

J. H. WHITNEY INVESTMENT MANAGEMENT, LLC

Multi-Manager Strategies

75 Rockefeller Plaza, 14th Floor, New York, New York 10019

Contact: Roland Moser

Website: www.jhwhitney.com

FORM ADV PART 2

November 23, 2011

This brochure provides information about the qualifications and business practices of J. H. Whitney Investment Management, LLC. If you have any questions about the contents of this brochure, please contact us at rmoser@jhwhitney.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.

Additional information about J. H. Whitney Investment Management, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2. Material Changes

Since J.H. Whitney Investment Management, LLC filed its brochure dated March 31, 2011, it has changed its principal place of business from 711 Fifth Avenue, Suite 410, New York, New York 10022 to 75 Rockefeller Plaza, 14th Floor, New York, New York 10019 and closed its office in Stamford, Connecticut. In addition, J.H. Whitney Investment Management, LLC's assets under management set forth in Item 4 has been updated to reflect that the firm no longer manages the assets of certain private investment funds.

The firm has decided to segregate the Form ADV Part 2 disclosures between its multi-manager (fund of funds) and single-manager businesses as these are two distinctively different investment strategies and businesses with different operations and structures. The firm believes that the segregation increases the clarity of the disclosures to investors in the respective areas.

Item 3. Table of Contents

	<u>Page</u>
Item 2. Material Changes	i
Item 3. Table of Contents	ii
Item 4. Advisory Business	1
Structure; History and Ownership	1
Types of Advisory Services	1
Assets Under Management	3
Item 5. Fees and Compensation	4
Fees	4
Single-Manager Strategies	4
Multi-Manager Strategies	4
General	4
Expenses	5
Item 6. Performance-Based Fees and Side-by-Side Management	7
Item 7. Types of Clients	8
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss	8
Methods of Analysis and Investment Strategies	8
Investment Strategy	8
Risks Associated with the Investment Strategies	9
Risk Factors Relating to Investments in the Pan-Asian Region	9
Risk Factors Relating to China	10
Risk Factors Relating to Japan	11
Business Risks	13
Item 9. Disciplinary Information	22
Item 10. Other Financial Industry Activities and Affiliations	23
Material Financial Industry Affiliations of the Firm	23
Conflicts of Interest	24
Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	26
Code of Ethics	26
Interested Transactions	26
Item 12. Brokerage Practices	27
Selection of Brokers	27
Soft Dollars	28

Aggregation of Orders	29
Allocation.....	29
Item 13. Review of Accounts.....	29
Item 14. Client Referrals and Other Compensation.....	30
Item 15. Custody.....	30
Item 16. Investment Discretion.....	30
Item 17. Voting Client Securities.....	30
Item 18. Financial Information	31

Item 4. Advisory Business

Structure; History and Ownership

J.H. Whitney Investment Management, LLC is an investment advisory firm with its principal place of business in New York, New York. J.H. Whitney Investment Management, LLC will be referred to in this brochure as “Whitney,” “we” or “the firm.” Where appropriate, these terms will also include our affiliated entities, which are described below under “Types of Advisory Services” and in Item 10 in this brochure (“Other Financial Industry Activities and Affiliations”). We also have offices in Singapore.

J.H. Whitney Investment Management, LLC is organized as a Delaware limited liability company.

We commenced business in 2004 and we have been registered as an investment adviser with the Securities and Exchange Commission (“SEC”) since 2006. The firm was formed by Whitney Holdings, LLC in 2004 for the purpose of expanding the scope of its activities in the management of hedge fund investments. As a result of the continued growth of the hedge fund area, the firm separated from Whitney Holdings, LLC in December of 2006 and registered as an investment adviser with the SEC. These two businesses are now controlled and operated independently of one another.

The firm has 24 employees, of whom 7 are responsible for research and portfolio management functions.

The principal direct or indirect owners of the firm are John M. B. O’Connor, William Ng, Michael R. Stone and Peter M. Castleman.

We have two main investment advisory strategies: a multi-manager (fund of funds) strategy, which is described in this brochure, and a single-manager strategy, which is described in a separate brochure.

Types of Advisory Services

We provide investment advisory services to a number of private investment funds, as general partner, managing member or investment adviser, and also provide investment advisory services to separately managed accounts, each of which is invested in a manner comparable to one of the funds. The funds and the separate accounts to which we provide investment advisory services are sometimes referred to together in this brochure as the “accounts.”

We provide our investment advisory services both directly and through subsidiaries and entities controlled by the firm and the firm’s employees (such subsidiaries and entities, our “affiliates”). The general partners of the funds are also affiliates of the firm.

The funds to which we currently provide investment advisory services are as follows:

- Whitney Japan Fund, a class of the Whitney Japan Trust, a Cayman Islands unit trust;
- Whitney Japan Investors, also a class of the Whitney Japan Trust;
- Whitney Japan Yen Investors, also a class of the Whitney Japan Trust;
- Whitney Japan Partners, L.P., a Delaware limited partnership;

Note: Whitney Japan Investors, Whitney Japan Yen Investors and Whitney Japan Partners, L.P. each operate as feeder funds to Whitney Japan Fund, which is a master fund. These funds are referred to in this brochure as the “Whitney Japan funds.”

- Whitney Select Japan Fund, a class of the Whitney Select Japan Trust, a Cayman Islands unit trust;
- Whitney Select Japan Investors, also a class of the Whitney Select Japan Trust;
- Whitney Select Japan Yen Investors, also a class of the Whitney Select Japan Trust;
- Whitney Select Japan Partners, L.P., a Delaware limited partnership;

Note: Whitney Select Japan Investors, Whitney Select Japan Yen Investors and Whitney Select Japan Partners, L.P. each operate as feeder funds to Whitney Select Japan Fund, which is a master fund. These funds are referred to in this brochure as the “Whitney Select Japan funds.”

- Whitney Japan Tactical Fund, a class of the Whitney Japan Tactical Trust, a Cayman Islands unit trust;
- Whitney Japan Tactical Investors, also a class of the Whitney Japan Tactical Trust;
- Whitney Japan Tactical Partners, L.P., a Delaware limited partnership;

Note: Whitney Japan Tactical Investors and Whitney Japan Tactical Partners, L.P. each operate as feeder funds to Whitney Japan Tactical Fund, which is a master fund. These funds are referred to in this brochure as the “Whitney Japan Tactical Funds,” and all of the funds that have a Japan-focused strategy are referred to together as the “Japan funds.”

- J.H. Whitney Pan Asia Master Fund, a class of the J.H. Whitney Pan Asia Master Series Trust, a Cayman Islands unit trust;
- J.H. Whitney Pan Asia Fund (International), also a class of the J.H. Whitney Pan Asia Master Series Trust;
- J.H. Whitney Pan Asia Fund, LLC, a Delaware limited liability company;
- J.H. Whitney China Fund, LLC, a Delaware limited liability company;

Note: J.H. Whitney Pan Asia Fund (International) and J.H. Whitney Pan Asia Fund, LLC each operate as feeder funds to J.H. Whitney Pan Asia Master Fund, which is a master fund. J.H. Whitney China Fund, LLC operates a feeder fund to an investing sub-class J.H. Whitney Pan Asia Master Series Trust through which J.H. Whitney Pan Asia Master Fund makes China-related investments. These funds are referred to in this brochure as the “Whitney Pan Asia funds.”

- JHW Pan Asia Strategies Master Fund, LLC, a Delaware limited liability company;
- JHW Pan Asia Strategies Fund, LLC, a Delaware limited liability company;
- JHW Pan Asia Strategies TE Fund, LLC, a Delaware limited liability company;
- JHW Pan Asia Strategies Cayman Fund, LDC, a Cayman Islands exempted limited duration company;
- BBH Asian Opportunity Fund, Ltd., a Cayman Islands exempted company;

The funds do not offer their interests to the public. Fund interests are offered only in private placements to qualified investors. The terms applicable to investors in each fund are described in detail in the funds’ organizational documents and described in each fund’s offering memorandum.

In addition to the funds, we also offer our investment advisory services to certain institutional investors on a separately managed account basis, generally by way of special purpose entities formed by the

separate account investors – which entities may also be considered to be private investment funds but are referred to in this brochure as separate accounts. Such arrangements are governed by the investment advisory agreement between us and each separate account client.

J.H. Whitney Investment Management, LLC is affiliated with two limited liability companies that serve as the direct investment advisors and general partners of the Japan funds. Those companies are **JHWIM Fund Management Company, LLC**, which serves as the investment adviser to the Japan funds, and **JHWIM GP, LLC**, which serves as the general partner to the U.S. domiciled Japan funds and which holds special units of the offshore Japan funds that entitle it to certain incentive compensation described elsewhere in this brochure.

Asian Management (Singapore) Pte. Ltd. acts as sub-advisor to JHWIM Fund Management Company, LLC with respect to the Japan master funds pursuant to a sub-advisory agreement. Asian Management (Singapore) Pte. Ltd. is a Singapore corporation exempt from having to hold a capital markets services license pursuant to Singapore's Securities and Futures (Licensing and Conduct of Business) Regulations. Asian Management (Singapore) Pte. Ltd. is wholly owned by J.H. Whitney Investment Management, LLC. Asian Management (Singapore) Pte. Ltd. provides advisory services and makes investment decisions with respect to the Japan master funds.

We also have an important relationship with Japan Advisory LLC, an unaffiliated Japanese limited liability company. Japan Advisory LLC provides us with sub-advisory services in the form of investment recommendations for our Japan-focused single-manager strategies. This arrangement is described further under Item 10 of this brochure ("Other Financial Industry Activities and Affiliations.")

J.H. Whitney Investment Management, LLC is also the sole member of **J.H. Whitney Pan Asia Advisor, LLC**, a limited liability company which serves as the managing member and/or investment advisor of the multi-manager funds.

J.H. Whitney Investment Management Asia Pte. Ltd. acts as sub-manager to J.H. Whitney Pan Asia Advisor, LLC with respect to the Pan Asia funds. J.H. Whitney Investment Management Asia Pte. Ltd. is a Singapore corporation exempt from having to hold a capital markets services license pursuant to Singapore's Securities and Futures (Licensing and Conduct of Business) Regulations. J.H. Whitney Investment Management Asia Pte. Ltd. is wholly owned by J.H. Whitney Investment Management, LLC. J.H. Whitney Investment Management Asia Pte. Ltd. provides advisory services and makes investment decisions with respect to the Pan Asia funds.

An outline of the strategies we use can be found in Item 8. Our services are provided on a discretionary basis and, with respect to our multi-manager strategy, we also provide our services on a non-discretionary sub-advisory basis.

