

Caspian Capital Management, LLC
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Item 1 – Cover Page

This Brochure provides information about the qualifications and business practices of Caspian Capital Management, LLC ("CCM"). If you have any questions about the contents of this Brochure, please contact us at the above telephone number or send an email to contact@Caspiancm.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. CCM is a registered investment adviser. Registration of an Investment Adviser does not imply a certain level of skill or training. Additional information about CCM is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

On July 28, 2010, the SEC published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary. Also, we will further provide a new Brochure as necessary based on changes or new information, at any time, without charge.

A copy of CCM’s Brochure may be requested by calling 212 703 0300 or by sending an email to CCM, email address: Contact@Caspiancm.com. Additional information about CCM is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with CCM who are registered, or are required to be registered, as investment adviser representatives of CCM.

This Brochure contains the below material change to the previous Brochure, dated March 30, 2011:

Brokerage Practices Section III, Trading Allocation (#12) - Amended to disclose and describe CCM’s new trade allocation methodology for its Global Quantitative accounts. Utilizing statistical and mathematical techniques, the methodology analyzes the strategy’s trading at the end of each day and allocates trades to each client such that each client shares proportionately, based on its assets under management, in each day’s total trading gain or loss.

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Item 4 – Advisory Business:

Overview: Caspian Capital Management, LLC ("CCM") was formed on April 5, 2000 in the State of Delaware and, on October 2, 2003, the U.S. Securities and Exchange Commission (the "SEC") granted CCM's application for registration as an investment adviser. In addition to being registered as an investment adviser with the SEC, CCM is a member of the National Futures Association and is registered with the Commodity Futures Trading Commission as a Commodity Pool Operator and a Commodity Pool Adviser.

Principal Owners: CCM is 51% owned by Natixis Global Asset Management, L.P. ("NGAM LP") and 49% owned by Caspian Holdings, LLC ("CH"). NGAM LP owns a number of other asset management and distribution and service entities and is part of Natixis Global Asset Management, an international asset management group based in Paris, France, that is in turn principally owned by Natixis, a French investment banking and financial services firm. Natixis is principally owned by BPCE, France's second largest banking group. The group includes two autonomous and complementary retail banking networks consisting of the Caisse d'Epargne regional savings banks and the Banque Populaire regional cooperative banks. Natixis and BPCE each owns, directly or indirectly, other investment advisers established in various jurisdictions. CH is a holding company that is fully owned by a group of certain CCM employees.

Services Provided: CCM provides High Grade U.S. Fixed Income and Global Quantitative institutional client strategies, available through a varied set of investment vehicles that have been created to facilitate unique client requirements e.g. USD or EUR denominated fund offerings as well as principal protected or leveraged notes and options. In addition, CCM assists sponsors, in a non-discretionary consulting role (collectively "Non-discretionary Consulting"), to support their businesses as Trading manager for programs where large financial institutions have issued principal protected strategies indexed on 3rd-party funds; Investment adviser for funds where large financial institutions have provided leverage or issued principal protected indexed obligations or Program manager for captive 3rd party investment programs supported by large institutional investors. The advice provided by CCM is limited to the services described above.

Description of Strategies Provided:

I. High Grade U.S. Fixed Income Arbitrage ("HGUSFI")

- A. Objective: Exploit market inefficiencies to generate consistent rates of return in excess of the risk free rate. It uses a long/short approach to invest primarily in U.S. Government agency mortgage backed securities, Treasuries, and other related derivatives.
- B. Management Focus: Reducing interest rate risk, yield curve risk, prepayment risk and volatility risk. The strategy seeks to provide portfolio diversification and low correlations versus performance benchmarks and competing investment strategies.
- C. Description of Clients: Clients are one Luxembourg SICAV and two sub-funds of a Luxembourg SICAV.¹ The one SICAV is a feeder fund that invests into the two above referenced sub-funds and also invests in a zero coupon variable redemption notes.

II. Global Quantitative Trading ("GQT")

- A. Objective: Generate absolute returns by deploying quantitative strategies that attempt to benefit from price patterns, differentials and movements.
- B. CCM is the adviser to GQT separate accounts and a sub-fund of a Luxembourg SICAV.

