

**Brochure of**  
**Criterion Capital Management, LLC**

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This brochure provides information about the qualifications and business practices of Criterion Capital Management, LLC (“Criterion”). If you have any questions about the contents of this brochure, please contact Zach Stout at (415) 834-3500. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Criterion also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2.           Material Changes**

This brochure contains the following material change from the version dated December 13, 2011:

Item 4 -- Criterion's assets under management have been updated, from approximately \$1,236,946,000 at December 1, 2011 to approximately \$1,492,215,000 at March 1, 2012.

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#### **Item 4. Advisory Business**

Criterion is a California limited liability company that has been in business since 2002. It serves as the general partner of investment limited partnerships and as the investment adviser to offshore funds and separately managed accounts. Criterion is owned by trusts of Christopher Lord and David Riley. Mr. Lord and Mr. Riley are its portfolio managers. As of March 1, 2012, Criterion had total discretionary assets under management of approximately \$1,492,215,000. Criterion only manages assets on a discretionary basis.

Criterion invests on behalf of its clients principally in equity and equity-related securities that are traded publicly in U.S. markets, with a focus on technology, media and telecommunications companies. In addition to common stocks, Criterion invests in other types of securities, including preferred stocks, warrants, options, futures, other derivatives and money market instruments. It takes both long and short positions and engages in margin trading and hedging strategies.

The investors in the funds that Criterion manages have no opportunity to select or evaluate any fund investments or strategies. Criterion selects all fund investments and strategies.

Criterion typically will not tailor its services to the individual needs of separately managed accounts, but will manage each such account according to the strategy selected by the client. Criterion's discretionary authority is limited, however, as described in Item 16.

#### **Item 5. Fees and Compensation**

Criterion typically charges an annual fee of 1.5% of assets under management, which is payable in quarterly installments at the beginning of each calendar quarter based on the net market value of each client's account on the date the fee accrues and becomes payable. Criterion also typically is allocated from each limited partner in an investment limited partnership a performance allocation equal to 20% of net profits (including both realized and unrealized gains and losses) otherwise allocable to such limited partner, and receives from each other client a performance fee equal to 20% of net profits of the account (including both realized and unrealized gains and losses). Performance allocations and fees are assessed in arrears on an annual basis, and are only applied to the portion of profits that exceeds the cumulative losses previously allocated to or incurred by clients. Criterion complies with Rule 205-3 under the Investment Advisers Act of 1940, to the extent required by applicable law. Performance allocations and fees may create an incentive for Criterion to make more risky and speculative investments than it would otherwise make.

Criterion's management fees and performance allocations and fees are typically deducted directly from client accounts, but it may bill a client for such amounts on request.

Criterion believes that its fees are competitive with fees charged by other investment advisers for comparable services. Comparable services may be available, however, from other sources for lower fees.

The disclosure in this Item 5, together with the disclosure in Item 12, allow a plan that is subject to the Employee Retirement Income Security Act of 1974 and that invests in an investment

limited partnership of which Criterion is general partner, to use the “alternative reporting option” to report Criterion’s compensation as “eligible indirect compensation” on the Schedule C of the plan’s Form 5500 Annual Return/Report of Employee Benefit Plan.

Criterion’s relationships with its U.S. funds are terminable on expiration of the partnership’s term, dissolution of the partnership or on Criterion’s withdrawal as general partner. Criterion’s investment management agreements with the offshore funds it manages may typically be terminated on 60 days’ notice. Limited partners in U.S. funds managed by Criterion may withdraw capital on specified prior written notice, on the last day of any calendar month. Investors in offshore funds managed by Criterion may typically redeem their shares on the last day of each month on specified prior written notice.

Except as may be otherwise negotiated in particular cases, the holder of a separately managed account may terminate the account by giving 30 days’ prior written notice.