In general, we do not tailor our strategy to the needs of individual fund investors or separate account clients. However, in certain limited circumstances, we may agree with particular fund investors or separate account clients that they will not participate in certain investments made by the fund in which they are invested or that would otherwise be purchased for their account pursuant to the strategy.

Assets Under Management

As of October 31, 2011 we managed \$306,895,675 of client assets on a discretionary basis and \$198,699,165 of client assets on a non-discretionary basis.

Item 5. Fees and Compensation

Fees

Single-Manager Strategies

We are generally entitled to two types of fees from each of the Japan funds and separate accounts: (i) an asset-based management fee; and (ii) an incentive allocation or incentive fee based upon the performance of the fund or separate account.

The management fee is typically 1% to 2% per year of the fund or separate account's net assets. For the funds, the management fee is typically determined and payable quarterly in advance. For separate accounts, the management fee is typically paid monthly or quarterly in arrears.

The incentive allocation or fee is typically 20% to 25% of the net profits of the fund or separate account for the relevant period attributable to each investor's limited partnership interest or units in the fund. The incentive allocation or fee is typically determined and allocated/paid on an annual basis, but will be determined and allocated/paid for shorter periods under certain circumstances (such as with respect to amounts withdrawn/redeemed from a fund). The incentive allocation or fee is subject to a loss carry forward or high water mark provision that generally requires that any losses suffered by the fund or separate account (adjusted to reflect withdrawals/redemptions) be offset by subsequent net profits before we are entitled to subsequent incentive allocations or incentive fees from the fund or separate account.

Multi-Manager Strategies

We are generally entitled to two types of fees from each of the multi-manager funds and separate accounts: (i) an asset-based management fee; and (ii) an incentive allocation or incentive fee based upon the performance of the fund or separate account. Certain accounts are not subject to an incentive allocation or incentive fee.

The management fee is typically 1% to 2% per year of the fund or separate account's net assets, and is typically determined and payable monthly in advance.

For accounts with an incentive allocation or fee, the incentive allocation or fee is typically 10% of the net profits of the fund or separate account for the relevant period attributable to each investor's limited liability company interest or units in the fund. The incentive allocation or fee is typically determined and allocated/paid on an annual basis, but will be determined and allocated/paid for shorter periods under certain circumstances (such as with respect to amounts withdrawn/redeemed from a fund). The incentive allocation or fee is subject to a loss carry forward or high water mark provision that generally requires that any losses suffered by the fund or separate account (adjusted to reflect withdrawals/redemptions) be offset by subsequent net profits before we are entitled to subsequent incentive allocations or incentive fees from the fund or separate account.

General

The details of how the fees are calculated for the funds can be found in the organizational and offering documents of the funds, which are provided to potential investors. The details of how the fees are calculated for the separate accounts are included in the investment advisory agreement for each such separate account.

The fees described above are our typical fee rates, however management fees and incentive allocations/fees may be negotiable. Each fund has the right to enter into agreements with one or more of

its investors providing for the waiver or modification of certain terms of the offering of fund interests, or certain rights and obligations of fund investors, including fees, otherwise applicable to such interest(s), in each case without notice to the other fund investors. Under certain circumstances we may agree to different fee terms from those described above for particular separate account clients.

The fees payable by the fund are deducted from the assets of the funds and paid to us or, in the case of investment allocations, are reallocated from the capital accounts of investors and into our capital account. Our fees from the separate accounts are typically paid directly from the assets of the account.

As noted above, management fees payable by the funds and separate accounts are payable quarterly or monthly in advance, as described in the relevant fund's offering documents. Fund investors will be subject to a *pro rated* management fee with respect to any subscription to a fund made other than at the beginning of a quarter or withdrawal/redemption made from a fund other than at the end of a quarter based upon the portion of the month for which the assets were invested. Separate account clients, by whom management fees are payable monthly or quarterly in arrears, will typically also be subject to a *pro rated* management fee with respect to partial-period investments based upon the portion of the relevant period for which the assets were invested.

Expenses

Each fund pays, or reimburses us or the fund's administrator for, all operating expenses and other costs of the fund that we are not required to bear. Categories of expenses to which the funds may be subject include:

- organizational expenses of the funds;
- accounting and auditing fees, including
 - tax return preparation costs, relating to the fund's accountants,
 - fees of bookkeepers and
 - related services;
- legal fees and expenses;
- insurance and bonding costs;
- fees (including legal fees) or assessments in connection with any regulatory registrations, qualifications or approvals of the fund or us that we deem appropriate in connection with the activities of the fund;
- the cost of preparation and distribution of reports, notices, statements and other communications to investors as well as the expenses for accounting software;
- all trading expenses and transaction costs, including brokerage commissions and expenses relating to short sales, clearing and settlement charges, interest on loans and debit balances, margin interest, broker service fees and other clearing and custodial expenses;
- trustee fees;
- fees and expenses in connection with the offering and issuance of fund interests;
- fees and expenses in connection enforcing the funds' rights in respect of investments;
- fees and expenses of any custodian, subcustodian, transfer agent, and registrar, and any other agent of a fund;

- costs and charges for equipment or services used in communicating information regarding the funds' transactions with any custodian or other agent engaged by a fund;
- bank services fees;
- costs and expenses relating to amendments of organizational documents;
- expenses of preparing, amending, printing, and distributing offering documents and any supplements or amendments to offering documents;
- expenses of investor meetings, including, if applicable, the solicitation of proxies in connection therewith;
- expenses of corporate data processing and related services;
- investor recordkeeping and account services, fees, and disbursements;
- expenses relating to investor and public relations;
- fees and expenses of the members of boards of directors of funds who are not employees of the firm or its affiliates;
- insurance premiums;
- expenses incurred outside of the ordinary course of business, including, without limitation:
 - costs and expenses incurred in connection with any claim, litigation, arbitration, mediation, government investigation or dispute;
 - the amount of any judgment or settlement paid in connection therewith;
 - costs and expenses incurred in connection with the enforcement of rights against any person or entity;
 - costs and expenses for indemnification or contribution payable to any person or entity including, without limitation, pursuant to indemnification obligations owed to the firm or its affiliates;
 - expenses of a reorganization, restructuring or merger, as applicable;
 - expenses of holding, or soliciting proxies for, a meeting of members (except to the extent relating to items customarily addressed at an annual meeting of a registered closed-end management investment company); and
- the expenses of engaging a new administrator, custodian, transfer agent or escrow agent.
- for multi-manager funds and separate accounts, the account's *pro rata* share of fees payable to advisers of the underlying funds, which will typically consist of a management (asset-based) fee and an incentive fee – management fees typically range between 1% and 2% per annum of an underlying fund's net asset value and incentive fees typically range between 15% and 20% of the underlying fund's net new profits (subject to high water marks);
- such research and portfolio management expenses as we deem appropriate, which may include, but are not limited to, costs of software programs related to investment modeling and screening, and monitoring, expenses incurred in traveling to and attending research conferences and otherwise conducting research activities, costs of research reports, data feeds

and databases, news wires and quotation and/or valuation services, periodical subscription fees, and fees of outside consultants and experts, due diligence expenses, and

- the management fee.

A fund investor may also be subject to a withdrawal/redemption fee for withdrawals or redemptions within a specified period after an investment is made into a fund.

More information regarding the fees and expenses to which a particular fund may be subject can be found on the offering documents for the fund.

Separate account clients will generally be responsible for all custodial fees, brokerage commissions, clearing fees, interest and withholding or transfer taxes incurred in connection with trading for the account of the separate account, and our fees as described above.

As we consider appropriate, we may invest a portion of a fund or separate account's assets in one or more money market funds, mutual funds or exchange-traded funds. When any such investments are made, the fund or separate account client will be paying, in addition to the compensation payable to us, the fund or separate account's proportionate share of any management fees charged by the manager of such money market fund or mutual fund.

The brokerage and other transaction costs that will be borne by the funds and separate accounts are described in more detail in Item 12 (Brokerage Practices) in this brochure.

Neither the firm nor 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.

Item 6. Performance-Based Fees and Side-by-Side Management

As described in Item 5 above, we receive part of our compensation from the funds in the form of performance-based allocations and fees

We also serve as the investment adviser to certain accounts that pay us an asset-based fee and not a performance-based fee. As a result we have a conflict of interest, because we can potentially receive greater fees from accounts having a performance fee structure than from those accounts we charge asset-based fees only. We have an incentive to:

- direct the best investment ideas to, or allocate or sequence trades in favor of, the accounts that pay performance-based fees;
- use trades by an account that does not pay performance-based fees to benefit accounts that do pay performance-based fees, such as where the performance-based fee paying account sells short before a sale by the account that does not pay performance-based fees, or the performance-based fee paying account sells a security only after an account that does not pay performance-based fees has made a large purchase of the security; and
- benefit an account that pays performance-based fees over an account that does not pay performance-based fees and which has a different and potentially conflicting investment strategy.

We owe a fiduciary to our clients not to favor the account of one client over that of another, without regard to the types and amounts of fees paid by those accounts. In light of the conflicts of interest

described above, we have allocation policies and procedures in place to ensure that accounts are treated fairly. Generally allocations are made among accounts with a similar strategy on a *pro rata* basis based on the size of the account. Explanations for variations from this approach are required to be documented and are subject to the periodic review of our Chief Compliance Officer to ensure that all accounts are being treated fairly.

Item 7. Types of Clients

We generally provide investment advice to private investment funds and institutional separate accounts. The types of investors in the funds we advise include pension and profit sharing plans; trusts, estates and charitable organizations; funds of hedge funds (whether organized as partnerships, corporations or other entity types, high net worth individuals and family offices. Our separate account clients are typically funds of funds, pension and profit sharing plans, or other institutional investors.

The funds have minimum initial investment amounts of \$1 million to \$2 million, and minimum increments for additional investments to any of the funds may apply. These minimums may be reduced or waived by the funds, subject in certain cases to applicable statutory minimums.

Separate accounts are generally subject to a minimum account size of \$25 million, subject to the discretion of the firm to accept smaller accounts.

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

Methods of Analysis and Investment Strategies

Investment Strategy

Our principal multi-manager strategy is an Asian-focused, multi-country, multi-strategy strategy designed to pursue risk-adjusted absolute returns. We believe that the Asian economies and/or capital markets currently:

- are generally undergoing a rapid, long-term growth in terms of size, complexity and liquidity; and
- are generally less efficient than their European and North American counterparts due to less developed systems of information dissemination and less participation by sophisticated, analytically advanced professional investors.

