.

*This Brochure generally includes information about the Investment Adviser and its relationships with its clients and affiliates. While much of this Brochure applies to all such clients and affiliates, certain information included herein applies to specific clients or affiliates only.*

##### **2. Investment Strategies and Types of Investments.**

The Fund employs a "fund-of-funds" investment strategy pursuant to which the Fund's capital is allocated primarily among a select group of portfolio managers ("Portfolio Managers") that generally employ a broad range of strategies across global markets. The Fund may invest in corporations, joint ventures, other investment companies and similar entities managed by Portfolio Managers ("Sub- Funds").

The Fund, where appropriate, may hedge credit risk, interest rate risk, currency risk and market exposures. The Investment Adviser seeks to produce returns with lower volatility than traditional asset classes. There are no fixed guidelines as to portfolio diversification, and therefore asset allocation will reflect the Investment Adviser's views as to current and

prospective market conditions and investment opportunities for various strategies at any given time.

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

C. Availability of Customized Services for Individual Clients.

The Investment Adviser's investment decisions and advice with respect to the Fund are subject to any particular investment guidelines applicable to a series of shares in the Fund.

D. Wrap Fee Programs.

***Not Applicable.***

E. Assets Under Management.

The Investment Adviser manages approximately \$16,500,000 as of March 1, 2011 on a discretionary basis, of which approximately \$10,000,000 is invested in the Fund. As of March 1, 2011, the Investment Adviser does not manage any assets on a non-discretionary basis.

## **ITEM 5**

### **FEES AND COMPENSATION**

#### **A. Advisory Fees and Compensation.**

The Fund pays the Investment Adviser a fee for investment management services (the "Management Fee") for each fiscal quarter equal to 0.1875% (0.75% annualized) of the net asset value of each series of shares as of the end of such fiscal quarter. The Management Fee is payable as of the end of each quarter. The Management Fee will be prorated for any subscription or redemption by an investor that is effective other than as of the first day or the last day of a quarter, as applicable. In the sole discretion of the Investment Adviser, the Management Fee may be waived, reduced or calculated differently with respect to certain investors.

The Investment Adviser does not currently charge any performance fees.

The Liquidating Funds are not subject to any management fees or performance compensation.

#### **B. Payment of Fees.**

Fees and compensation paid to the Investment Adviser by the Fund are generally deducted from the assets of the Fund. As discussed above, Management Fees are generally deducted on a quarterly basis.

#### **C. Additional Fees and Expenses.**

The Fund bear its own operating expenses, including, but not limited to, investment expenses (*i.e.*, expenses which, in the Board of Directors' determination, are related to the investment of the Fund's assets), legal expenses, external accounting, audit and tax preparation expenses, consulting fees, taxes, fees and costs of administration, organizational expenses, expenses relating to the offer and sale of Fund's shares and extraordinary expenses.

The Fund also bears its share of the applicable expenses, asset-based fees and performance based fees or allocations of the Sub-Funds in which the Fund invests.

#### **D. Additional Compensation and Conflicts of Interest.**

Neither the Investment 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**

*Not applicable.*

**ITEM 7**  
**TYPES OF CLIENTS**

The Investment Adviser provides investment advice to the Fund, as described above.



## ITEM 8

### METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

#### A. Methods of Analysis and Investment Strategies.

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

The Fund allocates assets primarily among a select group of Portfolio Managers that generally employ a broad range of strategies across global markets. The Fund may invest in Sub-Funds managed by Portfolio Managers.

The Fund, where appropriate, may hedge credit risk, interest rate risk, currency risk and market exposures. The Investment Adviser seeks to produce returns with lower volatility than traditional asset classes. There are no fixed guidelines as to portfolio diversification, and therefore asset allocation will reflect the Investment Adviser's views as to current and prospective market conditions and investment opportunities for various strategies at any given time.