On termination of a client’s account, expenses, the pro rata portion of the management fee, and the performance allocation or fee through the date of termination are charged to the client. All prepaid but unearned advisory fees are refunded on termination. An investor who withdraws from a fund on a date other than the last day of a quarter receives a refund of a pro rata portion of the management fee previously paid for that quarter.

Each account is responsible for its own costs and expenses, including trading costs and expenses (such as brokerage commissions, expenses related to short sales, and clearing and settlement charges), ongoing legal, audit and tax return preparation expenses, and the fees and expenses charged by any fund administrator for its accounting, bookkeeping and other services.

Criterion bears its own research, operating, general, administrative and overhead costs and expenses, other than the expenses described above. A portion of these costs and expenses may be paid, however, by securities brokerage firms and futures commission merchants that execute clients’ securities trades, as discussed in Item 12 below.

#### **Item 6. Performance-Based Fees and Side-By-Side Management**

Criterion generally manages only accounts that pay performance-based compensation as described in Item 5. It does not manage accounts that do not pay performance-based compensation, except for certain accounts of Criterion’s principals, employees and ex-employees.

#### **Item 7. Types of Clients**

Criterion currently provides investment advice to investment funds and separately managed accounts, which may include high-net-worth individuals, institutions, trusts, endowments and pension plans. Investors in the funds are generally required to invest a minimum of \$1,000,000, but Criterion may waive this minimum. Criterion generally requires a minimum of \$50,000,000 to open a separately managed account, but may waive this minimum.

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

### Investment Strategies

Criterion's investment strategies all seek long-term capital appreciation but differ with respect to their degrees of concentration and risk exposure. Each Criterion strategy involves investing, long and short, in a diversified portfolio of public equities selected primarily from the global technology, media and telecommunications sectors. The primary focus is on companies that Criterion believes have undervalued assets; these may include value, business in transition, and growth. Criterion invests across all market capitalizations, with an emphasis on large and medium capitalizations. Long and short positions are independently derived based on fundamental research and balance sheet and cash flow analysis.

Criterion selects investments based on the principle that earnings and/or cash flow ultimately determine security prices. More specifically, a company's revenues and cash flows expand and contract, creating opportunities to profit from fundamentally researched long and short positions. One must first identify a mispriced business, then accurately assess a catalyst and management's ability to realize value through the execution of their business. Criterion attempts to recognize these opportunities by applying deep fundamental analysis and due diligence to assets where a business change or transition is happening. Such changes may be fostered by innovative developments, the emergence of new end market applications, and corporate reorganizations.

Criterion constructs long portfolios for clients based primarily on a bottom-up, fundamental research process aimed at identifying companies that are positioned to generate excess revenue, cash flow and/or earnings at a rate higher than is expected. Criterion's fundamental research may include conversations with management, customer, channel and supplier reference checks, senior management reference checks and conversations with outside research firms and/or sell-side analysts.

Criterion combines fundamental research with balance sheet and cash flow analysis to construct short portfolios for its clients. A database of short-sale candidates with weak quality of earnings characteristics is generated through automated screening programs and manual financial statement reviews, while fundamental research efforts focus on identifying sectors or individual companies whose fundamentals are deteriorating, as well as specific catalysts that Criterion believes will cause a company's stock price to decline.

The investment strategies summarized above are general in nature and are not exhaustive. Except as specified in any client account agreement, Criterion may use any trading or investment techniques, whether or not contemplated by the expected investment strategies described above, that it considers appropriate and in clients' interest.

### Risk Factors

Investing in securities involves risk of loss that clients should be prepared to bear. Below are some of the risks that investors should consider before investing in any fund or account that Criterion manages. Any or all of these risks could materially and adversely affect investment performance, and could cause investors to lose substantial amounts of money. Below is only a brief summary of some of the risks that a client or investor may encounter. Potential investors in

a fund should review the fund's offering circular or private offering memorandum carefully and consult with their professional advisers before deciding whether to invest. The risks described below also generally apply to separately managed accounts. A potential client should discuss with Criterion's representatives any questions that person has before opening an account.