CCM tailors its advisory services to the individual needs of clients:

I. HGUSFI Strategy

- A. Funds: Managed pursuant to its respective prospectus and CCM monitors that the guidelines enumerated in the prospectus, stated in the advisory agreements and represented in marketing documents to clients are adhered to.
- B. Separate advisory accounts: None.

II. GQT Strategy

- A. Funds: Managed pursuant to its respective prospectus and CCM monitors that the guidelines enumerated in the prospectus, stated in the advisory agreements and represented in marketing documents to clients are adhered to
- B. Separate Advisory Accounts: Managed pursuant to each respective client's investment management agreement and CCM monitors that such are adhered to.

III. Clients may impose restrictions on investing in certain securities or types of securities and the prospectuses and the management agreements may contain restrictions on such.

Wrap Fee Programs: None

Amount of client assets managed by CCM on a discretionary basis and the amount of client assets managed on a non-discretionary basis, rounded to the nearest \$100,000, as of July 31, 2011:	Discretionary: \$391.9 million
	Non-discretionary: \$ 0

Item 5 – Fees and Compensation:

Description of how CCM is compensated for advisory services: The specific manner by which fees are charged by CCM is established in a client's written agreement with CCM and or prospectus, limited partnership agreement as or otherwise applicable. All fees are subject to negotiation, including the timing of payment of such fees by clients, however they do not vary within the same share class of any of the funds or sub-funds CCM manages. Management fees and performance fees for the HGUSFI and GQT strategies are accrued and are paid monthly in arrears. CCM does not charge management or performance fees to certain investors, including itself, its personnel or investors who are hedging their investments in issuances indexed on the performance of certain assets managed by CCM that have appointed CCM or its personnel as beneficiaries. Liquid assets invested in funds managed by CCM may be assessed management and performance fees. If money market funds are utilized as sweep vehicles the investor will pay a fee in addition to the fees paid to CCM. Clients may elect to be billed directly for fees or to authorize CCM to directly debit fees from clients' accounts. Fees are prorated for each capital contribution and withdrawal made during the applicable calendar period (with the possible exception of de minimis contributions and withdrawals). Accounts initiated or terminated during a calendar period will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded and any earned, unpaid fees will be due and payable. Advisory agreements may typically be cancelled with CCM upon 90 days prior written notice, although some shorter termination periods have been negotiated.

Other types of fees or expenses that clients may pay in connection with CCM's services: CCM's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, 3rd party investment and other 3rd parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to CCM's fees, and CCM shall not receive any portion of

¹ A SICAV (*Societe d'Investissement A Capital Variable*), a common kind of European investment vehicle, is an open-ended investment fund in which the amount of capital in the fund varies according to the number of investors. Shares are bought and sold based on the fund's current net asset value.

these commissions, fees, and costs. Please refer to Item 12 for further information about the factors that CCM considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

Whether CCM of any of its supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds: No

Item 6 - Performance-Based Fees and Side-By-Side Management: Where CCM has entered into performance fee arrangements with qualified clients, such fees are subject to individualized negotiation with each such client. CCM structures performance or incentive fee arrangements subject to Section 205(a)(1) of the Investment Advisors Act of 1940 ("The Advisors Act") in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. In measuring clients' assets for the calculation of performance-based fees, CCM shall include realized and unrealized capital gains and losses. Performance based fee arrangements may create an incentive for CCM to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. CCM has procedures designed so that all clients are treated fairly and equally and to prevent this conflict from influencing the allocation of investment opportunities among clients.

Item 7 – Types of Clients: CCM can provide portfolio management services to high net worth individuals, private investment funds, sovereign funds, foreign funds such as UCITs and SICAVs, and other U.S. and international institutions. Requirements for opening and maintaining an account are as follows:

- I. Managed Accounts - HGUSFI Strategy
 - A. Funds - Each investor must warrant that it is an "accredited investor" within the meaning of Rule 501 of the Securities Act". Investment size minimums, fees per share class and other conditions are negotiable.
 - B. Separate Accounts: None managed at this time.
- II. GQT Strategy
 - A. Funds - Each investor must warrant that it is an "accredited investor" within the meaning of Rule 501 of the Securities Act". Investment size minimums, fees per share class and other conditions are negotiable..
 - B. Separate Accounts: Each client must represent and warrant to CCM that it:
 1. Has obtained all necessary governmental, regulatory, self-regulatory and exchange licenses, registrations, memberships and approvals and has effected all filings with exchange authorities and with governmental, regulatory and self-regulatory agencies required to conduct its business and to act as described and contemplated in its management agreement with CCM including, without limitation, any required registration as a CPO and/or CTA under the CEA and membership in the NFA.
 2. Has no pending nor, to the best of its knowledge, any threatened action, suit, proceeding, or investigation before or by any court, or governmental, regulatory, self-regulatory or exchange body to which the it is a party or to which any assets of the Client are subject, which would materially affect the ability of the Client to comply with and perform its obligations under the Agreement.
 3. Is aware of the highly speculative nature of, and risks of loss inherent in, the trading of Commodity Interests and is financially capable of engaging in such trading.
 4. Has a significant amount of additional assets beyond its account's "Allocated Assets" and the monies that in the future that may become part of its account's Allocated Assets.
 5. Acknowledges that all of the Allocated Assets represent risk capital to the Client.
 6. Is a qualified eligible person (per Rule 4.7 under the Commodities Exchange Act) and agrees to be treated as such by CCM.
- III. Non-Discretionary Consulting – Requirements are negotiable and are determined on a case by case basis.
- IV. Other Requirements
 - A. CCM may decline to accept an account application from a person that is a "Covered Person" within the meaning of the Guidance on Enhanced Scrutiny for Transactions that May Involve the Proceeds of Foreign Official Corruption, issued by the Department of the Treasury, et al., January, 2001, i.e., a senior foreign political figure, or an immediate family member or close associate such.
 - B. CCM will not accept accounts from any prospect that appears on a list of known or suspected terrorists or terrorist organizations compiled by any U.S. or foreign governmental agency. Should CCM determine that an investor or client appears on such a list, it will take any action as shall be necessary or appropriate, including, but not limited to, notifying certain U.S. authorities.

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

Methods of Analysis

- I. HGUSFI Strategy
 - A. CCM first identifies relative value opportunities within the asset sectors and specific securities that fit the portfolio guidelines. A combination of interest rate models, option-pricing tools for the MBS and relative value models are used to construct optimized portfolios the meet fund hedging guidelines.
 - B. Next, CCM overlays a trade allocation based on the volatility of the strategy.
 - C. A problem that is explicitly addressed during portfolio construction is how to optimally allocate and structure trades, which could experience short-term volatility and hence negatively impact mark-to-market performance.
 - D. The problem has a solution if the following is established: a) a "boundedness" assumption for the price process, b) maximum loss level and c) fixed number of "re-balancing" levels.
 - E. Using the above steps, CCM extracts value from volatility by allocating equity to a given trade. Note that this is done without strong assumptions about the distribution of the price process.
- II. GQT Strategy
 - A. Utilizes the Caspian Electronic Trading Algorithm ("CETA"), an automated platform developed by the strategy's investment team.
 - B. CETA:
 1. Focuses on the medium frequency trading of highly liquid exchange traded futures contracts.
 2. Seeks to generate excess risk adjusted returns by deploying multi-layered strings of highly adaptive algorithmic rule sets across global markets.
 3. Develops its rule sets through an internally developed machine learning technology. The engine is designed to learn from its experience and analytical observations of market behavior and patterns.
 4. Is designed to adapt to current market conditions in real time. The flexible nature of its models switch between short term mean reversion and trend postures based on assumed equilibrium points.

Risk of Loss: Investing in securities involves risk of loss that clients should be prepared to bear.