Under this thesis, we seek to participate in the upside of the Asian securities markets and attempt to mitigate the downside. In an attempt to reduce risk and volatility, we primarily cause the funds or separate accounts we manage using the strategies to invest in a diversified basket of absolute return-focused money managers through investment vehicles (“underlying funds”) that have invested the majority of their portfolios in publicly traded securities dedicated to investments primarily in Japan, China and countries in Asia other than China and Japan. These underlying funds are diversified across strategies (which may include long-short equity, deep-value equity, event-driven, convertible arbitrage, fixed-income arbitrage, macro, market-neutral and multi-strategy), locations (which may include Tokyo, Hong Kong, Singapore, Sydney, Honolulu, New York and London), and size of assets under management. The underlying funds may have investments in equity, fixed-income, distressed, derivative, currency and other financial instruments, and in certain cases on both the long and short side. As part of the strategies, we may also cause the accounts to invest directly in certain securities and other instruments

for risk and cash management purposes, or may determine to hold cash (in U.S. dollars or other currencies, in our discretion).

We allocate the assets of the accounts into underlying funds that, in our view, represent attractive investment opportunities. Our investment process combines both a dual fundamental top-down macro-economic process and a bottom-up manager selection process with a portfolio risk overlay.

For certain accounts we use a variation of the above strategy that excludes underlying funds that invest in Japan, and is primarily focused on equity markets.

Risks Associated with the Investment Strategies

Our investment strategies are highly speculative and involve a high degree of risk. Investment using our strategies is suitable only for sophisticated investors who fully understand and are capable of bearing the risks of an investment in these types of strategies. No guarantee or representation is made that any fund or separate account will achieve its investment objective or that investors will receive a return of their capital. The following discusses certain risks and potential conflicts of interest. However, this list is not, and is not intended to be, an exhaustive list or a comprehensive description of the types of risks that any investor may encounter, and other risks and conflicts not discussed below may arise in connection our strategies. Prospective investors in any fund(s) are advised to review the respective fund's private placement memorandum, explanatory memorandum or confidential offering circular for a more in-depth description of the fund's investment strategy and objectives and related risks.

Risk Factors Relating to Investments in the Pan-Asian Region

Diversification Risk/Asian Investments. The strategies involve investments by underlying funds that are primarily concentrated in Asian securities of Asian companies and/or securities denominated in Asian currencies. We describe some of the more significant risks generally associated with investing in securities of Asian companies below.

Characteristics of Asian Securities Markets. In implementing the strategies on behalf of the underlying funds, the managers of the underlying funds will generally buy and sell securities on the principal stock exchange or over-the-counter market of the country in which the principal offices of the issuer of the security are located. Many Asian and other non-Anglosphere stock markets are not as developed or efficient as those in the Anglosphere and may be more volatile than the Anglosphere markets (*i.e.*, Australia, Canada, New Zealand, the U.K., and the U.S.). There is generally less government supervision and regulation of Asian exchanges, brokers, and listed companies than in the Anglosphere. Further, trading volumes in Asian markets are usually lower than in Anglosphere markets, resulting in reduced liquidity and potentially rapid and erratic price fluctuations. Commissions for trades on Asian stock exchanges are generally higher than negotiated commissions on Anglosphere exchanges and custody expenses are generally higher as well. Settlement practices for transactions in Asian markets may involve delays beyond periods customary in the Anglosphere, possibly requiring the managers of the underlying funds to borrow funds or securities on behalf of the underlying funds to satisfy obligations arising out of other transactions.

Less Company Information and Regulation. Generally, there is less publicly available information about Asian and other non-Anglosphere companies than about Anglosphere companies. This may make it more difficult for managers of underlying funds to stay informed of corporate action that may affect the price of a particular security. Further, many countries lack uniform accounting, auditing, and financial reporting standards, practices, and requirements. These factors can make it difficult to analyze and compare the performance of certain Asian companies.

Restrictions on Investment and Repatriation. Some countries impose restrictions and controls regarding investment by foreigners. Among other things, they may require prior governmental approvals, impose limits on the amount or types of securities that may be held by foreigners or impose limits on the types of companies in which foreigners may invest. These restrictions may at times limit or preclude the investment by underlying funds in certain countries and may increase the underlying funds' costs and expenses. Indirect foreign investment may, in some cases, be permitted through investment funds that have been specifically authorized for that purpose. Because of the limited number of authorizations granted in such countries, however, units or shares in most of the investment funds authorized in those countries may at times trade at a substantial premium over the value of their underlying assets. There can be no certainty that these premiums will be maintained, and if the restrictions on direct foreign investment in the relevant country were significantly liberalized, premiums might be reduced, eliminated altogether, or turned into a discount. In addition, certain countries may impose restrictions and controls on repatriation of investment income and capital. As a result the underlying funds' assets may be restricted from being repatriated indefinitely.

Political and Economic Instability. The economies of many countries are less stable than the Anglosphere economies, due to, among other things, volatile internal political environments, less stable monetary systems and/or external political risks. The governments of such countries may participate in their economies through ownership or regulation in ways that can have a significant effect on securities prices. The economies of certain countries depend heavily on international trade and can be adversely affected by the enactment of trade barriers or changes in the economic conditions of their trading partners. In some countries, especially developing or emerging countries, political or diplomatic developments could lead to programs that would adversely affect investments, such as confiscatory taxation or expropriation.

Foreign Withholding Taxes. Dividend and interest payments on some securities the underlying funds may own may be subject to withholding taxes, which would reduce net proceeds.

Risk Factors Relating to China

Economic, Political and other Risks in China. The overall economic conditions in China may have a significant impact on the financial performance of the underlying funds. Economic developments in mainland China follow patterns different from those in Hong Kong and other developed countries as a result of differences in various economic aspects including economic structure, living standard, growth rate, level of government intervention in the economy, allocation of resources and rate of inflation. Further, the interpretation or application of current laws or regulations in China may have adverse effects on the investments of the underlying funds. The levels of liquidity in "A" and "B" share markets are low and are relatively small in terms of the combined total market value and the number of "A" and "B" shares available for investment. This may lead to severe price volatility.

China Market Risk. Investing in the securities markets in mainland China is subject to the risks of investing in emerging markets generally and the risks specific to the China market in particular that may have adverse effects on the investments of the underlying funds.

Companies in mainland China are required to follow the Chinese accounting standards and practice which, to a certain extent, follow international accounting standards. However, there may be significant differences between financial statements prepared by accountants following the Chinese accounting standards and practice and those prepared in accordance with international accounting standards.

Both the Shanghai and Shenzhen securities markets are in the process of development and change. This may lead to trading volatility, difficulty in the settlement and recording of transactions and difficulty in interpreting and applying the relevant regulations.

Under the prevailing tax policy in mainland China, there are certain tax incentives available to foreign investment. There can be no assurance, however, that the aforesaid tax incentives will not be abolished in the future.

Risk Factors Relating to Japan

Economic Considerations. The accounts are exposed to Japan's economic cycles, stock market valuations, and currency exchange rates, which could increase their risks. Japan is the second-largest economy in the world, but it has been in a recession in recent years.

Since the speculative "bubble" in Japanese stocks burst in the early 1990's, Japan's economy has exhibited low or negative rates of growth and continuing asset deflation, notwithstanding the Bank of Japan's move to its effective 0% interest rate policy and the Japanese government's repeated attempts at stimulating the economy through increased spending. Increased government spending also has had limited effect and in fact, for the fiscal year of 2009, the debt-to-GDP ratio was approximately 170%, one of the highest in the OECD. This high ratio has seriously impaired the banking system and left it open to significant risk of financial shocks caused by such "internal" events as large-scale corporate bankruptcies, as well as events external to Japan. Through early 2010, Japan's domestic economy was relatively weak in terms of consumption, which has rendered the economy highly dependent on the external sector for growth and investment.

Japan's serious recession has also been prolonged by a crisis in management and consumer confidence. Business investment has recently shown signs of recovery, but how long this trend will last is unknown. Domestic consumption is still weak and many Japanese consumers are still anxious about their futures.

In addition, investors should be aware of specific related problems, including tax laws that discourage consumer spending and dampen growth, deflation, a banking system long burdened with bad loans, the government's unsatisfactory progress on effecting credible solutions to these problems, and the inability of the government to implement reform programs that match the current pace of change in Japan.

Economic and Political Dislocations. Due to its strong trade and investment ties, Japan has the potential to be severely affected by economic dislocation among its trading partners, which include the United States and the nations of East Asia.

Japanese Accounting Standards. Japanese financial statements are prepared in accordance with Japanese GAAP, which differs in certain respects from U.S. GAAP. In addition, the Financial Instruments and Exchange Law ("FIEL"), which governs public companies, imposes disclosure requirements that are more limited than those in the United States in certain important respects. As a result, Japanese financial statements and reported earnings generally differ from those that would be reported based on U.S. accounting and reporting standards.

Japanese Legal System. Although Japan has a well-developed legal system, which is patterned in many respects upon the German and French systems and, in some areas, U.S. laws, the Japanese system suffers from a lack of complete transparency, an over-reliance on "administrative guidance" and, in certain areas such as bankruptcy and the enforcement of creditors' rights, significant procedural inefficiencies.

In addition, delays in obtaining licenses, approvals and authorizations are not uncommon and may adversely affect the operations of the underlying funds' portfolio companies.

Japanese Tax System. Japanese tax practices applied by the tax authorities may from time to time be subject to unexpected change without a public announcement separately from a periodic formal update of

tax laws and regulations whereby an unfavorable tax position could arise. Even if there is no change in tax laws, regulations or tax practices, the Japanese tax authorities sometimes apply a method called “substance over form” which disregards some factual matters based on a legal structure and re-characterizes a transaction from an economic or other point of view.

Securities Market, Corporate Governance. The laws in Japan regulating ownership, control and corporate governance of companies are still evolving. Although procedural and other changes have been made that are intended to facilitate the increased exercise of legal rights by minority investors, there can be no assurance that these changes will be sufficient to afford minority investors effective means for preventing or seeking compensation for transactions or conduct that is injurious to the interests of shareholders.

Extensive cross-shareholding among companies in Japan has significant effects on the securities markets. Typically, ten to twenty (or even more) companies will each have small holdings in each other. Each of these holdings alone is too small to be significant in the governance of the issuing corporation, but taken together, the group corporations' holdings often provide a significant amount of control. At the time each of the holdings is acquired, it is understood that they will not be sold but maintained and voted in support of management. The ties produce a bonding effect as well as security against takeovers. There is, however, a recent trend emerging for some companies to begin to liquidate some cross-shareholdings. Cross-shareholding often results in the exclusion of large quantities of listed stock from trading, which means the float that is actually traded is very thin and thus there is potentially higher volatility. Another effect of significant cross-shareholding is that it deprives ordinary individual investors of meaningful opportunities to influence corporate governance because the outcome of board elections, accounting approvals, and other shareholder actions to monitor management are often largely predetermined by the cross-shareholding covenants.