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

*The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in the strategies pursued by the Investment Adviser. These risk factors include only those risks the Investment Adviser believes to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis employed by the Investment Adviser. The Fund may be subject to certain of the following risks.*

**Risks Associated with a Fund-of-Funds Strategy.** The Fund utilizes a so-called "fund-of-funds" or "multi-manager" investment strategy pursuant to which the Investment Adviser allocates assets among various Sub-Funds managed by independent Portfolio Managers. These Sub-Funds may utilize diverse investment techniques and a variety of strategies, each of which presents its own set of risks and some of which could, under certain circumstances, magnify the impact of any negative market or investment developments. Any risks borne by the individual Sub-Funds will therefore also indirectly be borne by investors in the Fund. The success of the Fund depends upon the ability of the Portfolio Managers to develop and implement investment strategies that achieve the Sub Funds' investment objectives. Moreover, subjective decisions made by the Portfolio Managers may cause the Fund to incur losses or to miss profit opportunities on which it may otherwise have capitalized.

**Redemptions from Sub-Funds; Re-Allocation of Investments.** The Fund may have limited rights pursuant to which it may redeem, transfer or otherwise liquidate its investments in the Sub-Funds. Investments in Sub-Funds are not themselves marketable and, therefore, the Fund is not able to readily dispose of its interests in Sub-Funds. Under the terms of the governing documents of the Sub-Funds, the ability of the Fund to redeem any amount invested therein may be subject to certain restrictions and conditions, including restrictions on the redemption of shares for an initial period, restrictions on the amount of redemptions and the frequency with which redemptions can be made, and investment minimums which must be maintained. Additionally, the Sub-Funds typically reserve the right to reduce ("gate") or suspend redemptions and to satisfy redemptions by making distributions in-kind, under certain circumstances. The ability of an investor to redeem all or any portion of its shares may be adversely affected to varying degrees by such restrictions depending on, among other things, the length of any restricted periods imposed by the Sub-Funds in which such investor's series of shares is invested, the amount and timing of a requested redemption by an investor in relation to the time remaining of any restricted periods imposed by related Sub-Funds, the aggregate amount of redemption requests, the next regularly scheduled redemption dates of such Sub-Funds, the imposition of "gates" or suspensions, the decision by a Sub-Fund to satisfy redemptions in-kind and the satisfaction of other conditions.

Events in the world financial markets, such as the recent severe economic downturn globally may materially adversely affect the Sub-Funds, potentially limiting the Fund's ability to fully exercise its redemption rights with regard to Sub-Funds due to the imposition of "gates", suspensions of redemptions and distributions in-kind. Additionally, in some cases, Portfolio Managers may also suspend the determination of the net asset value of all or a portion of their portfolios. The absence of such valuations will make it more difficult for the Investment Adviser to accurately value the Fund's portfolio.

In addition, the Sub-Funds may invest their portfolio assets in, among other things, restricted or non-publicly traded securities, securities of distressed issuers, securities traded on foreign exchanges (including emerging markets), and futures contracts and other derivatives, all of which have significant risks.

**Limited Diversification.** The Investment Adviser will seek to diversify "portfolios" maintained for each series of shares with various Portfolio Managers. Such diversification may not be achieved as a result of insufficient investment opportunities or insufficient investable assets as a result of insufficient contributions or redemptions by investors. In addition, because the Investment Adviser seeks to diversify among Portfolio Managers to reduce the potential for losses, such diversification may actually adversely affect the overall performance of a series of shares, because the returns as a whole may be adversely affected by the unfavorable performance of even a single Portfolio Manager. The Investment Adviser is not restricted as to the percentage of assets attributable to a series of shares that it may invest in any particular issuer, industry, instrument, market or geographic region.

**Concentration of Investments.** There can be no assurance that the selection of the Portfolio Managers will result in an effective diversification of investment styles. In addition, different Portfolio Managers acting separately may each acquire significant positions in the same

investments, resulting in an inadvertent concentration in such investments, which may subject an investor's investment in the Fund to more rapid changes in value than would be the case if such assets were more widely diversified.

