

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



**AVESTA CAPITAL ADVISORS**

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**This brochure provides information about the qualifications and business practices of Avesta Capital Advisors LLC (“Avesta”). If you have any questions about the contents of this brochure, please contact Wendell Fowler at (212) 332-8868 or by email at [wfowler@avestacapital.com](mailto:wfowler@avestacapital.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.**

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

**Avesta is registered as an investment adviser with the SEC under the U.S. Investment Advisers Act of 1940, as amended (the “Advisers Act”). SEC registration does not imply a certain level of skill or training.**

## ITEM 2 – MATERIAL CHANGES

If you are amending your *brochure* for your annual update and it contains material changes from your last annual update, identify and discuss those changes on the cover page of the *brochure* or on the page immediately following the cover page, or as a separate document accompanying the *brochure*. You must state clearly that you are discussing only material changes since the last annual update of your *brochure*, and you must provide the date of the last annual update of your *brochure*.

Avesta's registration as an investment adviser with the SEC was initially effective on January 24, 2006. Avesta is updating its brochure (the "Brochure") to meet the requirements of (amended) Part 2A of Form ADV. It should be noted that this Brochure amends Avesta's Part II of Form ADV and Schedule F dated June 1, 2010. Aside from the different format of our amended Brochure, there are no material changes to be noted.

In the future, when we amend the Brochure for our annual update, and the amended version contains material changes from the last annual update, we will identify and discuss those changes either on this page or as a separate document accompanying the Brochure. For documentation purposes, we will always provide the date of the last annual update of the Brochure.

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## ITEM 4 – ADVISORY BUSINESS

<p><b>Item 4.A</b></p>	<p>Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).</p> <p>Avesta Capital Advisors LLC (“Avesta”) was formed in June 2002 and began operations in September 2002. Avesta currently provides discretionary investment advisory services, including, but not limited to, managing and directing the investment and reinvestment of assets for private investment funds, via the following master-feeder structure:</p> <ul style="list-style-type: none"> <li>○ Avesta Fund, L.P., a Delaware limited partnership (the “Domestic Feeder”)</li> <li>○ Avesta Fund, Ltd., a Bahamian corporation (the “Offshore Feeder”, and together with the Domestic Feeder, the “Feeder Funds”)</li> <li>○ Avesta Master Fund, L.P., a Bahamian exempted limited partnership (the “Portfolio”)</li> </ul> <p>Each of the Domestic Feeder, the Offshore Feeder and the Portfolio may be referred to individually in this Brochure as a “Fund” and together as the “Funds.” The terms for each Fund are disclosed in detail the Fund’s offering documents that are provided to prospective investors prior to investment.</p> <p>Avesta acts as the trading manager of each Fund. An affiliate of Avesta, Avesta Capital Partners LLC (“Avesta Capital Partners”), is the general partner to the Domestic Feeder. Avesta Capital Partners and Avesta Advisors Ltd. (“Avesta Advisors”), also an affiliate of Avesta, act as co-general partners to the Portfolio. Avesta also provides discretionary investment advisory services to one or more separately managed accounts (the “Managed Accounts”, and together with the Funds, the “Advisory Clients”).</p> <p>Avesta’s managing member is Avesta BT Inc., a Delaware corporation controlled by William R. Tung. Mr. Tung is the principal owner and chief executive officer of Avesta.</p>
<p><b>Item 4.B</b></p>	<p>Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.</p> <p>The Feeder Funds, through their investments in the Portfolio, engage in the business of attempting to maximize return on capital consistent with principles designed to minimize risk of capital loss through investments and transactions, both long and short, primarily using equity securities that are traded on a U.S. exchange or NASDAQ. Mr. Tung primarily uses a bottom-up stock selection strategy. Changes in company business trends and change agents occurring at the company or industry level (such as management change, technological change, acquisition and capital markets change) are also considered. In addition, Mr. Tung seeks to identify macroeconomic – or top-down – factors and themes and incorporate them into the investment process, stock selection and portfolio construction. Finally, Avesta relies on a disciplined set of valuation criteria and</p>