- Client accounts may not achieve their investment objectives. A strategy may not be successful and investors may lose some or all of their investment.
- Client accounts are typically concentrated in securities of technology, media and telecommunications companies. Companies in rapidly changing fields face significant risks, including that they may fail to develop or acquire necessary technology, their products may be rendered obsolete by new technology, and they may not obtain needed regulatory approvals.
- Concentrating clients' portfolios in a few industry sectors adds investment risk, because weakness in those sectors will not be offset by exposure to other sectors.
- Investor sentiment on the market, an industry or an individual stock or other security is not predictable and can adversely affect an account's investments.
- An account may hold stocks that disappoint earnings expectations and decline, and may short stocks that beat earnings expectations and rise.
- Criterion may not be able to obtain complete or accurate information about an investment and may misinterpret the information that it does receive. Criterion also may receive material, non-public information about an issuer that prevents it from trading securities of that issuer for a client when the client could make a profit or avoid losses.
- Criterion may engage in hedging, which may reduce profits, increase expenses and cause losses. Price movement in a hedging instrument and the security hedged do not always correlate, resulting in losses on both the hedged security and the hedging instrument. Criterion is not obligated to hedge a client's portfolio positions, and it frequently may not do so.
- An account may have higher portfolio turnover and transaction costs than a similar account managed by another investment adviser. These costs reduce investments and potential profit or increase loss.
- Criterion sells securities short, resulting in a theoretically unlimited risk of loss if the prices of the securities sold short increase.
- Management and stockholders of an issuer may sue short sellers to prevent short sales of the issuer's securities. Criterion could be subject to such actions, even if they are baseless, and clients could incur substantial costs defending them.

- Criterion may use leverage by borrowing on margin, selling securities short and trading futures and other derivatives, which increases volatility and risk of loss. These instruments can be difficult to value. An incorrect valuation could result in losses.
- Criterion may sell covered and uncovered options on securities. The sale of uncovered options could result in unlimited losses.
- Counterparties such as brokers, dealers, futures commission merchants, custodians and administrators with which Criterion does business on behalf of clients may default on their obligations. For example, a client may lose its assets on deposit with a broker if the broker, its clearing broker or an exchange clearing house becomes bankrupt.
- Criterion may cause clients to invest in securities of non-U.S., private and government issuers. The risks of these investments include political risks; economic conditions of the country in which the issuer is located; limitations on foreign investment in any such country; currency exchange risks; withholding taxes; limited information about the issuer; limited liquidity; and limited regulatory oversight.
- Changes in economic conditions can adversely affect investment performance. At times, economic conditions in the U.S. and elsewhere have deteriorated significantly, resulting in volatile securities markets and large investment losses. Government actions responding to these conditions could lead to inflation and other negative consequences to investors.
- Criterion may acquire for a client a large position in an issuer's securities but the client nevertheless is unlikely to have any control over the issuer's management. In addition, if Criterion holds a large position in an issuer's securities, it could depress the market for those securities.
- Some of an account's positions may be or become illiquid, in which case Criterion may not be able to sell such positions.
- An account's investments may not be diversified. Therefore, a loss in any one position, industry or sector in which a fund has invested may cause significant losses.
- The administrator, in consultation with Criterion, determines the value of securities held in client accounts, whether or not a public market exists for such instruments. If such valuation is inaccurate, Criterion might receive more compensation than that to which it is entitled, a new investor in a fund might receive an interest that is worth less than the investor paid and an investor that is withdrawing assets might receive more than the amount to which the investor is entitled, to the detriment of other investors.
- Criterion and its affiliates and agents generally are not responsible to any client or investor for losses incurred in an account unless the conduct resulting in such loss breached Criterion's fiduciary duty to the client or investor.