- I. Overview: It is important to understand that you can lose money by investing. The prices of securities in the portfolios managed by CCM (the "Portfolios") may fall or fail to rise over extended periods of time for a variety of reasons, including both general financial market conditions and factors related to a specific issuer or industry. Prospective investors should not invest in the Portfolios unless they can readily bear the consequences of a complete loss of their investment.
- II. Examples of risks associated with investing in Portfolios:
 - A. Interest rate risk – A portfolio's long fixed income positions would fall and short positions would rise in value if interest rates rise and vice versa. This risk would be generally greater for longer-term bonds.
 - B. Credit risk: Risk that issuers of fixed income investment held by a Portfolio may default on payment of interest or principal. This risk is would be generally greater for below-investment-grade bonds ("junk bonds"), if the portfolios were to hold such.
 - C. Reinvestment Value Risk – A portfolio may have to invest the proceeds from pre-paid investments, including mortgage-backed investments, in other investments with less attractive terms and yields. Mortgage-backed investments carry the risk that they may increase in value less when interest rates decline and decline in value more when interest rates rise.
 - D. Investors in feeder funds are subject to the risks of their respective master funds.
 - E. Liquidity Risk: Liquidity risk exists when a particular instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid (as is the case with many over-the-counter derivatives), it may not be possible to initiate a transaction or liquidate a position at an advantageous price. Less liquid derivatives may also fall in price more than other securities during market falls. Also, securities exchanges or governmental authorities may suspend or restrict trading on an exchange or in particular securities without notice.
 - F. Commodity Markets Risks: Substantial risks are involved in trading futures, forwards and options based upon commodity price movements. The prices of such investments may be highly volatile. Market movements are difficult to predict and are influenced by government trade, fiscal, monetary and exchange control programs and policies, changing supply and demand relationships, national and international political and economic events, changes in interest rates, the market place's inherent volatility and other factors.
- III. Goals not guaranteed: A portfolio may not achieve its goal.
- IV. Assets not guaranteed: Your investment is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.
- V. Past results are not necessarily indicative of future performance: The results of earlier investments made by a portfolio are not necessarily indicative of the results that it may achieve or representative of future investments that it may make. The historical results of client accounts or funds managed by CCM are not guarantees or predictors of the results that it will achieve.
- VI. Illiquidity – Some investments may be less liquid than others.
- VII. Uncertainty: No assurance can be given that CCM has knowledge of all circumstances that may adversely affect an investment.
- VIII. Use of Leverage: In the case of leverage used by a portfolio, leverage may have important adverse consequences. For example, in the case of swaps, the risk of loss generally is related to a notional principal amount, even if the parties have not made any initial investment. Certain securities have the potential for unlimited loss, regardless of the size of the initial investment.
- IX. Foreign Exchange Hedging: CCM engages in hedging and derivative transactions on behalf of a feeder fund for currency hedging purposes. These hedging strategies could involve a variety of derivative transactions, including, without limitation, forward foreign currency exchange contracts and currency swaps (collectively "Hedging Instruments"). While these transactions may reduce the currency risk associated with an investment in such feeder fund, which accept subscriptions in Euros, the transactions themselves entail risks that are different than those of the investments of its master funds. The risks posed by these transactions include, but are not limited to, the risk that these complex instruments and techniques will not be successfully evaluated, monitored and or priced and the risk that counterparties will default on their obligations, liquidity risk and leverage risk. Changes in liquidity may result in significant, rapid and unpredictable changes in the prices for derivatives. While the feeder fund may benefit from the use of Hedging Instruments, unanticipated changes in currency exchange rates may result in a poorer overall performance for it than if it had not used those Hedging Instruments. There can be no assurance that the hedging transactions, if available, will be effective.
- X. Investment performance of and the returns from the Portfolios and other investment vehicles may vary in material respects.
- XI. Tax Risks: Investment in a portfolio may expose investors to numerous tax liabilities.

Item 9 – Disciplinary Information: CCM is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of CCM or the integrity of its management. While CCM has no information applicable to this item, please review Form ADV Part I for disciplinary information related to CCM's affiliates.