	<p>utilizes basic technical analysis and Mr. Tung's trading experience to aid in risk management of the portfolio. In addition to equity securities, the Portfolio intends to employ derivatives including options on equity securities and related indices and exchange-traded funds. The Portfolio may employ foreign exchange contracts for both hedging and non-hedging purposes, U.S. government securities, corporate debt, non-U.S. exchange-traded equity securities and other equity-related securities. In the future, the Portfolio may also employ futures contracts and options on futures in order to hedge and/or manage the risk of the Portfolio's securities portfolio.</p>
<b>Item 4.C</b>	<p>Explain whether (and, if so, how) you tailor your advisory services to the individual needs of <i>clients</i>. Explain whether <i>clients</i> may impose restrictions on investing in certain securities or types of securities.</p> <p>Avesta neither tailors its advisory services to the individual needs of investors nor accepts investor-imposed investment restrictions with respect to the Funds. When deemed appropriate for a large or strategic investor, Avesta may establish a Managed Account that may tailor its investment objectives to those of the specific investor and/or be subject to different terms and/or fees than those of the Funds. Such investment objectives, fee arrangements and terms are individually negotiated, and it should be noted that any such Managed Account relationships are generally subject to significant account minimums.</p> <p>Avesta, in its sole discretion, may (through the use of side letters or other agreements), in effect, waive or reduce the Management Fee or Profit Share Allocation (each as defined below) to be paid to it or its affiliates by investors that are principals, employees or affiliates of Avesta or relatives of such persons and for certain large or strategic investors and/or modify the withdrawal/redemption terms for such investors. Furthermore, it should be noted that certain investors, including those who have a Managed Account relationship with Avesta, may have access to portfolio and other information that is not generally available to other investors of the Funds and, as a result, may be able to act (i.e., withdraw/redeem capital) on such additional information that other investors do not receive.</p>
<b>Item 4.D</b>	<p>If you participate in <i>wrap fee programs</i> by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.</p> <p>Avesta does not participate in wrap fee programs.</p>
<b>Item 4.E</b>	<p>If you manage <i>client</i> assets, disclose the amount of <i>client</i> assets you manage on a <i>discretionary basis</i> and the amount of <i>client</i> assets you manage on a <i>non-discretionary basis</i>. Disclose the date "as of" which you calculated the amounts.</p> <p>As of March 1, 2011, Avesta manages \$914,360,000 of Advisory Client assets on a discretionary basis. Avesta does not currently manage any Advisory Client assets on a non-discretionary basis.</p>

## ITEM 5 – FEES AND COMPENSATION

<p><b>Item 5.A</b></p>	<p>Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.</p> <p>The Funds offer interests/shares only to certain qualified investors and admission to the Funds is not open to the general public. Limited partnership interests of the Domestic Feeder and shares of the Offshore Feeder are sold only to qualified investors who are “accredited investors” under Rule 501 of Regulation D of the Securities Act of 1933, as amended, and “qualified purchasers” as such term is defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended. Please refer to the offering documents for the Funds for a detailed description of the fee schedule.</p>
<p><b>Item 5.B</b></p>	<p>Describe whether you deduct fees from <i>clients</i>’ assets or bill <i>clients</i> for fees incurred. If <i>clients</i> may select either method, disclose this fact. Explain how often you bill <i>clients</i> or deduct your fees.</p> <p>Avesta and its affiliates deduct fees from the Funds’ assets in the form of a management fee (the “Management Fee”) and a profit share allocation (the “Profit Share Allocation”).</p> <p>In general, Avesta receives a monthly Management Fee from the Feeder Funds calculated using the month end adjusted net asset value of each investor’s capital account/shares prior to any accrual of Profit Share Allocations.</p> <p>With respect to the Domestic Feeder, Avesta Capital Partners, an affiliate of Avesta, generally receives a Profit Share Allocation based on the net profits in each limited partner’s capital account as of the close of business on the last business day of each calendar year or, with respect to withdrawal of all or some of a limited partner’s capital account or the termination of the Domestic Feeder, the effective date of such withdrawal or termination, subject to a “loss carryforward”. With respect to the Offshore Feeder, Avesta Capital Partners generally receives a Profit Share Allocation based on the increase, if any, in the net assets attributable to each series of certain classes of shares as adjusted to eliminate the effect on net assets resulting from additions, redemptions or distributions, if any, made during the period and calculated for the 12 month period between December 1 and November 30 and payable as of November 30 of each calendar year (or a redemption or transfer date in the case of a shareholder’s redemption or transfer from the Offshore Feeder), subject to a “loss carryforward”.</p> <p>Avesta, in its sole discretion at any time, may rebate all or a portion of its Management Fees and/or Profit Share Allocations with respect to any investor.</p> <p><b>It is critical that investors refer to the relevant Fund’s offering documents for a complete understanding of how Avesta is compensated for its advisory services. The information contained in this Item 5 is a summary only and is qualified in its entirety by the relevant Fund’s offering documents.</b></p>
<p><b>Item 5.C</b></p>	<p>Describe any other types of fees or expenses <i>clients</i> may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that <i>clients</i> will incur brokerage and other transaction costs, and direct <i>clients</i> to the section(s) of your <i>brochure</i> that discuss brokerage.</p>