**"Style Drift".** The Investment Adviser relies primarily on information provided by Portfolio Managers in assessing a Portfolio Manager's defined investment strategy, the underlying risks of such a strategy and, ultimately, determining whether, and to what extent, it will allocate assets to particular Portfolio Managers. "Style drift" is the risk that a Portfolio Manager may deviate from his or her stated or expected investment strategy. Style drift can occur abruptly if a Portfolio Manager believes it has identified an investment opportunity for higher returns from a different approach (and the manager disposes of an interest quickly to pursue this approach) or it can occur gradually, such as if, for instance, a "value"-oriented Portfolio Manager gradually increases a Sub-Fund's investments in "growth" stocks. Style drift can also occur if a Portfolio Manager focuses on factors it had deemed immaterial in its offering documents- such as particular statistical information or returns relative to certain benchmarks. Additionally, style drift may result in a Portfolio Manager pursuing investment opportunities in an area in which it has a competitive disadvantage or is outside the manager's area of expertise (e.g., a large-cap manager focusing on small-cap investment opportunities). Moreover, style drift poses a particular risk for multiple manager structures since, as a consequence, an investor's investment in the Fund may be exposed to particular markets or strategies to a greater extent than was anticipated by the Investment Adviser when it assessed the portfolio's risk-return characteristics and allocated assets to a Portfolio Manager (and which may, in turn, result in overlapping investment strategies among various Portfolio Managers).

**Misconduct or Bad Judgment of Portfolio Managers.** It will be difficult, if not impossible, for the Investment Adviser to protect investors from the risk of Portfolio Manager fraud, misrepresentation, material strategy alteration or poor judgment. Although Portfolio Managers are required to adhere to the offering documents for the respective Sub-Funds, the Investment Adviser cannot control the investments made by a Portfolio Manager.

**Limited Information Regarding Portfolio Managers; Estimates and Valuations from Portfolio Managers.** Although the Investment Adviser receives information from prospective Portfolio Managers regarding such Portfolio Managers' historical performance (if any), exposures, and investment strategy, in most cases the Investment Adviser will have little or no means of independently verifying the information supplied to it by such Portfolio Managers and will rely in large part on the limited information provided to it by such Portfolio Managers. The absence of detailed information could result in significant losses to investors.

In performing its risk management, manager evaluation and manager review analysis, the Investment Adviser may be limited by the availability of data provided by the Portfolio Managers. The Investment Adviser will endeavor to conduct the due diligence analyses it deems necessary in order for it to be able to determine whether to make an investment in a Portfolio Fund.

With respect to current information, the Investment Adviser has no ability in most cases to assess the accuracy of the valuations received from a Portfolio Manager. Furthermore, shares in a Sub-Fund generally are valued in accordance with the methods provided by the

instruments governing such Sub-Fund. These valuations may be provided by a Portfolio Manager to the Sub-Fund based on the interim unaudited financial records of such Sub-Fund, and, therefore, are subject to adjustment (upward or downward) upon the auditing of such financial records. After an investor makes a redemption, subsequent adjustments to valuations of one or more Sub-Fund may occur and there is a risk that such investor may receive an amount upon redemption which is greater or less than the amount such investor would have been entitled to receive on the basis of the adjusted valuation.

Certain securities in which the Portfolio Managers invest may not have a readily ascertainable market price. The net asset values received by the Investment Adviser from such Portfolio Managers typically will be estimates only, subject to revision through the end of each underlying Sub-Fund's annual audit. Revisions to the Fund's gain and loss calculations will be an ongoing process, and no net asset value figure can be considered final until the Fund's annual audit is completed. In most cases, the Investment Adviser will have no ability to assess the accuracy of the valuations received from a Portfolio Manager.

**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 Investment Adviser's advisory business or the integrity of the Investment Adviser's management.

**ITEM 10**  
**OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

A. Broker-Dealer Registration Status.

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

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

*Not applicable.*

C. Material Relationships or Arrangements with Industry Participants.

*Not applicable.*

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

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

**ITEM 11**  
**CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS  
AND PERSONAL TRADING**

A. Code of Ethics.

The Investment Adviser and its affiliates have adopted a comprehensive Code of Ethics. The Investment Adviser is committed to conducting its investment advisory business in accordance with the highest legal and ethical standards in furtherance of the interests of its clients, and in a manner that is consistent with all applicable laws, rules and regulations. A copy of the Code of Ethics will be provided to any client or prospective client upon request.

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

The Investment Adviser does not engage in cross trades.