Item 10 – Other Financial Industry Activities and Affiliations:

- I. As noted in Item 4, NGAM LP is owned by Natixis, which is principally owned by BPCE. There are several intermediate holding companies and general partnership entities in the ownership chain between BPCE and CCM. Natixis is also a client of CCM. In its capacity as a French broker dealer, Natixis has issued structured notes that may be offered for purchase by CCM clients. Natixis receives fees in connection with its respective issuer and sub-adviser roles.
- II. Credit Agricole ("CA") and Caisse Nationale des Caisses d'Epargne ("CNCE"), an upstream parent company of CCM, have combined their respective securities services business lines, including custody services, through CACEIS, a joint venture, and CA and its subsidiaries may be viewed as related persons of CCM. Certain offshore funds managed by CCM maintain their assets with CACEIS.
- III. Caspian Private Equity, LLC ("CPE") is a registered investment adviser that provides private equity advice to its clients. CPE, owned by entities related to CCM, occupies the same offices as CCM. Certain individuals are dual employees of CCM and CPE. In addition, certain employees of CCM provide services for CPE and vice versa.
- IV. CCM may determine, subject to best execution, to utilize an affiliated broker-dealer to effect transactions for clients. In such circumstances, CCM clients typically pay the fees associated with the transactions in addition to any management and performance fees.
- V. CCM is a commodity-trading adviser ("CTA") and has filed a notice of claim for exemption pursuant to Commodity Futures Trading Commission (CFTC) Rule 4.7. Rule 4.7 exempts CTAs who file a notice of claim for exemption from providing a CFTC-mandated Disclosure Document to certain highly accredited clients termed qualified eligible persons ("QEP") who consent to their accounts being treated as exempt accounts per Rule 4.7. While exempt from providing a Disclosure Document to its exempt QEP accounts, CCM must prominently display the following CFTC-specified disclosure statement with this brochure:

PURSUANT TO AN EXEMPTION FROM THE COMMODITY FUTURES TRADING COMMISSION IN CONNECTION WITH ACCOUNTS OF QUALIFIED ELIGIBLE PERSONS, THIS BROCHURE IS NOT REQUIRED

TO BE, AND HAS NOT BEEN, FILED WITH THE COMMODITY FUTURES TRADING COMMISSION. THE COMMODITY TRADING FUTURES COMMISSION DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN A TRADING PROGRAM OR UPON THE ADEQUACY OR ACCURACY OF COMMODITY TRADING ADVISOR DISCLOSURE, CONSEQUENTLY, THE COMMODITY FUTURES TRADING COMMISSION HAS NOT REVIEWED OR APPROVED THIS TRADING PROGRAM OR BROCHURE.

- VI. CCM may, from time to time, invest its client's assets in funds managed by 3rd-parties, including 3rd-parties who act as co-advisers to one or more funds or other investment products managed by CCM. In certain situations, it may be the case that such 3rd-party managers also have other funds that invest in funds or investment products managed by CCM. Any investments made by CCM in such 3rd-party managed funds, and any 3rd-party managed funds investing funds or investment products managed by CCM, will be made on an independent basis and on terms substantially the same as other investors.
- VII. CCM may from time to time enter into agreements in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, pursuant to which CCM remits a portion of the management fees received from clients to an outside party, including affiliates of CCM, for solicitation activities.

Item 11 – Code of Ethics:

CCM has implemented policies and procedures to monitor the personal trading activities of its personnel and certain members of their immediate families. CCM maintains a Code of Ethics (the "Code") that governs the conduct of its personnel. The Code describes CCM's high standard of business conduct, its fiduciary duty to its clients and includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All of CCM's covered persons must acknowledge the terms of the Code annually, or as amended. To request a copy of the Code, please call 212 703 0302 or email contact@ccm.caspiancm.com.

The Code places restrictions on personal trades by CCM's access persons, requiring that they disclose their personal securities holdings and transactions to CCM on a periodic basis and requires that personnel pre-clear certain types of personal securities transactions. Consistent with its Code, CCM seeks to limit personal investments that may conflict with client interests. CCM anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which it has management authority to effect and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which CCM or its affiliates and/or clients, directly or indirectly, have a position of interest. Subject to satisfying applicable laws and the Code, officers, directors and employees of CCM and its affiliates may trade in certain securities, in their own accounts, which are recommended to and/or purchased for CCM's clients. The Code has been designed to assure that the personal securities transactions, activities and interests employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of clients. In addition, the Code requires pre-clearance of many transactions. However, because the Code, in some circumstances, would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code and to reasonably prevent conflicts of interest.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with CCM's obligation of best execution. In such circumstances, if applicable, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. CCM will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Order exceptions will be explained on the order.