	<p>The Portfolio will pay all expenses incurred in connection with its trading and investment activities, including, but not limited to, all execution, give-up, brokerage, floor, exchange, clearing and regulatory fees, option premiums, other transaction costs and expenses, delivery and custody expenses, bank, broker and dealer service fees, interest and borrowing charges on margin accounts, borrowed money and other indebtedness and related expenses and costs. The Feeder Funds will share pro rata in these costs and expenses. The Funds may be deemed to be paying for research and other services with “soft” or commission dollars. Refer to Item 12 – Brokerage Practices for further information.</p> <p>Additionally, the Feeder Funds pay their ordinary and extraordinary legal, accounting, administrative and auditing fees, operating expenses as incurred, and the expenses of the ongoing offering of interests/shares.</p>
<b>Item 5.D</b>	<p>If your <i>clients</i> either may or must pay your fees in advance, disclose this fact. Explain how a <i>client</i> may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.</p> <p>Investors in the Feeder Funds do not pay fees in advance.</p> <p>With respect to terminating the investment advisory relationship, withdrawals/redemptions by investors are generally permitted as of the last business day of each calendar month pursuant to written notice, which must be received by the Avesta or its affiliates at least 30 days prior to the applicable withdrawal/redemption date.</p> <p>In general, no partial withdrawal may reduce the value of such investor’s capital account/shares to less than the amount of the minimum investment then required of new investors (currently \$1 million) or such investor’s initial investment (whichever is less). Avesta or its affiliates, in their sole discretion, may waive any of the above restrictions and may also declare a special withdrawal/redemption date in the event key personnel of Avesta become permanently unavailable.</p> <p>Generally the Feeder Funds will pay withdrawing/redeeming investors approximately 95% of its withdrawal/redemption proceeds within 10 days of the withdrawal/redemption date and the balance of the withdrawal/redemption proceeds will be paid within 30 days of the withdrawal/redemption date.</p> <p><b>Withdrawal/redemption terms vary by class and by Fund and are fully described in each Fund’s offering documents.</b></p>
<b>Item 5.E</b>	<p>If you or any of your <i>supervised persons</i> 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, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4.</p> <p>Not applicable</p>
<b>Item 5.E.1</b>	<p>Explain that this practice presents a conflict of interest and gives you or your <i>supervised persons</i> an incentive to recommend investment products based on the compensation received, rather than on a <i>client’s</i> needs. Describe generally how you address conflicts that arise, including your procedures for disclosing the conflicts to <i>clients</i>. If you primarily recommend mutual funds, disclose whether you will recommend “no-load” funds.</p>

	<a href="#">Not applicable</a>
<b>Item 5.E.2</b>	<p>Explain that <i>clients</i> have the option to purchase investment products that you recommend through other brokers or agents that are not affiliated with you.</p> <p><a href="#">Not applicable</a></p>
<b>Item 5.E.3</b>	<p>If more than 50% of your revenue from advisory <i>clients</i> results from commissions and other compensation for the sale of investment products you recommend to your <i>clients</i>, including asset-based distribution fees from the sale of mutual funds, disclose that commissions provide your primary or, if applicable, your exclusive compensation.</p> <p><a href="#">Not applicable</a></p>
<b>Item 5.E.4</b>	<p>If you charge advisory fees in addition to commissions or markups, disclose whether you reduce your advisory fees to offset the commissions or markups.</p> <p><a href="#">Not applicable</a></p>



## ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

If you or any of your *supervised persons* accepts *performance-based fees* – that is, fees based on a share of capital gains on or capital appreciation of the assets of a *client* (such as a *client* that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your *supervised persons* manage both accounts that are charged a *performance-based fee* and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your *supervised persons* face by managing these accounts at the same time, including that you or your *supervised persons* have an incentive to favor accounts for which you or your *supervised persons* receive a *performance-based fee*, and describe generally how you address these conflicts.