- There is not and will not be an active market for fund interests. It may be impossible to transfer any such interests, even in an emergency.
- A fund may not be able to generate cash necessary to satisfy investor withdrawals and redemptions. Substantial withdrawals and redemptions in a short period could force Criterion to liquidate investments too rapidly, and may so reduce the size of a fund that it cannot generate returns or reduce losses.
- Under extraordinary circumstances, Criterion or a fund may limit or suspend withdrawals or redemptions of an investor's assets from the fund.
- If the assets that Criterion and its affiliates manage grow too large, it may adversely affect performance, because it is more difficult for Criterion to find attractive investments as the amount of assets that it must invest increases.
- The attorneys who represent Criterion or its manager do not represent clients or investors. Clients and investors must hire their own counsel for legal advice and representation.
- A fund may dissolve or expel any investor at any time, even if such actions adversely affect one or more investors.
- Criterion, an administrator or any government agency may freeze assets that any of them believes a client holds in violation of anti-money laundering laws or rules or on behalf of a suspected terrorist, and may transfer such assets to a government agency. None of Criterion, a fund or an administrator will be liable for losses related to actions taken in an effort to comply with anti-money laundering regulations.
- The funds do not intend to make distributions, but intend instead to reinvest substantially all income and gain. Therefore, an investor may have taxable income from a fund without a cash distribution to pay the related taxes.
- Federal, state and international governments may increase regulation of investment advisers, private investment funds and derivative securities, which may increase the time and resources that Criterion must devote to regulatory compliance, to the detriment of investment activities.
- Criterion is not registered with the SEC as a broker-dealer or with the Commodity Futures Trading Commission as a commodity pool operator. The equity interests in the funds are not registered under the Securities Act of 1933, and the funds are not registered investment companies under the Investment Company Act of 1940. Criterion believes that none of these registrations is required because exemptions are available under applicable law. If a regulatory authority deems that any of these registrations is required, Criterion and any fund could be subject to expensive legal action and potential termination. In addition, investors in the funds do not have certain regulatory protection that they would have if these registrations were in place.

- Criterion's activities could cause adverse tax consequences to clients and investors, including liability for interest and penalties.
- Criterion's activities may cause an account that is subject to the Employee Retirement Income Security Act of 1974 to engage in a prohibited transaction under that Act.
- Criterion and its affiliates may spend time on activities that compete with a fund without accountability to investors, including investing for other clients and their own accounts. If Criterion receives better compensation and other benefits from managing other assets or client accounts compared to managing a fund, it has incentive to allocate more time to those other activities. These factors could influence Criterion not to make investments on a fund's behalf even if such investments would benefit the fund.
- Criterion may in rare cases provide certain investors or clients more frequent or detailed reports, special compensation arrangements and withdrawal or redemption rights that it does not provide to other investors or clients.

The above is only a brief summary of some of the important risks that a client or investor may encounter. Before deciding to invest in a fund that Criterion manages, you should consider carefully all of the risk factors and other information in the fund's offering circular or private offering memorandum.

**Item 9. Disciplinary Information**

Not applicable.

**Item 10. Other Financial Industry Activities and Affiliations**

Not Applicable.

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

Criterion has adopted a Code of Ethics in compliance with Rule 204A-1 under the Investment Advisers Act of 1940, that establishes standards of conduct for Criterion's supervised persons. The Code of Ethics includes general requirements that Criterion's supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It requires supervised persons to comply with the personal trading restrictions described below and periodically to report their personal securities transactions and holdings to Criterion's Compliance Officer, and requires the Compliance Officer to review those reports. It also requires supervised persons to report any violations of the Code of Ethics promptly to the Compliance Officer. Each supervised person of Criterion receives a copy of the Code of Ethics and any amendments to it and must acknowledge in writing having received those materials. Annually, each supervised person must certify that he or she complied with the Code of Ethics during the preceding year. Clients and prospective clients may obtain a copy of Criterion's Code of Ethics by contacting Zach Stout at (415) 834-3500.