Natixis, one of the ultimate parents of CCM, is a client of CCM. In its capacity as a French broker dealer, Natixis has issued structured notes that may be offered for purchase by CCM clients. Natixis receives fees in connection with its respective issuer and sub-adviser roles. Given that these notes are often highly specialized structures and that this type of transaction involves an inherent conflict of interest given that CCM is related to Natixis, a client entity purchasing the note, or an agent of the client, is generally a participant in discussions regarding any proposed transaction. Where a client that purchases such a note is a commingled fund CCM's principal trading procedure will be followed.

Given the diverse business activities of Natixis and the broad scope of CCM's affiliated relationships, CCM may on occasion find investment opportunities on behalf of its clients where the opposing party in the transaction is an entity related to CCM. In addition, CCM may on occasion determine to effect a purchase and sale transaction between two or more accounts that it manages. These types of transactions are referred to for regulatory purposes as "principal transactions" and "cross transactions," respectively.

For principal transactions, CCM provides client, an agent of the client or an independent person acting on behalf of a client, written disclosure regarding the material terms of the transaction and receive consent before the completion of the transaction. For cross transactions, CCM has established policies and procedures for determining that the securities are being transferred between accounts at a fair price. CCM has established policies and procedures for determining a fair price, which typically involves the polling of independent dealers to obtain current bid levels. In no case will CCM receive any compensation for effecting such transactions. In addition, when a cross transaction involves a client that is a commingled fund and the fund contains proprietary investments by CCM and its personnel or affiliates, CCM will apply the principal transaction procedures described above if any such commingled fund would be viewed by the SEC as a principal account of CCM.

Item 12 – Brokerage Practices

- I. Soft Dollar Arrangements, Brokerage for Client Referrals, Directed Brokerage: CCM does not engage in such arrangements.
- II. Best Execution: While the concept of the amount of commissions paid to brokers or dealers is not as relevant as it is in the equity market, CCM recognizes that it has the responsibility to obtain best execution with respect to transactions for its clients. As part of its attempt to achieve best execution, CCM utilizes online trading platforms (such as Trade Web) that display real-time, best bid and offer prices from the largest fixed-income dealers. CCM selects brokers or dealers which it believes are financially responsible, will provide efficient and effective services in executing, clearing and settling an order and, if applicable, will charge commission rates which, when combined with the quality of the foregoing services, will produce best price and execution for the transaction. (Commissions are paid primarily in connection with futures transactions.) This does not necessarily mean that it will pay the lowest available CCM uses its best efforts to obtain information as to the general level of commission rates being charged from time to time and will evaluate the overall reasonableness of commissions paid on transactions by reference to such data. In making such evaluation, all factors affecting liquidity and execution of the order, as well as the amount of the capital commitment by the dealer in connection with the order, are taken into account.
- III. Trading Allocation: As a general policy, CCM allocates trades among all client accounts and whenever possible, CCM allocates trades similarly between clients with similar investment strategies. It should be noted that the nature of the securities traded within the investment strategies may

not lend itself to the allocation of every security pro rata for each client. Securities may be allocated across such clients based on: leverage, cash flows, asset type, risk limit, risk alignment and trading signal. With regard to the GQT strategy accounts, CCM has devised and has implemented a method for trade allocation that, utilizing statistical and mathematical techniques, analyzes the strategy's trading at the end of each day and allocates trades to each client such that each client shares proportionately, based on its assets under management, in each day's total trading gain or loss. For allocations that are not described by the factors listed above, CCM's trading desk will consult with CCM's Director of Compliance and annotate the order memorandum accordingly.

Item 13 – Review of Accounts

I. Review of HGUSFI Strategy accounts

A. On a daily basis, the portfolio management team reviews trading and monitors the markets.

1. On a weekly basis the investment team provides the following reports to marketing and compliance. Once reviewed by marketing and compliance, the reports are released to fund investors, accredited prospective investors and related parties.

- i. Strategy overview
- ii. Risk report
- iii. Holding report

2. On a monthly basis the following reports are provided:

- i. Risk report (provided by portfolio management team)
- ii. Holding report (provided by portfolio management team)
- iii. Performance report (provided by marketing)

3. Annually, audited financials are provided to investors, related parties, regulators and SROs as applicable.

C. As the portfolio management team sits at the same trading desk, discussions and exchanges of ideas are an ongoing and continuous process. If necessary, the CIO may call a meeting of the portfolio management team as needed.