Political Risks. Recent and future political developments in Japan and neighboring Asian countries may lead to policy changes in those countries that may adversely affect the accounts.

Japanese Currency Factors. Securities in Japan are denominated and quoted in Yen. Yen are fully convertible and transferable based on floating exchange rates into all freely convertible currencies, without administrative or legal restrictions for both non-residents and residents of Japan. In determining the value of the net assets of an underlying fund that invests in Japan, assets or liabilities initially expressed in terms of Yen will be translated into U.S. dollars at the then current selling rate of Yen against dollars. As a result, the value of the underlying fund's assets as measured in U.S. dollars may be affected favorably or unfavorably by fluctuations in the value of the Yen relative to the dollar. Although the underlying fund's Yen exposure may be hedged, there can be no guaranty that any such hedges will be successful.

International Trade. Japan is largely dependent on foreign economies for raw materials. International trade is important to Japan's economy, as exports provide the means to pay for many of the raw materials it must import. Because of the concentration of Japanese exports in highly visible products such as automobiles, machine tools and semi-conductors, and the large trade surpluses ensuing from Japan's export-oriented economy, Japan has entered into a difficult phase in its relations with its trading partners, particularly with respect to the United States and China, with whom its trade imbalances are the greatest. There is no assurance that foreign governments will not adopt trade restrictions that could significantly harm Japan's economy.

Natural Disasters. Japan has experienced earthquakes and tidal waves varying in degrees of severity, and the risks of such phenomena, and damage resulting therefrom, continue to exist.

Limited Availability of Information; Due Diligence. The availability of information on companies is more limited in Japan than in the United States. Generally, companies' public filings contain less information than their counterparts in the United States. Accounting, auditing and financial reporting standards and practices in Japan differ in certain respects from those employed in the United States. The financial information generally available with respect to Japanese companies may not be as extensive as the financial information available to companies operating in the United States. Moreover, in Japan there is less experience with the kind of extensive legal and business due diligence that is typically conducted in the United States, and as a result, it may be difficult to conduct the level of due diligence customarily found in transactions in the United States. The lack of availability of information may affect the due diligence investigations undertaken prior to an underlying fund making an investment.

Business Risks

General. Markets in which we may cause the accounts to invest are subject to fluctuations, and the market value of any particular investment may be subject to substantial variation. Notwithstanding the existence of a public market for particular financial instruments, such instruments may be thinly traded or may cease to be traded after an investment is made in them. In addition to being relatively illiquid, such instruments may be issued by unstable or unseasoned issuers or may be highly speculative. No assurance can be given that an account's investments will appreciate in value.

Non U.S. Investments. We will cause the accounts to primarily invest in underlying funds that invest in securities of companies located in the Asia-Pacific region. Investments outside the United States or denominated in non-U.S. currencies pose currency exchange risks (including blockage, devaluation and non-exchangeability) as well as a range of other potential risks, which could include, depending on the country involved, expropriation, confiscatory taxation, political or social instability, illiquidity, price volatility and market manipulation. In addition, less information may be available regarding non-U.S. issuers, and non-U.S. companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of U.S. companies. Further, non-U.S. securities markets may not be as liquid as U.S. markets. Transaction costs of investing outside the U.S. are generally higher than in the U.S. Higher costs result because of the cost of converting a foreign currency to dollars, the payment of fixed brokerage commissions on some foreign exchanges, the imposition of transfer taxes or transaction charges by non-U.S. exchanges and confiscatory taxation. There is generally less government supervision and regulation of exchanges, brokers and issuers than there is in the U.S. and there is greater difficulty in taking appropriate legal action in non-U.S. courts. Non-U.S. markets also have different clearance and settlement procedures, which in some markets have at times failed to keep pace with the volume of transactions, thereby creating substantial delays and settlement failures that could adversely affect the accounts' performance.

High-Risk Investing. Substantial risks are involved in investing in securities. The prices of many of the securities in which the underlying funds trade are highly volatile and market movements are difficult to predict. Moreover, the value of an account's investment positions may be subject to decreases as a result of general economic conditions and/or adverse effects upon the companies in which an account, directly or indirectly, owns securities.

Non-U.S. Exchange Risk Exposure. To the extent an account or the underlying funds do not or are not able to hedge foreign exchange risks, the account may be exposed to additional risk due to exchange rate fluctuations. The capital subscriptions to the accounts will generally be denominated in U.S. dollars. We may cause the accounts to hedge currency exchange risks if we consider doing so to be economically justifiable. On behalf of the accounts, we may attempt, within the parameters of currency and exchange controls that may be in effect, to obtain rights to exchange the accounts' invested capital, dividends, interest, fees, other distributions and capital gains into convertible currencies. Further, the accounts may

incur costs in connection with conversions between various currencies. Foreign exchange rates have been highly volatile in recent years. The combination of volatility and leverage gives rise to the possibility of large profit and large loss. In addition, there is counterparty risk since currency trading is done on a principal-to-principal basis.

Taxes in Non-U.S. Jurisdictions. The accounts and/or the investors could become subject to additional or unforeseen future tax in jurisdictions in which the accounts operate and invests. Changes to tax treaties (or their interpretation), including income tax treaties with the U.S., may adversely affect the net after-tax yield of an account's investment. In addition, there can be no assurance that a fund will have sufficient cash flow to enable it to make annual distributions in the amount necessary to pay all tax liabilities resulting from investors' ownership of fund interests.

Each prospective investor should consult its own tax advisers with respect to the tax treatment of the acquisition, ownership and disposition of fund interests or of ownership of a separate account that invests using our strategies in light of such investor's particular circumstances. No assurance can be given that legislation, administrative changes, court decisions, treaty negotiations or other developments will not significantly modify the tax consequences of such investment.

Change in Legislation or Regulations. The change in the legislation or regulations of certain jurisdictions including Singapore (where one of our affiliates that acts as discretionary sub-manager to the accounts is based) may affect the accounts' performance or have other implications on the accounts. For example, such changes may arise as a result of regulatory reform legislation or regulations which has been or may be introduced in a number of major financial markets following the severe global market volatility and dislocations, financial institution failures and defaults, and large financial frauds in recent years, and which may impose additional regulation on investment funds and their managers and their activities, including licensing or registration requirements, compliance, risk management, and anti-money laundering procedures, restrictions on certain types of trading (such as equity short sales), restrictions on the provision and use of leverage, implementation of capital, books and records, reporting, and disclosure requirements.

Short Selling. Underlying funds in which the accounts may invest may utilize short selling. Short selling involves directly or indirectly selling (or having the equivalent exposure) securities or other instruments that may or may not be owned and, at times, borrowing the same securities for delivery to the purchaser, with an obligation to replace any such borrowed securities at a later date. Short selling allows an underlying fund to profit from declines in market prices to the extent such decline exceeds the transaction costs and any costs of borrowing. However, if the borrowed assets must be replaced by purchases at market prices in order to close out the short position, any appreciation in the price of the borrowed assets would result in a loss, which is theoretically unlimited in amount. Purchasing assets to close out the short position can itself cause the price to rise further, thereby exacerbating the loss. Short strategies can also be implemented synthetically through various instruments, be used with respect to indices or in the over-the-counter market and with respect to futures and other instruments. They can also be implemented on a leveraged basis. Lastly, even though the underlying fund secures a "good borrow" of the security sold short at the time of execution, the lending institution may recall the lent security at any time, thereby forcing the underlying fund to purchase the security at the then-prevailing market price, which may be higher than the price at which such security was originally sold short by the underlying fund. The Asian Pacific markets in which the underlying funds invest also have less mature short-selling markets, which typically leads to less liquidity and makes it more expensive to borrow.

Option Transactions. The purchase or sale of an option involves the payment or receipt of a premium payment by the investor and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security or other instrument for a specific price at a certain time or during a certain

period. Purchasing options involves the risk that the underlying instrument does not change price in the manner expected, so that the option expires worthless and the investor loses its premium. Selling options, on the other hand, involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security in excess of the premium payment received.

We may cause the accounts to invest in underlying funds that purchase or sell customized options and other derivatives in the over-the-counter market that may have features different from traditional exchange-traded options (in which the underlying funds may also invest) though they also share the same risks. These options and derivative instruments may also subject such underlying funds to risk of default by the counterparty. Investments in these financial instruments may also be subject to additional risks such as interest rate and other risks.

An underlying fund's ability to close out its position as purchaser of an exchange-listed option would be dependent upon the existence of a liquid secondary market on an exchange. Among the possible reasons for the absence of a liquid secondary market on an exchange are (i) insufficient trading interest in certain options, (ii) restrictions on transactions imposed by an exchange, (iii) trading halts, suspensions or other restrictions imposed with respect to particular classes or series of options or underlying securities, (iv) interruption of the normal operations on an exchange, (v) inadequacy of the facilities of an exchange or similar facility to handle current trading volume or (vi) a decision by one or more exchanges to discontinue the trading of options (or a particular class or series of options), in which event the secondary market on that exchange (or in that class or series of options) would cease to exist, although outstanding options on that exchange would generally continue to be exercisable in accordance with their terms.

Leverage. We may cause an account to borrow and to utilize various lines of credit, swaps, forward purchases and other forms of leverage. In addition, the underlying funds in which the accounts may invest may also borrow and utilize leverage. While borrowing and leverage present opportunities for increasing total return, they have the effect of potentially increasing losses as well. If income and appreciation on investments made with borrowed funds are less than the cost of the leverage, the value of the accounts' net assets will decrease. Accordingly, any event that adversely affects the value of an investment by an account would be magnified to the extent leverage is employed. The cumulative effect of the use of leverage in a market that moves adversely to a leveraged investment could result in a substantial loss that would be greater than if leverage were not used. Generally, most leveraged transactions involve the posting of collateral. Increases in the amount of margin an account or an underlying fund is required to post could result in a disposition of the account's or the underlying fund's assets at times and prices that could be disadvantageous to the account and could result in substantial losses. To the extent that a creditor has a claim on an account or an underlying fund, such claim would be senior to the rights of the account, the underlying fund and their investors accordingly and its participating members. Leverage may be used in unlimited amounts and the equity base of an account or an underlying fund could be small at times in relation to total assets, which could result in total loss of the assets of an account or underlying fund in extreme circumstances.