Under Criterion's Code of Ethics, Criterion's managers, members and employees may not invest for personal accounts in individual securities, except that they may sell positions they purchased before the adoption of the current personal trading policy, with pre-approval by the Compliance Officer. Such persons may invest in ETFs with pre-approval by the Compliance Officer, and in mutual funds without pre-approval. Criterion and such persons may buy or sell instruments for their own accounts based on personal investment considerations aside from company or industry fundamentals, which Criterion does not believe appropriate to buy or sell for clients.

Criterion solicits investors who may or may not be Criterion's clients to invest in its limited partnership clients. Criterion has an incentive to cause a client to invest in a limited partnership instead of a separately managed account because of the reduced expenses and administrative burdens of managing a fund compared to a separately managed account, Criterion's performance compensation from a limited partnership receives more favorable tax treatment than that from a separately managed account and limited partners have less transparency and liquidity than individual account clients. In addition, if a fund investor also has a separately managed account with Criterion that uses an investment strategy that is similar to that of the fund, the investor may use knowledge of the other account's portfolio to decide if and when to make an additional investment or withdraw or redeem assets from the fund at times when other fund investors would have made similar decisions had they had similar transparency. Criterion discloses these conflicts of interest to clients and investors.

Because Criterion manages more than one account, there may be conflicts of interest over its time devoted to managing any one account and allocating investment opportunities among all accounts that it manages. For example, Criterion selects investments for each client based solely on investment considerations for that client. Different clients may have differing investment strategies and expected levels of trading. Criterion may buy or sell a security for one type of client but not for another, or may buy (or sell) a security for one type of client while simultaneously selling (or buying) the same security for another type of client. Criterion attempts to resolve all such conflicts in a manner that is generally fair to all of its clients. Criterion may give advice to, and take action on behalf of, any of its clients that differs from the advice that it gives or the timing or nature of action that it takes on behalf of any other client so long as it is Criterion's policy, to the extent practicable, to allocate investment opportunities to its clients fairly and equitably over time. Criterion is not obligated to acquire for any account any security that Criterion or its managers, members or employees may acquire for its or their own accounts or for any other client, if in Criterion's absolute discretion, it is not practical or desirable to acquire a position in such security for that account.

## **Item 12. Brokerage Practices**

Criterion has complete discretion in selecting the broker or futures commission merchant that it uses for client transactions and the commission rates that clients pay such brokers and futures commission merchants. In selecting a broker or futures commission merchant for any transaction or series of transactions, Criterion may consider a number of factors, including, for example:

- net price;
- financial strength and stability;

- efficiency of execution and error resolution;
- block trading and block positioning capabilities;
- willingness to execute related or unrelated difficult transactions in the future;
- special execution capabilities;
- order of call;
- offering on-line access to computerized data regarding clients' accounts;
- computer trading systems; and
- the availability of stocks to borrow for short trades.

Criterion may also purchase from a broker or futures commission merchant or allow a broker or futures commission merchant to pay for the following (each a "soft dollar" relationship):

- research reports, services and conferences, including third-party research consultants;
- technical data;
- periodical subscriptions;
- consultations;
- performance measurement data;
- on-line pricing;
- news wire and data processing; and
- quotation services.

Criterion may receive soft dollar credits based on principal, as well as agency, securities transactions with brokers and futures commission merchants or direct a broker or futures commission merchant that executes transactions to share some of its commissions with a broker or futures commission merchant that provides soft dollar benefits to Criterion.

During Criterion's last fiscal year, it acquired the following types of products and services with client brokerage commissions or markups:

- newswire services
- research services
- pricing services

Criterion retains selected brokerage firms to serve as the prime brokers and custodians for investment funds that Criterion manages. The services that the custodians provide as prime brokers may include custody, clearing, settlement and stock borrowing in accordance with the terms of the prime brokerage agreements. The custodians have custody of most of the funds' assets and provide Criterion with other services, which may include capital introduction services, portfolio reporting reconciliation, and access to electronic communication networks. Although many prime brokers provide similar services to investment advisers in exchange for brokerage, custody and clearance fees and other charges, if Criterion did not receive these services from the custodians, Criterion would be required to pay for all or some portion of them. Criterion is not

required to direct a particular number of trades to the custodians or to continue to use them as custodians, but it has an incentive to do so based on the custodians' prior and continued services.