II. Review of GQT Strategy accounts

A. Real time: The team monitors CETA and the markets to check that the platform is functioning and that its data feeds are working

B. Daily: The team makes checks that all orders sent by CETA were executed

C. Reports

1. SICAV Account – Weekly and monthly performance reports (provided by marketing); Annual reports (provided by custodian)

2. Separate Accounts

- i. Accounts with no sub-manager that are not related to CCM – Currently no such accounts
- ii. Accounts with a sub-manager (as specified in the client's investment management agreement): The respective sub-manager is responsible for reporting to the CETA accounts it sub-manages and has access, granted pursuant to the account's written agreements, to trading and other account information

D. As the portfolio management team sits at the same trading desk, discussions and exchanges of ideas are an ongoing and continuous process. If necessary, the CIO may call a meeting of the portfolio management team as needed.

Item 14 – Client Referrals and Other Compensation: CCM may from time to time enter into agreements in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, pursuant to which it remits a portion of fees received from clients to 3rd parties, which may include CCM affiliates, for their solicitation activities.

Item 15 – Custody: CCM is deemed to have custody of funds of the SICAVs it manages because the boards of such SICAVs are not independent. Pursuant to Rule 206(4)-2 under the Adviser's Act, CCM delivers audited financial statements to investor in such SICAVs.

Item 16 – Investment Discretion: CCM receives discretionary authority from clients at the outset of an advisory relationship. In all cases, CCM exercises investment discretion in a manner consistent with the stated investment objectives for the particular client account. When selecting securities and determining amounts, CCM observes the investment policies, limitations and restrictions of the clients for which it advises. Clients must provide CCM with their written investment guidelines and restrictions.

Item 17 – Voting Client Securities: As CCM provides investment advisory services and invests assets in securities issued by public and private issuers and has the authority to vote proxies relating to such securities on behalf of its clients, CCM may, from time to time, determine that it is in the best interests of its clients to depart from specific policies described herein. Decisions regarding proxies will be determined on a case-by-case basis. As a practical matter, CCM will likely be presented with few proxy voting situations because its overall investment strategies call for investments in debt securities and futures. The general policy is to vote proposals, amendments, consents or resolutions relating to client securities, including interests in private investment funds, if any, in a manner that serves the best interests of CCM's clients, as determined by CCM in its discretion, and taking into account relevant factors, including, but not limited to: a) impact on the value of the securities; b) anticipated costs and benefits associated with the proposal; c) effect on liquidity; and d) customary industry and business practices. Routine matters are typically proposed by management of a company and meet the following criteria: (a) they do not measurably change the structure, management, control or operation of the company; (b) they do not measurably change the terms of, or fees or expenses associated with, an investment in the company; and (c) they are consistent with customary industry standards and practices, as well as the laws of the country and state of incorporation applicable to the company. Examples of routine matters: a) general matters, CCM will generally vote for proposals, i.e. to set the time and location of annual meeting, b) board members, CCM will generally vote for management proposals, i.e. to elect or re-elect board members, c) capital structures, CCM will generally vote for proposals, i.e. to change capitalization, including increasing authorized common shares, d. appointment of auditors, CCM will generally vote for the approval of auditors unless CCM has serious concerns about the accountants presented, including their independence, or the audit procedures used. Proxies for non-routine matters proxies may involve one or more of the following: (a) a measurable change in the structure, management, control or operation of the company; (b) a measurable change in the terms of, or fees or expenses associated with, an investment in the company; or (c) a change that is inconsistent with industry standards and/or the laws of the state of incorporation applicable to the company. CCM's Director of Compliance will maintain, or have available, written or electronic copies of each proxy statement received and of each executed proxy. Clients may request a copy of the proxy voting policies and procedures as well as how their respective proxies were voted by calling 212 703-0302 or by email at: Contact@CaspianCM.com.

Item 18 – Financial Information: CCM is required to provide you with certain financial information or disclosures about its financial condition. CCM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.