Concentration and Non-Diversification of Investments. We will attempt to diversify the portfolios of the accounts over time by investing in multiple underlying funds. However, a number of managers of the underlying funds may have overlapping strategies and thus could accumulate large positions in the same or related instruments without our knowledge. Even if known, our ability to avoid such concentration would depend on our ability to reallocate the accounts' capital among existing or new managers, which might not be feasible for several months until withdrawals and contributions are permitted by the underlying funds. Additionally, the investments of the accounts and of the underlying funds may be concentrated by their investing a majority of their assets in a single industry or country and few issuers. To the extent they do concentrate in any of these ways, the overall adverse impact on an account of

adverse developments in the business of such issuer, such industry or such country could be considerably greater than if it did not concentrate its investments to such an extent.

Speculative Purchase of Securities. Underlying funds will make certain speculative purchases of securities of companies that the underlying fund manager believes to be undervalued or that may be the subject of acquisition attempts, exchange offers, cash tender offers or corporate reorganizations. There can be no assurance that securities which the underlying fund manager believes to be undervalued are in fact undervalued, or that undervalued securities will increase in value. Further, in such cases, a substantial period of time may elapse between the underlying fund's purchase of the securities and the acquisition attempt or reorganization. During this period, a portion of the underlying fund's capital would be committed to the securities purchased, and the underlying fund may finance such purchase with borrowed funds on which it would have to pay interest.

Distressed/Bankruptcy Investing. Underlying funds may invest in unrated or "distressed" securities, i.e., securities of companies that are experiencing significant financial or business difficulties, including companies involved in debt restructurings or in bankruptcy or other reorganization and liquidation proceedings. Underlying funds may also purchase financial instruments of or make direct loans to companies of low credit quality, purchase loans that are in default or purchase trade claims of suppliers and others both within or outside of insolvency or reorganization proceedings. Although such investments may result in significant returns, they typically involve a high degree of risk. Restructurings or reorganizations may fail to be completed or be substantially delayed and expected returns on their securities may never materialize. Nonperforming loans, by their nature, may prove uncollectible or not yield appreciable returns for considerable periods of time.

Successful distressed investing requires considerable expertise and experience and performance results can vary dramatically among underlying funds utilizing distressed strategies. The level of analytical sophistication, both financial and legal, necessary for successful investment in such companies, loans or claims is unusually high. There is no assurance that underlying funds will correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful reorganization or rehabilitation of a distressed issuer or adequate realization upon such loans and claims. An underlying fund's performance may be substantially impaired by unsuccessful distressed or low credit investments.

Currencies. The market for a particular forward currency contract held by an underlying fund may be limited. Trading in the foreign currency exchange market is speculative and volatile; should interest or exchange rates move in an unexpected manner, an advisor to an underlying fund may not achieve the anticipated benefits of forward currency contracts or could realize losses. Forward currency contracts are generally not subject to daily price fluctuation limits so that adverse market movements could continue with respect to those contracts to an unlimited extent over a period of time.

An underlying fund's ability to dispose of its positions in forward currency contracts will depend on the availability of active markets in those instruments. As a result, no assurance can be given that an underlying fund will be able to utilize these contracts effectively for the purposes described above. Forward currency contracts can expose an underlying fund to unlimited liability due to the volatility of the currency markets and the leverage factors associated with the contracts.

An advisor may invest on behalf of its underlying fund in contracts denominated in one currency while distributions, if any, and withdrawals will be made in another currency. A change in the value of one currency with respect to another currency such as the U.S. Dollar, for example, will result in a corresponding change in the U.S. Dollar value of an underlying fund's assets denominated in those currencies. Foreign currency exchange rates are determined by forces of supply and demand in foreign exchange markets. These forces are, in turn, affected by international balance of payments and other economic and financial conditions, government intervention, speculation and other factors. Foreign

currency exchange rates may also be affected by affirmative government policies of intervention in the foreign exchange markets, and certain currencies may be affirmatively supported relative to the dollar by their or other governments. Changes in government policy, including a cessation of currency support intervention, may result in abrupt devaluations of such currencies.

Fixed Income. Risks associated with fixed-income securities include:

Interest Rate Risk. The market value of the securities will be inversely affected by movements in interest rates. When rates are rising, market prices of existing debt securities will fall, as demand increases for new-issue securities with the higher rates. As prices decline, yields are brought into line with the prevailing rates. When rates are falling, market prices will rise, as the higher rates on outstanding debt securities will be more valuable. As prices rise, again, yields are brought into line with prevailing rates. Downward trends in interest rates also create reinvestment risk, or the risk that income or principal repayments will have to be invested at lower rates.

Credit Risk. A fixed-income investment is subject to risks associated with the issuer's credit quality and ability to meet its financial obligations. Issuers with lower credit ratings usually have to offer investors higher yields to compensate for the additional credit risk. A change in either the issuer's credit rating or the market's perception of the issuer's business prospects will affect the value of its outstanding securities.

Inflation Risk. Rising inflation has a negative impact on real rates of return, because inflation reduces the purchasing power of the investment income and principal.

Swaps. Investments in swaps involve the exchange by an underlying fund with another party of all or a portion of their respective interests or commitments. In the case of currency swaps, an underlying fund may exchange with another party their respective commitments to pay or receive currency. Use of swaps by an underlying fund subjects such underlying fund to risk of default by the counterparty. If there is a default by the counterparty to such a transaction, the underlying fund will have contractual remedies pursuant to the agreements related to the transaction. Underlying funds may enter into currency, interest rate, total return or other swaps that may be surrogates for other instruments such as currency forwards, interest rate options, and equity instruments. The value of such instruments generally depends upon price movements in the underlying assets as well as counterparty risk.

Default and Counterparty Risk. Some of the markets in which underlying funds will effect transactions are "over the counter" or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange based" markets. This exposes the underlying fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the underlying fund to suffer a loss. In addition, in the case of a default, the underlying fund could become subject to adverse market movements while replacement transactions are executed. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the underlying fund has concentrated its transactions with a single or small group of counterparties. We do not have, and underlying funds are unlikely to have, an internal credit function that evaluates the creditworthiness of counterparties. The ability of an underlying fund to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the underlying fund.

Institutional Risk. The institutions with which an underlying fund does business (such as the institutions to which securities are entrusted for custodial purposes), may encounter financial difficulties that impair the operational capabilities or the capital position of the underlying fund (including, but not limited to,

impairment resulting out of the loss of, or a delay in the recovery of, the portfolio securities or other assets of the underlying fund).

Small Companies. Underlying funds may invest in small and/or less well established companies. While smaller companies generally have potential for rapid growth, they often involve higher risks because they lack the management experience, financial resources, product diversification, and competitive strength of larger corporations. In addition, in many instances, the frequency and volume of their trading is substantially less than is typical of larger companies. As a result, the securities of smaller companies may be subject to wider price fluctuations. In addition, due to thin trading in some of those stocks, an investment in those stocks may be considered less liquid than an investment in many large capitalization stocks. When making large sales, the underlying fund may have to sell portfolio holdings at discounts from quoted prices or may have to make a series of small sales over an extended period of time due to the trading volume of smaller company securities.

Derivatives. Underlying funds may invest in complex derivative instruments that seek to modify or emulate the investment performance of particular securities, commodities, currencies, interest rates, indices or markets or specific risks thereof on a leveraged or unleveraged basis that can be equivalent to a long or short position in the underlying asset or risk. These instruments generally have counterparty risk and may not perform in the manner expected by the counterparties, thereby resulting in greater loss or gain to the underlying fund than might otherwise be anticipated. These investments are all subject to additional risks that may result in a loss of all or part of an investment, such as interest rate and credit risk volatility, world and local market price and demand, and general economic factors and activity. Derivatives may have very high leverage embedded in them, which may substantially magnify market movements and result in losses substantially greater than the amount of the investment and which in some cases could represent a significant portion of the underlying fund's assets. Some of the markets in which derivative transactions are effected are over-the-counter or interdealer markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of exchange-based markets. This exposes the underlying fund to the risks that a counterparty will not settle a transaction because of a credit or liquidity problem or because of disputes over the terms of the contract. Underlying funds are not restricted from dealing with any particular counterparty or from concentrating all of its transactions with one counterparty.

Futures. Futures markets are highly volatile. To the extent an underlying fund engages in transactions in futures contracts and options on futures contracts, the profitability of such underlying fund will depend to some degree on the ability of the investment manager of such underlying fund to analyze correctly the futures markets, which are influenced by, among other things, changing supply and demand relationships, governmental policies, commercial and trade programs, world political and economic events and changes in interest rates. Moreover, investments in commodity futures and options contracts involve additional risks including, without limitation, leverage (margin is usually only 5-15% of the face value of the contract and exposure can be nearly unlimited) and credit risk vis-a-vis the contract counterparty. Finally, the Commodity Futures Trading Commission and futures exchanges have established limits referred to as "speculative position limits" on the maximum net long or net short position that any person may hold or control in particular commodity contracts.

Convertible Securities. As a result of the conversion feature, convertible securities typically offer lower interest rates than if the securities were not convertible. It is possible that the potential for appreciation on convertible securities may be less than that of a common stock equivalent.

Convertible securities may or may not be rated within the four highest categories by Standard & Poor's Ratings Group ("S&P") and Moody's Investor Service ("Moody's") and, if not so rated, would not be investment grade. To the extent that convertible securities are rated lower than investment grade or not

rated, there would be greater risk as to timely repayment of the principal of, and timely payment of interest or dividends on, those securities.

Securities that are rated BB or lower by S&P or Ba or lower by Moody's are often referred to in the financial press as "junk bonds" and may include securities of issuers in default. "Junk bonds" are considered by the rating agencies to be predominately speculative and may involve major risk exposures such as: (i) vulnerability to economic downturns and changes in interest rates; (ii) sensitivity to adverse economic changes and corporate developments; (iii) redemption or call provisions that may be exercised at inopportune times; and (iv) difficulty in accurately valuing or disposing of such securities.

Also, in the absence of adequate anti-dilution provisions in a convertible security, dilution in the value of an underlying fund's holding may occur in the event the underlying stock is subdivided, additional securities are issued, a stock dividend is declared, or the issuer enters into another type of corporate transaction that increases its outstanding securities.

Low Credit Quality Securities. To the extent an underlying fund invests in fixed-income securities, such underlying fund may be permitted to invest in particularly risky investments that also may offer the potential for correspondingly high returns. As a result, such underlying fund may lose all or substantially all of its investment in any particular instance. In addition, there is no minimum credit standard as a prerequisite to an investment in any security and the debt securities may be less than investment grade and may be considered to be "junk bonds" or be distressed or "special situations" with heightened risk of loss and/or liquidity. Such securities may rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of whose debt securities may be secured by substantially all of the issuer's assets. Moreover, the underlying funds may invest in securities that are not protected by financial covenants or limitations on additional indebtedness.