As described in Item 5.B above, an affiliate of Avesta accepts performance-based compensation. With respect to the Domestic Feeder, Avesta Capital Partners generally receives a Profit Share Allocation based on the net profits in each limited partner's capital account as of the close of business on the last business day of each calendar year or, with respect to withdrawal of all or some of a limited partner's capital account or the termination of the Domestic Feeder, the effective date of such withdrawal or termination, subject to a "loss carryforward". With respect to the Offshore Feeder, Avesta Capital Partners generally receives a Profit Share Allocation based on the increase, if any, in the net assets attributable to each series of certain classes of shares as adjusted to eliminate the effect on net assets resulting from additions, redemptions or distributions, if any, made during the period and calculated for the 12 month period between December 1 and November 30 and payable as of November 30 of each calendar year (or a redemption or transfer date in the case of a shareholder's redemption or transfer from the Offshore Feeder), subject to a "loss carryforward".

It should be noted that the possibility that Avesta Capital Partners could receive performance-based compensation creates a potential conflict of interest in that it may create an incentive for Avesta to effectuate larger and more risky transactions than would be the case in the absence of such form of compensation. Avesta presently provides investment advisory services to the Funds via one master-feeder structure, as well as one or more Managed Accounts that may charge different or no performance-based fees. As such, there is a potential conflict of interest related to managing accounts that charge performance-based fees alongside accounts that charge lower performance-based fees or do not charge any performance-based fees.

## ITEM 7 – TYPES OF CLIENTS

Describe the types of *clients* to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.

Avesta provides investment advisory services to pooled investment vehicles operating as private investment funds. When deemed appropriate for a large or strategic investor, Avesta may establish a Managed Account that may tailor its investment objectives to those of the specific investor and/or be subject to different terms and/or fees than those of the Funds. Such investment objectives, fee arrangements and terms are individually negotiated, and it should be noted that any such Managed Account relationships are generally subject to significant account minimums. Avesta has currently established one or more Managed Accounts.

Each investor in the Funds must meet the eligibility provisions outlined in Item 5.A above. The minimum initial contribution to the Feeder Funds is \$1,000,000 and the minimum additional contribution is \$100,000. These minimums are subject to waiver at the discretion of Avesta Capital Partners in the case of the Domestic Feeder and the Offshore Feeder's directors in the case of the Offshore Feeder.

## ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

<p><b>Item 8.A</b></p>	<p>Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that <i>clients</i> should be prepared to bear.</p> <p>Avesta may use a variety of resources or services to form an investment idea or strategy. In general, Avesta derives information used to make investment decisions on behalf of its Funds using a fundamental or bottom up stock selection strategy. Avesta also seeks to identify macroeconomic, or top down, factors to incorporate into its investment process, stock selection and portfolio construction. Avesta's investment ideas are generated through analysis of business fundamentals of companies. Ideas can also be derived from top-down themes or factors as well as from valuation. Changes in company business trends and change agents occurring at the company or industry level (such as management change, technological change, acquisition, capital markets change) also generate ideas. Other contributing sources include brokers and Avesta's internal valuation screens and screens on significant moves (both positive &amp; negative) of stocks within Avesta's investment universe that Avesta investment personnel review weekly. Avesta's investment personnel visit companies and meet with management teams as often as possible and Avesta considers communication with a company's management, competitors and suppliers, as well as communication with Avesta's contacts within the industry, to be highly important elements of its investment advisory process. Avesta may (at its sole discretion) modify the resources or services used to form investment ideas or strategies in the future.</p> <p>Certain members of the investment team other than Mr. Tung have limited investment discretion over the Portfolio, which is specific to their micro portfolios. Currently there are six members of the investment team with a micro portfolio, each of which is limited to \$10,000,000 of total exposure. The micro portfolios are managed within the Portfolio; they are not separate investment portfolios.</p> <p><b>Each of the Funds has broad and flexible investment authority. The Funds may have other strategies or engage in other activities than those described herein. It is critical that investors refer to the relevant Fund's offering documents for a complete understanding of that Fund's investment objective and strategy. The information contained in this Item 8 is a summary only and is qualified in its entirety by the relevant Fund's offering documents.</b></p> <p><b>An investment in the Funds may be deemed speculative and is not intended as a complete investment program. The Funds are designed only for experienced and sophisticated persons who are able to bear the risk of substantial impairment or total loss of their investment in the Funds.</b></p>
<p><b>Item 8.B</b></p>	<p>For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.</p>