Section 28(e) of the Securities Exchange Act of 1934 provides a "safe harbor" to investment advisers who use commission dollars of their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to the adviser in performing investment decision-making responsibilities. Conduct outside of the safe harbor of section 28(e) is subject to the traditional standards of fiduciary duty under state and federal law. Criterion uses its reasonable best efforts to ensure that commission dollars are used only to pay for products or services that fall within the section 28(e) safe harbor.

Criterion may pay to a broker or futures commission merchant commissions and mark-ups that exceed those that another broker or futures commission merchant might charge for effecting the same transaction because of the value of the brokerage, research, other services and soft dollar relationships that such broker or futures commission merchant provides. Criterion determines in good faith that such compensation is reasonable in relation to the value of such brokerage, research, other services and soft dollar relationships, in terms of either the specific transaction or Criterion's overall fiduciary duty to its clients. An account may, however, pay higher commissions and mark-ups than are otherwise available or may pay more commissions or mark-ups based on account trading activity. The research and other benefits resulting from Criterion's brokerage relationships benefit Criterion's operations as a whole and all accounts that it manages, including those that do not generate the soft dollars that pay for such research and other benefits and accounts of clients that direct Criterion to use a broker or futures commission merchant that does not provide Criterion with soft dollar services. Criterion does not allocate soft dollar benefits to client accounts proportionately to the soft dollar credits that the accounts generate.

Criterion's relationships with brokers and futures commission merchants that provide soft dollar services influence Criterion's judgment and create conflicts of interest in allocating brokerage business between firms that provide soft dollar services and firms that do not. Criterion has an incentive to select or recommend a broker or futures commission merchant based on Criterion's interest in receiving soft dollar services rather than clients' interest in receiving the most favorable execution. These conflicts of interest are particularly influential to the extent that Criterion uses soft dollars to pay expenses it would otherwise be required to pay itself.

Criterion addresses these conflicts of interest by periodically evaluating the trade execution services that Criterion receives from the brokers and futures commission merchants that it uses to execute trades for clients. Such evaluation includes comparing those services to the services available from other brokers and futures commission merchants. Criterion considers, among other things, alternative market makers and market centers, the quality of execution services, the value of continuing with various soft dollar services and adding or removing brokers or futures commission merchants, increasing or decreasing targets for each broker or futures commission merchant and the appropriate level of commission rates.

Criterion may aggregate securities sale and purchase orders for a client with similar orders being made contemporaneously for other accounts that Criterion manages or with accounts of its affiliates. In such event, Criterion may charge or credit a client the average transaction price of all securities purchased or sold in such transactions. As a result, however, the price may be less

favorable to the client than it would be if Criterion were not executing similar transactions concurrently for other accounts. Criterion may also cause a client to buy or sell securities directly from or to another client, if such a cross-transaction is in the interests of both clients.

If a client directs Criterion to use a specific broker, Criterion has not negotiated the terms and conditions (including, among others, commission rates) relating to the services provided by such broker. Criterion is not responsible for obtaining from any such broker the best prices or particular commission rates. A client that directs Criterion to use a specific broker may not be able to participate in aggregate securities transactions and may trade after such aggregate transactions and receive less favorable pricing and execution. The client may pay higher commissions and mark-ups than it would pay if Criterion had discretion to select broker-dealers other than those that the client chooses.