Asset-Backed Securities. The underlying funds may invest in numerous types of asset-backed securities, including, for example, mortgage-backed securities. Such securities are extremely sensitive to the level and volatility of interest rates.

Asset-backed securities are often backed by a pool of assets representing the obligations of a number of different parties and use credit enhancement techniques. Asset-backed securities present certain risks. Primarily, these securities do not have the benefit of the same security interest in the related collateral. For example, credit card receivables are generally unsecured and the debtors are entitled to the protection of a number of state and federal consumer credit laws, many of which give such debtors the right to set off certain amounts owed on the credit cards, thereby reducing the balance due. As a further example, most issuers of automobile receivables permit the servicers to retain possession of the underlying obligations. If the servicer were to sell these obligations to another party, there is a risk that the purchaser would acquire an interest superior to that of the holders of the related automobile receivables. In addition, because of the large number of vehicles involved in a typical issuance and technical requirements under state laws, the trustee for the holders of the automobile receivables may not have a proper security interest in all of the obligations backing such receivables. Therefore, there is the possibility that recoveries on repossessed collateral may not, in some cases, be available to support payments on these securities.

Underlying fund investments may also include private mortgage pass-through securities that are issued by originators of and investors in mortgage loans, including savings and loan associations, mortgage banks, commercial banks, investment banks and special purpose subsidiaries of the foregoing. Private mortgage pass-through securities are usually backed by a pool of conventional fixed rate or adjustable rate mortgage loans. Such securities generally are structured with one or more types of credit enhancement.

Analytical Model Risks. We employ certain strategies that depend upon the reliability, accuracy and analysis of our analytical models. Underlying funds may also employ similar analytical models. To the

extent such models (or the assumptions underlying them) do not prove to be correct, the accounts may not perform as anticipated, which could result in substantial losses. All models ultimately depend upon the judgment of the individuals and the assumptions embedded in the models. To the extent that with respect to any investment, the judgment or assumptions are incorrect, the investor can suffer losses.

Liquidity and Valuation. Underlying funds may invest in securities that are subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices, if any, for such securities tend to be more volatile and the underlying funds may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. For example, high-yield securities markets have suffered periods of extreme illiquidity for certain types of instruments in the past. As a result, calculating the fair market value of the accounts' holdings may be difficult.

Portfolio Valuation. Because of the overall size and concentrations in particular markets and maturities of positions that may be held by the underlying funds from time to time, the liquidation values of the underlying funds' securities and other investments may differ significantly from the interim valuations of such investments derived from the valuation methods described herein. Such differences may be further affected by the time frame within which such liquidation occurs. Third-party pricing information regarding certain of the underlying funds' securities and other investments may at times be unavailable. Valuations of the underlying funds' securities and other investments may involve uncertainties and subjective judgmental determinations and if such valuations should prove to be incorrect the net asset value of the accounts could be adversely affected. In addition, valuations based on models will be affected by assumptions in the models and may not reflect the prices at which positions could, in fact, be covered or sold. Absent bad faith or manifest error, valuation determinations will be conclusive and binding.

Portfolio Turnover. Some underlying funds and underlying fund managers may engage in frequent trading and thus the accounts' brokerage commission to assets ratio (indirectly through the underlying funds) may significantly exceed those of other investment entities.

Interest Rate Risks. The accounts and the underlying funds may have exposure to interest rate risks. To the extent prevailing interest rates change, it could negatively affect the value of the accounts.

Purchases of Interests in Underlying Funds. There is no assurance that we will correctly evaluate the nature and magnitude of the various factors that could affect the prospects of the underlying funds in which we cause the accounts to invest. An account may lose its entire investment or may be required to accept cash or securities with a value less than the account's original investment. Under such circumstances, the returns generated from the account's investments may not compensate the owner of or investors in the account adequately for the risks assumed. Further, the accounts may invest with managers who are experiencing a major increase in the assets they manage, which may impair the ability of their strategies and operations to perform up to historical levels. Additionally, managers faced with a significant increase in assets to invest may divert from stated strategies into strategies or markets with respect to which they could have little or no experience. This could result in serious losses to the underlying funds and, accordingly, the accounts. There is also a risk associated with multiple-managers. Because each manager will trade independently of the others, the trading losses of some managers could offset trading profits achieved by the profitable managers. The profitable managers would earn incentive fees even though an account as a whole may not be profitable. Managers might compete for the same investment positions. Conversely, managers may take offsetting positions that would result in transaction costs for the accounts without the possibility of profits. We expect from time to time to change managers and the asset-allocations among underlying funds. We are not required to notify investors of such changes. Such changes may result in the loss of any carry-forward benefit if the manager is terminated during a carry-forward period. In such a case the replacement manager will "start from scratch". Further

such changes may occur when an account receives additional capital contributions from investors at a time when certain underlying funds are “closed” to new investment. The new capital would thus have to be allocated to “open” underlying funds, which may affect asset-allocation in an unintended way. Each account’s success will depend on our manager selection and allocation abilities.

Corporate Governance. Corporate governance, internal controls, and operational aspects of underlying funds may be immature, not subject to scrutiny or difficult to enforce due to the location of jurisdictions in which such entities are formed or for other reasons. We conduct what we believe to be reasonable diligence, but the risk of loss from misbehavior (for example, a manager may divert or abscond with the underlying fund’s assets, fail to follow its stated investment strategies, or issue false reports), fraud, or weak operational controls remains high with respect to underlying funds, and we cannot assure investors that losses will not result from such events.

Investment Strategy Risks. The underlying funds may pursue various investment strategies, each of which may subject the accounts to significant risk. Such investment strategies may include but are not limited to the following:

Global Macro Strategy. Global macro strategies include both directional trading and relative-value approaches to what are generally short-term allocations of capital. Managers utilizing a directional trading approach will take unhedged long or short positions in various markets. Such unhedged investments may expose the underlying fund to full market risk and are subject to substantial losses. The use of a relative-value approach is also subject to the risk of substantial losses because of imperfect correlation of a manager’s portfolio of long and short positions.

Long/Short Equity Strategy. Since a long/short equity strategy involves identifying securities that are generally undervalued (or, in the case of short positions, overvalued) by the marketplace, success of this strategy necessarily depends upon the market eventually recognizing such value in the price of the security, which may not necessarily occur, or may occur over extended time frames that limit profitability. Positions may undergo significant short-term declines and experience considerable price volatility during these periods. In addition, long and short positions may or may not be correlated to each other. If the long and short positions are not correlated, it is possible to have investment losses in both the long and short sides of the portfolio.

Arbitrage Strategy. The use of arbitrage strategies in no respect should be taken to imply that a manager’s use of such strategies is without risk. Substantial losses may be recognized on “arbitrage” positions, and illiquidity and default on one side of a position may effectively result in the position being transformed into an outright speculation. Every arbitrage strategy involves exposure to some second order risk of the market, such as the implied volatility in convertible bonds or warrants, the yield spread between similar term government bonds or the price spread between different classes of stock for the same underlying firm. Many such managers pursuing arbitrage strategies employ limited directional strategies that expose such managers to market risk.

Merger Arbitrage Strategy. Merger arbitrage investments generally could incur significant losses when anticipated merger or acquisition transactions are not consummated. There is typically asymmetry in the risk/reward payout of mergers – the losses that can occur in the event of deal break-ups can far exceed the gains to be had if deals close successfully. For instance, mark-to-market losses can occur intra-month even if a particular deal is not breaking-up and such losses may or may not be recouped upon successful consummation of such deal. Further, the consummation of mergers, tender offers and exchange offers can be prevented or delayed by a variety of factors, including: (i) regulatory and antitrust restrictions; (ii) political motivations; (iii) industry weakness; (iv) stock-specific events; (v) failed financings; and (vi) general market declines.

Merger arbitrage strategies also depend for success on the overall volume of merger activity, which has historically been cyclical in nature. During periods when merger activity is low, it may be difficult or impossible to identify opportunities for profit or to identify a sufficient number of such opportunities to provide diversification among potential merger transactions.

Merger arbitrage strategies are also subject to the risk of overall market movements. To the extent that a general increase or decline in equity values affects the stocks involved in a merger arbitrage position differently, the position may be exposed to loss. At any given time, arbitrageurs can become improperly hedged by accident or in an effort to maximize risk-adjusted returns. This can lead to inadvertent market-related losses.

Convertible Arbitrage Strategy. The success of the investment activities of a manager involved in convertible arbitrage will depend on such manager's ability to identify and exploit price discrepancies in the market. Identification and exploitation of the market opportunities involve uncertainty. No assurance can be given that a manager will be able to locate investment opportunities or to correctly exploit price discrepancies. A reduction in the pricing inefficiency of the markets in which such manager will seek to invest will reduce the scope for the manager's investment strategies. In the event that the perceived mispricings underlying such manager's positions fail to materialize as expected by such manager, the positions could incur a loss.

The price of a convertible bond, like other bonds, changes inversely to changes in interest rates. Hence, increases in interest rates could result in a loss on a position to the extent that the short stock position does not correspondingly depreciate in value. While managers typically try to hedge interest rate risk via interest rate swaps and Treasuries, residual interest rate risk can adversely impact the portfolio. The price of convertible bonds is also sensitive to the perceived credit quality of the issuer. Convertible securities purchased by managers will decline in value if there is a deterioration in the perceived credit quality of the issuer or a widening of credit spreads, and this decline in value may not be offset by gains on the corresponding short equity position.

Convertible bond arbitrage portfolios are typically long volatility. This volatility risk is difficult to hedge since the strike price and often the maturity of the implied option are unknowns. A decline in actual or implied stock volatility of the issuing companies can cause premiums to contract on the convertible bonds. Convertible arbitrageurs are also exposed to liquidity risk in the form of short squeezes in the underlying equities or due to widening bid/ask spreads in the convertible bonds. Liquidity risk can often be exacerbated by margin calls since most arbitrageurs run leveraged portfolios. Convertible arbitrage strategies are also subject to risk due to inadequate or misleading disclosure concerning the securities involved. There have been cases where final prospectuses are different from drafts and important clauses are misinterpreted, both leading to significant losses for arbitrageurs. Also, in the absence of anti-dilution provisions in a convertible security, losses could occur in the event the underlying stock is split, additional securities are issued, a stock dividend is declared or the issuer enters into another transaction that increases its outstanding securities.

Item 9. Disciplinary Information

There are no legal or disciplinary events that would require to be disclosed.