	<p><u>Investment Selection.</u> Avesta primarily trades U.S. equities and, therefore, selects investments on the basis of information and data filed by the issuers of such securities with the SEC or made directly available to Avesta by the issuers of the securities and other instruments or through public and non-public sources other than the issuers. Although Avesta evaluates such information and data and seeks independent corroboration when it considers it appropriate and when it is reasonably available, Avesta is not in a position to confirm the completeness, genuineness or accuracy of such information and data.</p> <p><u>Suspensions of Trading.</u> The U.S., other governments, and each U.S. and non-U.S. securities exchange, retain the right to suspend or limit trading in securities. Such a suspension would render it impossible for Avesta to liquidate positions promptly and, accordingly, could expose the Portfolio to losses.</p> <p><u>Securities.</u> Although the Portfolio primarily invests in U.S. exchange-traded and NASDAQ stocks, the Portfolio may purchase low rated or unrated debt securities. Such securities may offer higher yields than do higher rated securities, but generally involve greater volatility of price and risk of principal and income, including the possibility of default by, or bankruptcy of, the issuers of the securities. In addition, the markets for such securities may be limited. Such transactions are not subject to exchange rules. The Portfolio may also purchase securities issued by non-U.S. companies (“foreign securities”). Investing in foreign securities may cause the Portfolio to be affected by changes in the currency exchange rates and revaluations of currencies. In addition, less information may be available about foreign issuers than about their U.S. counterparts, and foreign companies are not subject to the uniform accounting, auditing and reporting standards imposed on U.S. companies. Further, foreign securities markets may not be as liquid as U.S. markets. Investment in foreign securities may result in higher costs to the Portfolio than investment in U.S. securities due to the cost of converting a foreign currency to dollars, the payment of fixed brokerage commissions on some foreign exchanges and the imposition of transfer taxes or transaction charges by foreign exchanges. Investment in foreign securities may also be subject to local political or economic risks.</p> <p><u>Concentration of Investments.</u> The Portfolio has no specific diversification requirements or concentration restrictions. Although the Portfolio typically seeks to diversify its portfolio of investments by investing in various sectors simultaneously, for any given period of time, the investments of the Portfolio may be concentrated in a relatively small number of positions.</p> <p>Notwithstanding the foregoing, Avesta generally will not invest more than 25% of the Portfolio’s total gross assets in any one industry. In addition, Avesta on average generally will not invest more than 10% of the Portfolio’s total net assets in any one long or short position, excluding exchange-traded funds or cash equivalents that will be employed for the purpose of hedging or risk management. The Portfolio may invest any portion of its total assets, in the aggregate, in non-convertible debt securities for cash management purposes. The foregoing percentages will be measured at cost at the time of purchase and without regard to future market fluctuations.</p> <p>The Portfolio attempts to assess what it considers to be the materially relevant risk factors, and others, in determining the size of the position it takes in a particular</p>
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	<p>company, as well as the overall diversification of the Portfolio's portfolio.</p> <p><u>Potential Lack of Liquidity in Markets.</u> The Portfolio may acquire securities that lack a liquid trading market, which may result in the inability of the Portfolio to buy or sell such assets and may impair the Portfolio's ability to realize the full value of its assets in the event of a voluntary or involuntary liquidation of such assets. In addition, securities of some companies in which Avesta may invest are traded in the over-the-counter market, on regional stock exchanges and on foreign securities exchanges. Such markets and exchanges may have low trading volume, and securities traded on such markets and exchanges may experience abrupt and erratic price movements.</p> <p>If a substantial number of investors were to withdraw from the Feeder Funds and the Portfolio had a specific illiquid position, the Portfolio might have to meet such withdrawals/redemptions through distribution of the illiquid security. Liquidity as used in this subsection relates to the ability of the Portfolio to buy and sell portfolio securities in a timely manner.</p> <p><u>Leverage; Interest Rate Risk.</u> The Portfolio may utilize borrowings in the course of its investment operations, using as collateral the securities that it owns from time to time. Thus, the Portfolio may be in a leveraged position and the amount of borrowing that the Portfolio may have outstanding at any one time may be (but is not expected to be) large in relation to its capital (a maximum of 400% of net assets). Consequently, the level of interest rates generally, and the rates at which the Portfolio, in particular, is able to borrow, may affect the Portfolio's operating results. As in the case of other leveraged investments, significant losses may result if the Portfolio is in a leveraged position.</p> <p>The Portfolio's use of short-term margin borrowings may result in certain additional risks to the Portfolio. For example, should the securities pledged to brokers to secure the Portfolio's margin accounts decline in value, the Portfolio could be subject to a "margin call" pursuant to which the Portfolio would either have to deposit additional funds with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden precipitous drop in the value of the Portfolio's assets, the Portfolio might not be able to liquidate assets quickly enough to pay off its margin debt and may therefore also suffer additional significant losses as a result of its default.</p> <p><u>Short Sales.</u> The Portfolio may engage in "short sales" (i.e., the sale of a security which the Portfolio does not own in the hope of purchasing the same security at a later date at a lower price) in which there is no limit to the amount of potential loss. The Portfolio will incur a loss as a result of a short sale if the price of the security increases between the date of the short sale and the date on which the Portfolio covers its short position (i.e., purchases the security in the open market). The Portfolio will realize a gain if the security declines in price between these dates by an amount sufficient to offset net expenses of the short sale. A short sale involves the theoretically unlimited risk of loss occasioned by an increase in the market price of the security that is the subject of the short sale.</p> <p><b>Please refer to the offering documents of the Funds for a detailed description of the material risks related in an investment in the Funds.</b></p>
<b>Item 8.C</b>	<p>If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss</p>