Subject to the terms of the Fund's governing documents, the Investment Adviser may allocate the Fund's assets to Sub-Funds in which the Investment Adviser or an affiliate of the Investment Adviser serves as the investment manager and receives fees for such services. As a result, it is possible that the Investment Adviser might face, in certain circumstances, competing fiduciary obligations with respect to the Fund and a Sub-Fund. Notwithstanding any such actual and potential conflicts of interest, the Investment Adviser undertakes to resolve such conflicts in a fair and equitable manner for the Fund and such Sub-Fund, which in some instances might mean a resolution that would not maximize the benefit to investors in the Fund. To the extent that the Investment Adviser allocates assets to Sub-Funds managed by the Investment Adviser or an affiliate, the Investment Adviser may receive fees at both the Fund and Sub-Fund level.

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

As part of our Code of Ethics, the Investment Adviser has adopted a comprehensive Personal Trading Policy. Without the prior approval of the DKR Compliance Department ("DKR Compliance"), no employee may acquire for his or her own proprietary account:

- (A) An interest in a private placement of a security;
- (B) An interest in an initial public offering; or
- (C) Any security if such employee has knowledge that such security is either held by or being considered for a client account.

DKR Compliance may cancel any transaction(s) entered into at the end of the day, and the trade(s) may be allocated to a client account if determined by DKR Compliance to be required.

Written approval from DKR Compliance must be obtained prior to entering into a transaction of the type described above. An approval is only valid for 48 hours (after which the employee must submit a new request for approval), and the employee may only trade the amount of shares for which clearance was given.

When any employee recommends that a security be bought, or sold, for a client account, and a position in that security is currently held in such employee's proprietary account, the employee must disclose such information to DKR Compliance. The Investment Adviser, its affiliates and its employees may give advice or take action for their own accounts that may differ from, conflict with or be adverse to advice given or action taken for clients. These activities may adversely affect the prices and availability of other securities or instruments held by or potentially considered for one or more clients. Potential conflicts also may arise due to the fact that the Investment Adviser, its affiliates and its personnel may have investments in some funds but not in others or may have different levels of investments in the various funds.

The Investment Adviser has established policies and procedures to monitor and resolve conflicts with respect to investment opportunities in a manner it deems fair and equitable, including the restrictions placed on personal trading in the Code of Ethics, as described above, and regular monitoring of employee transactions and trading patterns for actual or perceived conflicts of interest, including those conflicts that may arise as a result of personal trades in the same or similar securities made at or about the same time as client trades.

#### D. Conflicts of Interest Created by Contemporaneous Trading.

While the Investment Adviser manages the Fund's portfolio, each series of shares in the Fund corresponds to a separate "portfolio" of Sub-Funds maintained by the Fund for the benefit of such series of shares. Accordingly, the portfolio composition of one series of shares may differ from another series of shares held by a different investor as a result of, among other things, the timing of subscription to the Fund, different investment guidelines or requirements applicable to a particular investor, as well as tax or regulatory considerations relevant to a particular investor. The Investment Adviser generally allocates investment opportunities among the different series in a fair and equitable manner, subject to any particular investment guidelines applicable to a series. The Investment Adviser will have no obligation to purchase or sell a security for, enter into a transaction on behalf of, or provide an investment opportunity to any series solely because the Investment Adviser purchases or sells the same security for, enters into a transaction on behalf of, or provides an opportunity to any series if, in its reasonable opinion, such investment opportunity does not appear to be suitable, practical or desirable for such series. With respect to allocations of limited investment opportunities, the Investment Adviser will determine which series are eligible to participate in those opportunities. Limited investment opportunities will generally be allocated among all eligible series in proportion to their relative capital balances in accordance with the procedures set forth above.



## **ITEM 12**

### **BROKERAGE PRACTICES**

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

The Investment Adviser does not generally engage in the trading of individual securities (stocks, bonds, option, etc.), though it may, where appropriate, do so for hedging purposes. Portfolio Managers may engage in trading of individual securities (stocks, bonds, option, etc.) internally or with external broker dealers. In selecting broker-dealers to effect a trade, Portfolio Managers seek to obtain best execution, and may take into account a variety of factors, including the ability of the brokers and dealers to effect the transactions, the brokers' and dealers' facilities, reliability and financial responsibility, and the provision or payment (or the rebate to the account for payment) by a broker of the costs of brokerage, research and other products or services. A Portfolio Manager need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost.