Item 10. Other Financial Industry Activities and Affiliations

Material Financial Industry Affiliations of the Firm

The firm currently has direct relationships with the following private investment funds:

- Whitney Japan funds;
- Whitney Select Japan funds;
- Whitney Japan Tactical funds;
- Whitney Pan Asia funds;
- JHW Pan Asia Strategies Cayman Fund, LDC, a Cayman Islands exempted limited duration company.

The firm currently has direct relationships with the following registered investment funds:

- JHW Pan Asia Strategies Master Fund, LLC, a Delaware limited liability company;
- JHW Pan Asia Strategies Fund, LLC, a Delaware limited liability company;
- JHW Pan Asia Strategies TE Fund, LLC, a Delaware limited liability company;

The firm is the sole member of JHWIM Fund Management Company, LLC, which serves as investment advisor to the Japan funds and as investment advisor to certain separate accounts.

The firm is also the sole owner of Asian Management (Singapore) Pte., Ltd., a subsidiary which acts as sub-investment manager to certain of the Japan funds and separate accounts.

The firm is the sole member of J.H. Whitney Pan Asia Advisor, LLC, which serves as the managing member and/or investment advisor of the multi-manager funds.

The firm is the sole member of J.H. Whitney Pan Asia Advisor II, LLC, which serves as the investment sub-advisor of the BBH Asian Opportunity Fund, Ltd.

The firm is also the sole owner of J.H. Whitney Investment Management Asia Pte. Ltd., a subsidiary which acts as sub-manager to J.H. Whitney Pan Asia Advisor, LLC with respect to the Pan Asia funds.

The investment managers receive management fees from the funds and the managed accounts, and the general partners or the investment managers receive performance allocations or performance fees based on net gains earned by the funds and managed accounts.

The firm may be deemed to be a related person of JHWIM GP, LLC, which serves as general partner for the Japan funds.

We also have an important relationship with Japan Advisory LLC, an unaffiliated Japanese limited liability company. As a sub-advisor to Asian Management (Singapore) Pte. Ltd. and, for certain accounts, J.H. Whitney Investment Management, LLC, Japan Advisory LLC provides us with strategic and specific investment recommendations which serve as the basis for our Japan-focused investment strategies. Ultimate investment discretion for the Japan-focused funds and separate accounts, however, rests with Asian Management (Singapore) Pte. Ltd., with oversight and management by JHWIM Fund Management Company, LLC, or directly with J.H. Whitney Investment Management, LLC.

Conflicts of Interest

In addition to the funds and our current separate account clients, we may in the future participate in or sponsor other investment vehicles, and possibly have additional advisory accounts or clients. We may also determine to engage in other businesses. The existence of such present and future multiple investment vehicles and accounts, or other businesses, may create the material conflicts of interest described below.

Time Commitments. The existence of multiple investment vehicles, accounts and/or clients may create conflicts as to time and resource commitments on the part of our personnel. We may retain additional personnel as the firm deems necessary.

New Investment Strategies and Related Products. From time to time, we may determine to develop new investment strategies, with a view toward offering new managed account or investment fund products to investors. Such new investment strategies may be similar in certain or many respects to the investment strategies we employ for existing clients, and may involve the purchase and sale of some or all of the securities and investments which comprise the portfolios of the funds and the separate accounts. Such new investment strategies may be “tested” by means of one or more newly established accounts or investment funds that are initially funded by our own or our personnel’s capital. To the extent that the assets of any such new account or investment fund remain solely attributable to us and our personnel, the account or investment fund will be treated as a personal account of our firm and will be required to comply with our personal account trading policy, subject to exceptions as we may determine from time to time. Such accounts or investment funds may be expected at times to engage in purchases and sales of securities contemporaneously with purchases and sales of the same securities by one or more of the funds and separate accounts. In such event, it is anticipated that allocations of securities among such new accounts or investment funds, the funds and the separate accounts will generally be made as described below, but may, due to strategy related or other reasons, vary in our discretion. At all times, we intend to monitor the investment activities and allocations with respect to any new accounts or investment funds, the funds and the separate accounts and intends to operate such new accounts or investment funds in a manner that will not negatively impact the funds and the separate accounts. At any time, we may determine to offer interests in a new investment fund to outside investors; and, at such point in time as investors have invested capital in a new investment fund and thereafter, such new investment fund will be treated as our client and will generally be subject to the allocations provisions set forth below.

Allocation Issues. The existence of multiple funds and separate accounts that generally all invest in the same securities can create a material conflict of interest with respect to the allocation of investment opportunities among accounts. We allocate investment opportunities among the accounts by applying such considerations as we deem appropriate, including relative size of such investment vehicles, accounts and clients, amount of available capital, size of existing positions in the same or similar securities, impact of leverage, investment objective and strategy considerations, including, without limitation, concentration parameters and tax considerations and other factors. As a result of such considerations, allocations among the accounts will not necessarily be pro rata. In cases where a limited amount of a security or other instrument is available for purchase, the allocation of such security among the accounts may necessarily reduce the amount thereof available for purchase by the other accounts.

Although the funds and the separate accounts generally invest in the same securities, the net performance of one account may vary materially from that of other accounts as a result of the allocation policies described above, as well as differing expenses, tax considerations, the impact of leverage and other factors.

Balancing Transactions. Notwithstanding that the funds and the separate accounts currently all employ a similar or substantially similar investment strategy and will generally invest and trade on a *pari passu*

basis, certain differences in the specific investment strategies employed (including, applicable investment parameters, eligibility criteria with respect to various clients or investors, applicable expenses, available capital, the relative use of leverage and other factors) may result in non-*pari passu* treatment of specific accounts with respect to some or all of their investment and trading activities.

From time to time, in our discretion, we adjust (or “rebalance”) the portfolio holdings of one or more of the accounts so as to eliminate or minimize variations among the portfolio holdings of the accounts that employ the same or similar investment strategies or otherwise to maintain what we believe to be a desirable portfolio composition for each of the accounts, subject to the applicable account differences described above. With respect to any rebalancing transactions, the firm may effect cross trades between client accounts in which one client purchases securities held by another client. In these transactions, the firm will determine that the transaction is in the best interest of both accounts. The firm will also establish the price for the security based on objective criteria such as the average range of independent quotes at the time of the transaction and effect the transaction at such independently determined price. If there is no independently determined price, then the firm will use the same method to determine the cross trade price as it uses to value the securities for purposes of determining the value of interests in a fund. The firm may receive a commission or compensation with respect to the transaction that will be no more than the usual and customary commission or compensation for such a transaction.

Although the firm believes this procedure will benefit clients and minimize conflicts, such transactions may present the firm with potentially conflicting incentives.

Conflicts Regarding Valuations and Other Matters. We are responsible for a variety of important matters affecting the funds and separate accounts, particularly those funds for which we serve as the general partner. Among other matters, in certain cases we determine the value of the securities held by the accounts. Such valuation affects both reported account performance as well as the calculation of both the incentive allocations/fees and the management fees payable to use by the accounts. Although the governing documents, offering documents and investment advisory agreements of the accounts prescribe the method of valuing different types of investments, which generally involve current market price information, there may be investments as to which current or reliable market price information is unavailable, in which event we may have discretion in determining the appropriate means of valuation. Furthermore, in the event we are provided with, or otherwise come into possession of, information which leads us to determine that one or more valuations of account assets for a prior period are inaccurate, where we are responsible for valuation we may adjust or amend such prior valuations as we deem appropriate, and adjust or amend any reports or statements of the account (whether or not previously issued) with respect to such prior periods.

New Issues. The manager of a fund or separate account eligible to purchase securities in an initial public offering (“IPO”) will decide if the IPO securities are appropriate for the account, taking into account factors such as each account’s investment guidelines and restrictions, the market capitalization of the security, and the account’s sector diversification. If two or more accounts are eligible, the IPO would be a suitable investment for the accounts, and the amount of stock available to the accounts is less than the total amount desired, the available stock generally will be allocated among the accounts pro rata based upon their relative capital. If the accounts for which the IPO securities are suitable are of disparate size, the firm may instead use a rotational allocation of securities received in an IPO, so that a small client is not effectively shut out of IPO allocations.

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

Code of Ethics

We have established a Code of Ethics (“Code”) pursuant to Rule 204A-1 under the Investment Advisers Act of 1940, as amended. The purpose of the Code is to identify the ethical and legal framework in which we and our personnel are required to operate and to highlight some of the guiding principles and mechanisms for upholding our standard of business conduct. The Code is designed to ensure that all applicable personnel are aware of and adhere to our policies and procedures. The description below is summary only. A complete copy of the Code will be provided to clients and prospective clients upon request.

Standard of Business Conduct. As a fiduciary, we owe our clients the highest duty of loyalty and we rely on each of our personnel to avoid conduct that is or may be inconsistent with that duty. We also seek to provide investment services that (a) ensure that each client receives advice based on his or her individual needs, objectives, and financial situation; (b) are consistent with applicable laws, rules, regulations, and industry standards; and (c) are offered in a manner that ensures that each client understands the objectives and structure of the investment products or services selected.

Conflicts of Interest. As a fiduciary, we have an affirmative duty of care, loyalty, honesty and good faith to act in the best interests of our clients. We make every effort to avoid conflicts of interest and fully disclose all material facts concerning any conflict of interest that may arise with respect to any client. We take a conservative approach and impose a high standard on our personnel by stressing that individuals subject to this Code must try to avoid situations that have even the appearance of conflict or impropriety. The Code includes provisions regarding employee’s outside activities and gifts and gratuities.

Protection of Material Non-Public Information. Our Code includes our policies regarding situations where we or our employees may come into possession of confidential information in the course of our business. We are strongly committed to protecting confidential information. We are also strongly committed to avoiding the misuse, or the appearance of misuse, of such information, whether in connection with the trading of securities or otherwise.

Personal Securities Transactions. All personnel must comply with our Personal Securities Trading policy. Except with respect to certain securities (including, indices, mutual funds, exchange-traded funds and certain government securities) and with respect to certain accounts for which a person does not exercise investment discretion, personal securities transactions by our personnel must be pre-approved by our Chief Compliance Officer (“CCO”). The policy also requires periodic reporting of personal securities transactions and holdings.

Reporting of Violations. Our personnel are required to report any violation, apparent violation or potential violation of the Code to the CCO.

Review and Enforcement. The CCO is responsible for ensuring adequate supervision over the activities of all persons who act on our behalf in order to prevent and detect violations of the Code by such persons.