these risks in detail.

Foreign Currency. The Portfolio may trade in spot and forward contracts on foreign currencies. In this connection, the Portfolio will contract with or through its banks or brokers to make or take future delivery of a particular foreign currency. Although the foreign currency market is not believed to be necessarily more volatile than the market in other commodities, there is less protection against defaults in the forward trading of currencies since such forward contracts are not effected on or through an exchange or clearinghouse. Trading in forward foreign currencies and over-the-counter derivatives, including swaps, among sophisticated market participants is not regulated by the Commodity Futures Trading Commission (“CFTC”). Therefore, with respect to this trading, the Portfolio is not afforded the protections provided by CFTC regulation, including segregation of funds. In any principal contract the Portfolio must rely on the creditworthiness of its counterparty.

In addition, the Dodd-Frank Act, among other things, grants the SEC and the CFTC broad rulemaking authority to implement various provisions of the Dodd-Frank Act including comprehensive regulation of the OTC derivatives market. The implementation of the Dodd-Frank Act could adversely affect the Fund by increasing transaction and/or regulatory compliance costs.

Investments in Unseasoned Companies. The Portfolio may invest in the securities of smaller, less seasoned companies. These investments may present greater opportunities for growth, but also involve greater risks, than customarily are associated with investments in more established companies. Some of the companies in which the Portfolio may invest may have insubstantial operational or earnings histories and limited product lines, markets, financial resources or management depth. The Portfolio may invest in emerging companies at the research and development stage with no products or technologies to market or approved for marketing. Securities of small and emerging companies may lack an active secondary market and may be subject to more abrupt or erratic price movements than securities of larger, more established companies.

Hedging Transactions. The Portfolio may utilize exchange-traded funds and a variety of financial instruments or transactions such as short sales, both for investment purposes and for risk management purposes. Hedging also involves special risks including the possible default by the other party to over-the-counter transactions, illiquidity and, to the extent Avesta’s assessment of certain market movements is incorrect, the risk that the use of hedging could result in losses greater than if hedging had not been used. Nonetheless, with respect to certain investment positions, the Portfolio may not be sufficiently hedged against market fluctuations, or may not be hedged at all, in which case the investment position could result in a loss greater than if the Portfolio had been sufficiently hedged with respect to such position.

Options. The Portfolio may engage in the trading of equity options. Such trading involves risks substantially similar to those involved in trading margined securities in that options are speculative and highly leveraged. Specific market movements of the securities underlying an option cannot accurately be predicted. The purchaser of an option is subject to the risk of losing the entire purchase price of the option. The writer of an option is subject to the risk of loss resulting from the difference between the premium received for the option and the price of the