##### **1. Research and Other Soft Dollar Benefits.**

Portfolio Managers may have "soft dollar" arrangements, some of which may fall outside of the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended.

##### **2. Brokerage for Client Referrals.**

Neither the Investment Adviser nor any related person receives client referrals from any broker-dealer or third party.

##### **3. Directed Brokerage.**

The Investment Adviser does not recommend, request or require that a client direct the Investment Adviser to execute transactions through a specified broker-dealer.

## **ITEM 13**

### **REVIEW OF ACCOUNTS**

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

The Investment Adviser's Controller and Director of Operations along with staff perform various daily, weekly, monthly, quarterly and periodic reviews of the Fund's portfolio.

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

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

#### **C. Content and Frequency of Account Reports to Clients.**

The Investment Adviser generally provides annual audited financial statements to the Fund within 180 days of the applicable client's fiscal year end.

Generally, investors in the Fund receive a monthly written statement of their investments, including confirmation of contributions and withdrawals, capital appreciation or depreciation and total net asset value per unit invested from the administrator to the Fund. In addition, the Investment Adviser issues investors tax reports and audited financial statements concerning the Fund within 180 days of the end of the Fund's fiscal year. While all investors generally receive similar information, to the extent an investor receives additional information (that other investors have not received), which is in addition to information provided in a Fund's regular reports to investors, such information may provide such investor with greater insight into the Fund's activities. This may enhance such investor's ability to make investment decisions with respect to the Fund and possibly affect such investor's decision to request a redemption from the Fund.

**ITEM 14**  
**CLIENT REFERRALS AND OTHER COMPENSATION**

A. Economic Benefits for Providing Services to Clients.

The Investment 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 Investment Adviser nor any related person directly or indirectly compensates any person who is not a supervised person, including placement agents, for client referrals.

## **ITEM 15**

### **CUSTODY**

The Investment 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 the 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 the Fund distribute its audited financial statements to all investors within 180 days of the end of its fiscal year.

**ITEM 16**  
**INVESTMENT DISCRETION**

The Investment Adviser serves as the investment manager with discretionary trading authority to the Fund, subject any particular investment guidelines applicable to a series of shares in the Fund.

The Investment Adviser entered into an investment management agreement with the Fund, pursuant to which the Investment Adviser was granted discretionary trading authority.

## **ITEM 17**

### **VOTING CLIENT SECURITIES**

#### **A. Policies and Procedures Relating to Voting Client Securities.**

In compliance with Advisers Act Rule 206(4)-6, the Investment Adviser has adopted proxy voting policies and procedures. The general policy is to vote proxy proposals, amendments, consents or resolutions (collectively, "Proxies") in a prudent and diligent manner that will serve the applicable client's best interests and is in line with each client's investment objectives.

The Investment Adviser may take into account all relevant factors, as determined by the Investment Adviser in its discretion, including, without limitation:

- the impact on the value of the securities or instruments owned by the relevant client and the returns on those securities;
- the anticipated associated costs and benefits;
- the continued or increased availability of portfolio information; and
- industry and business practices.

In limited circumstances, the Investment Adviser may refrain from voting Proxies where the Investment Adviser believes that voting would be inappropriate, taking into consideration the cost of voting the Proxies and the anticipated benefit to its clients. Generally, clients may not direct the Investment Adviser's vote in a particular solicitation.

Conflicts of interest may arise between the interests of the clients on the one hand and the Investment Adviser or its affiliates on the other hand. If the Investment Adviser determines that it may have, or is perceived to have, a conflict of interest when voting Proxies, the Investment Adviser will vote in accordance with its Proxy voting policies and procedures. Clients may obtain a copy of the Investment Adviser's Proxy voting policies and its Proxy voting record upon request.

#### **B. No Authority to Vote Client Securities and Client Receipt of Proxies.**

***Not Applicable.***

**ITEM 18**  
**FINANCIAL INFORMATION**

The Investment 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.

**ITEM 19**  
**REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

*Not applicable.*