Interested Transactions

We may, from time to time, recommend a security in which our firm or one of our related persons, directly or indirectly, has an interest. For instance, it may be expected that separate account assets will be invested in securities of issuers in which one or more other separate accounts or funds hold positions. In addition, fund assets may be invested in securities of issuers in which one or more other funds or separate

accounts hold positions. Given the likely frequency of such occurrence, clients will not be provided with notification of such occurrences. This may represent a conflict of interest for us, and this conflict, and our procedures for addressing such conflict, are described in detail in Item 10 of this brochure.

As described above, all personal securities transactions by the firm's personnel are subject to pre-approval by CCO before the supervised person may proceed with the transaction, except for transactions in certain categories of securities such as mutual funds, money market funds and U.S. government securities.

We may permit a supervised person to invest in securities or related securities that a fund is also investing in, but subject to the requirement that such a transaction will not disadvantage any client account. In addition, all supervised persons are required to submit personal trading information to the firm for review by the CCO. Our pre-approval procedure and the submission of supervised persons' personal trading information assist us towards our goal of ensuring that no personal trading of any supervised person will disadvantage any client account.

Item 12. Brokerage Practices

The following description of our brokerage practices primarily relates to our single-manager strategies. Most investments made with respect to the multi-manager strategies are made in private transactions not involving brokers.

Selection of Brokers

We have full authority to select broker dealers to execute the accounts' investment transactions. With respect to transactions involving the purchase and sale of public securities, we have no limit on our discretionary authority to determine the type, amount and price of securities or investments to be bought and sold on behalf of each account, including the selection of, and commissions paid to, brokers, subject to each account's investment policies and goals.

We may utilize a number of broker-dealers to effect transactions for clients. Such broker-dealers will be selected based on

- quality of execution,
- expertise in particular markets,
- reputation, experience and financial stability,
- quality of service,
- familiarity with the investment practices and techniques we employ on behalf of the accounts,
- commission rates, and
- research and analytic services,

subject at all times to principles of best execution. In such allocation of brokerage business, the commissions clients will pay to such brokers may not necessarily represent the lowest commission rate available, but may reflect our evaluation of the research and other brokerage-related services furnished by such broker-dealers) and which benefit the account(s) individually or together with our other accounts.

Soft Dollars

In seeking to obtain the best execution of portfolio transactions, in addition to the quality and reliability of brokerage services, we may take into consideration research services provided either by brokers and dealers themselves or by third parties that are paid for such services by brokers and dealers. These other services may be used for all of our accounts and we may not attempt to allocate the relative costs or benefits thereof.

In any such case, we will make a determination that the amount of any increased commission costs on account of such research or other services is reasonable relative to the value of services so provided, in accordance with Section 28(e) of the Securities Exchange Act of 1934, as amended (“Section 28(e)”). Section 28(e) provides a “safe harbor” to investment managers who use commission dollars of their advisory accounts (so-called “soft-dollar” arrangements) to obtain investment research, brokerage and other services that provide lawful and appropriate assistance to the manager in performing investment decision-making responsibilities, provided that the amount of any increased commission costs on account of such research or other services is reasonable relative to the value of the services so provided. Except as otherwise specifically disclosed to a separate account client or the investors in a fund, we will use allocations of commission dollars, if any, solely to pay for products or services that qualify as “research and brokerage services,” within the meaning of Section 28(e), pursuant to arrangements that meet the other requirements of Section 28(e).

Such arrangements may include so-called “commission sharing arrangements,” pursuant to which a portion of the amounts paid to a broker are made available by the broker as credits that we may use for payment to third parties for services that qualify as “research and brokerage services” within the meaning of Section 28(e). Such third parties are paid by the broker at our direction. Such services may be provided to subadvisors in connection with the subadvisors’ provision of advisory services to accounts we advise.

As a result of the foregoing, and as noted above, the commission rates paid by the accounts may not be the lowest commission rates available for the relevant transactions.

Certain services that we obtain using soft dollars we would otherwise have to pay for ourselves. As a result, the use of soft dollars creates an incentive for us to select a broker-dealer based on our interest in receiving research and other services, rather than our clients’ interest in receiving most favorable execution.

We do not have an internal trading desk to effect transactions for the accounts that trade in public securities. Instead, we contract with third parties who receive additional commissions from the accounts to provide these services. While these arrangements may result in an account paying higher execution costs than it would if we provided such services directly to the client, we believe that using these third parties is a more efficient way of trading securities for the account.

Within our last fiscal year, we used soft dollars to obtain the following the types of products and services:

- financial information systems such as Bloomberg and Thomson Reuters that provide us with access to real-time market data, research reports, news, and company information (including corporate actions) that are vital in managing the strategies;
- independent research reports from various reputable sources and covering a broad range of areas such as macro-economical topics, fundamental research, and technical research;
- tailored research inputs in the form of tailored reports and analyses specifically requested by us;

- access to and consultations with industry experts and independent consultants; and
- execution services.

Aggregation of Orders

We may aggregate sale and purchase orders of securities for more than one account. We will do so only if we believe that aggregation is likely to produce an overall economic benefit to the accounts, in the aggregate, as a result of relatively better purchase or sale prices, lower transaction expenses or beneficial timing of transactions, or a combination of these and other factors. Aggregated transactions may be made at slightly different prices, due to the volume of securities purchased or sold. If that occurs, the average price of all securities purchased or sold in these transactions will be determined and accounts will be charged or credited, as the case may be, with the average transaction price. Averaging could result in an account paying a higher (or lower) price for securities purchased, or receiving a lower (or higher) price for securities sold, than would be the case if other accounts were not concurrently purchasing or selling the same securities.

Allocation

We have adopted policies and procedures to ensure that purchases and sales of portfolio investments are allocated fairly and equitably among all accounts in accordance with their respective investment objectives, guidelines and restrictions and that orders for these investments are fairly aggregated. We will cause each account for which we determine the transaction is appropriate to participate in the transaction in an amount we deem appropriate. When more than one account is participating in the same transaction at the same time, the transaction normally will be entered into on the same economic terms (*e.g.*, same purchase price or same exit terms).

If an order is only partially filled as of the end of the trading day, then the securities allocated to each participating account will be allocated on a *pro rata* basis, based on the size of the original allocation to the account, subject to minor adjustments for rounding and odd lots. Orders will generally be rounded in lots of 100 shares. However, in certain circumstances, we may allocate based on a “rule of reason.” For example, if the original order was for 500,000 shares of a security for five accounts but we receive only 50,000 shares, we may allocate those 50,000 shares to only one account.

Item 13. Review of Accounts

The portfolios for the single-manager accounts are reviewed on a continuous basis by the Investment Committee of Asian Management (Singapore) Pte. Ltd. The portfolios for the multi-manager accounts are reviewed on a continuous basis by the firm’s Chief Investment Officer.

Funds. We provide the funds’ audited financial statements on an annual basis and, in addition, provide unaudited monthly performance data on the fund to investors in the fund.

Other Accounts. Brokerage statements are generated no less than quarterly. These statements are sent directly to the client by the account custodian. These reports list the account positions, activity in the account over the covered period, and other related information. Clients are also sent confirmations following each brokerage account transaction unless receipt of confirmations has been waived by the client. We will not issue separate reports with respect to such clients.

Item 14. Client Referrals and Other Compensation

The firm and/or its related parties may pay to persons who refer investors to a fund a portion of the management fees and/or performance allocations received with respect to such investors.

Currently J.H. Whitney Pan Asia Advisor, LLC (“Pan Asia Advisor”) has an agreement with Jefferies and Company, Inc. (“Jefferies”), pursuant to which Jefferies acts as a non-exclusive placement agent with respect to the sale of non-voting interests of J.H. Whitney Pan Asia Fund, LLC and non-voting units of J.H. Whitney Pan Asia Fund (International). As compensation for acting as placement agent, Jefferies will be paid a percentage of the management fees payable to Pan Asia Advisor by the funds with respect to investors introduced by Jefferies.

Pan Asia Advisor also has an agreement with Credit Suisse First Boston, LLC (“Credit Suisse”), pursuant to which Credit Suisse acts as a non-exclusive placement agent with respect to the sale of non-voting interests of J.H. Whitney Pan Asia Fund, LLC and non-voting units of J.H. Whitney Pan Asia Fund (International). As compensation for acting as placement agent, Credit Suisse will be paid a percentage of the management fees payable to Pan Asia Advisor by the funds with respect to investors introduced by Credit Suisse.

We have also entered into arrangements with a placement agent for the units of JHW Pan Asia Strategies Master Fund, LLC, JHW Pan Asia Strategies Fund, LLC and JHW Pan Asia Strategies TE Fund, LLC, pursuant to which the placement agent is entitled to monthly compensation equal to a percentage of the total assets of those funds.

JHW Pan Asia Strategies Fund, LLC and JHW Pan Asia Strategies TE Fund, LLC will also be included in the alternative investments platform of a broker-dealer, for which we will pay the broker-dealer both an establishment fee and periodic service fees.

Item 15. Custody

This item is not applicable to us.

Item 16. Investment Discretion

Item 4 includes a description of the investment discretion that we exercise with respect to the accounts. Investors do not have any ability to restrict the investment of their account. We generally exercise investment discretion with respect to accounts pursuant to a power of attorney that is granted by each fund or separate account client as part of the investment advisory agreement relating to each such account.

Item 17. Voting Client Securities

We have the authority to vote proxies relating to securities owned by the accounts we advise. We have adopted policies and procedures governing our voting of proxies that include the following elements:

- All proxies in respect to client securities are voted for the exclusive benefit of and in the best economic interests of the clients. We seek to do this in the manner that, in our judgment, is most likely to maximize total return to the clients as investors in the securities being voted.

- In certain cases, JHWIM may determine that the costs associated with certain proxies outweigh any benefits to its clients and may refrain from voting in these cases.
- Conflicts of Interest
- Procedures for Proxies
- Recordkeeping

Account holders do not have any authority to direct our vote in a particular solicitation.

If we determine that the firm has, or may be perceived to have, a conflict of interest when voting a proxy, we may, in our discretion, take one of the following actions in voting such proxy:

- delegate the voting decision for such proxy proposal to an independent third party;
- delegate the voting decision to an independent committee of partners, members, directors or other representatives of the funds, as applicable;
- inform the investors in the accounts of the conflict of interest and obtain consent to (majority consent in the case of a fund) vote the proxy as we recommend; or
- obtain approval of the decision from our Chief Compliance Officer and outside counsel.

Investors may obtain a copy of our Proxy Voting Policies and Procedures, and information regarding how we voted particular proxies on behalf of the accounts, on request.

Item 18. Financial Information

We do not require or solicit prepayment of more than \$1,200 in fees from the funds, six months or more in advance, and therefore are not required to include a balance sheet for our most recent fiscal year.