### **Item 13. Review of Accounts**

Christopher Lord or David Riley, Criterion's portfolio managers, review all accounts at least weekly. Those reviews take into account such matters as asset allocation, cash management, the prospects of individual securities, changes in issuer earnings, industry outlook, market outlook and price levels. Each account receives a monthly letter stating performance for the month and an annual letter discussing annual performance and investment outlook.

### **Item 14. Client Referrals and Other Compensation**

Not applicable.

### **Item 15. Custody**

The custodian of each separately managed account sends account statements at least quarterly to the client. Each client should carefully review those statements and compare them with the statements that such client receives directly from Criterion, if any.

### **Item 16. Investment Discretion**

Criterion has discretionary authority to manage investment accounts on behalf of clients pursuant to a grant of authority in each fund's limited partnership agreement or a limited power of attorney in each client's account agreement. Except for Criterion's limited partnership clients, such discretion is limited by the requirement that clients advise Criterion of:

- the investment objectives of the account;
- any changes or modifications to those objectives; and
- any specific investment restrictions relating to the account.

A client must promptly notify Criterion in writing if the client considers any investments recommended or made for the account to violate such objectives or restrictions. A client may at any time direct Criterion to sell any securities or take such other lawful actions as the client may specify to cause the account to comply with the client's investment objectives. In addition, a

client may notify Criterion at any time not to invest any funds in the client's account in specific securities or specific categories of securities.

#### **Item 17. Voting Client Securities**

Criterion will vote proxies on behalf of each client account which it has proxy voting authority in accordance with its fiduciary duty to its clients. However, Criterion will document and abide by any specific proxy voting instructions conveyed by a client with respect to that client's securities. Criterion has retained ISS Governance Services ("ISS") to assist in the proxy voting process. On behalf of Criterion, ISS will vote proxies (other than those whose vote is directed by a Criterion client) in accordance with the guidelines set forth in ISS's proxy voting guidelines.

If ISS has a material conflict of interest with the company whose proxy is at issue, it will not provide a voting recommendation but will instead refer the proxy to Criterion to decide how to vote. Criterion will normally vote such proxies in accordance with ISS's proxy voting guidelines.

On rare occasions, Criterion may determine that it is in the best interest of its clients to depart from ISS's proxy voting guidelines when voting a particular proxy. In making this determination and deciding how to vote the proxy, Criterion will consider a number of factors, including:

- the proposal's economic effect on shareholder value;
- the threat that the proposal poses to existing rights of shareholders;
- the dilution of existing shares that would result from the proposal;
- the effect of the proposal on management or director accountability to shareholders; and
- if the proposal is a shareholder initiative, whether it wastes time and resources of the company or reflects the grievance of one individual.

However, in any case in which Criterion determines that a material conflict of interest exists between Criterion and its client with respect to a vote, it will vote the proxy in accordance with ISS's guidelines. In such case, if a proxy proposal is not addressed by ISS's proxy voting guidelines, the CFO will consult with Criterion's outside counsel to determine the appropriate course of action

Criterion may instruct ISS not to vote a proxy if Criterion deems that abstinence is in its clients' best interests. The CFO will prepare and maintain memoranda describing the rationale for any instance in which Criterion elects not to vote a proxy.

A client can obtain a copy of Criterion's proxy voting policy and a record of votes cast on behalf of that client by contacting Criterion.

#### **Item 18. Financial Information**

Not applicable.

**Item 19. Requirements for State-Registered Advisers**

Not applicable.

**Privacy Policy**

Criterion and the investment limited partnerships for which it serves as general partner:

- collect non-public personal information about their clients and investors from the following sources:
  - information received from clients or investors on applications or other forms, and
  - information about clients' or investors' transactions with Criterion, its affiliates or others;
- do not disclose any non-public personal information about their clients or investors or former clients or investors to anyone, except as permitted by law;
- restrict access to non-public personal information about their clients and investors to their employees who need to know that information to provide services to clients; and
- maintain physical, electronic and procedural safeguards that comply with federal standards to guard clients' and investors' personal information.

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