	<p>security underlying the option which the writer must purchase or deliver upon exercise of the option.</p> <p><u>Debt Securities.</u> The Portfolio may invest any portion of its total assets, in the aggregate, measured at the time of investment without regard to future market fluctuations, in non-convertible debt securities for cash management purposes. The value of debt securities in which the Portfolio may invest will change as general levels of interest rates fluctuate. When interest rates decline, the value of the Portfolio's debt securities can be expected to rise. Conversely, when interest rates rise, the value of the portfolio can be expected to decline. Moreover, available yields and yield differentials vary over time, and no specific level of income or yield differential can ever be assured.</p> <p><u>Certain Non-U.S. Securities: Potential Portfolio Currency Exchange Risks.</u> The Portfolio may invest in securities and other instruments of certain non-U.S. corporations and countries. Investing in the securities of companies (and governments) in certain countries (such as emerging nations or countries with securities markets that are not as well regulated as in the United States or certain European Union countries, for that matter) involves certain considerations not usually associated with investing in securities of U.S. companies or the U.S. government, including, among other things: (i) political and economic considerations, such as greater risks of expropriation, nationalization and general social, political and economic instability; (ii) the small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; (iii) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar (the currency in which the books of the Portfolio are maintained) and the various non-U.S. currencies in which the Portfolio's portfolio securities will be denominated and costs associated with conversion of investment principal and income from one currency into another; (iv) certain government policies that may restrict the Portfolio's investment opportunities; and (v) differences between the U.S. and non-U.S. securities markets, including the absence of uniform accounting, auditing and financial reporting standards and practices and disclosure requirements, and less government supervision and regulation.</p> <p><u>Futures Trading.</u> The Portfolio may trade in futures and options thereon. Futures markets are highly volatile and are influenced by factors such as changing supply and demand relationships, governmental programs and policies, national and international political and economic events and changes in interest rates. In addition, because of the low margin deposits normally required in futures trading, a high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to the trader. Moreover, exchange-traded futures positions are marked to the market each day and variation margin payments must be paid to or by a trader. Futures trading may also be illiquid, and certain commodity exchanges do not permit trading in particular commodities at prices that represent a fluctuation in price during a single day's trading beyond certain set limits. If prices fluctuate during a single day's trading beyond those limits—which conditions have in the past sometimes lasted for several days with respect to certain contracts—the Portfolio could be prevented from promptly liquidating unfavorable positions and thus be subjected to substantial losses. In addition, the CFTC and various exchanges impose speculative position limits on the number of positions that the Portfolio may directly or indirectly hold or control in particular commodities.</p>
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	<p><b>Please refer to the offering documents of the Funds for a detailed description of the material risks related in an investment in the Funds.</b></p>
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## ITEM 9 – DISCIPLINARY INFORMATION

If there are legal or disciplinary events that are material to a *client's* or prospective *client's* evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.

Items 9.A, 9.B, and 9.C list specific legal and disciplinary events presumed to be material for this Item. If your advisory firm or a *management person* has been *involved* in one of these events, you must disclose it under this Item for ten years following the date of the event, unless (1) the event was resolved in your or the *management person's* favor, or was reversed, suspended or vacated, or (2) you have rebutted the presumption of materiality to determine that the event is not material (see Note below). For purposes of calculating this ten-year period, the “date” of an event is the date that the final *order*, judgment, or decree was entered, or the date that any rights of appeal from preliminary *orders*, judgments or decrees lapsed.

Items 9.A, 9.B, and 9.C do not contain an exclusive list of material disciplinary events. If your advisory firm or a *management person* has been *involved* in a legal or disciplinary event that is not listed in Items 9.A, 9.B, or 9.C, but nonetheless is material to a *client's* or prospective *client's* evaluation of your advisory business or the integrity of its management, you must disclose the event. Similarly, even if more than ten years have passed since the date of the event, you must disclose the event if it is so serious that it remains material to a *client's* or prospective *client's* evaluation.

<b>Item 9.A</b>	<p>A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which your firm or a <i>management person</i></p> <ol style="list-style-type: none"> <li>1. was convicted of, or pled guilty or nolo contendere (“no contest”) to (a) any <i>felony</i>; (b) a <i>misdemeanor</i> that <i>involved</i> investments or an <i>investment-related</i> business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;</li> <li>2. is the named subject of a pending criminal <i>proceeding</i> that involves an <i>investment-related</i> business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;</li> <li>3. was <i>found</i> to have been <i>involved</i> in a violation of an <i>investment-related</i> statute or regulation; or</li> <li>4. was the subject of any <i>order</i>, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a <i>management person</i> from engaging in any <i>investment-related</i> activity, or from violating any <i>investment-related</i> statute, rule, or <i>order</i></li> </ol> <p>Not applicable.</p>
<b>Item 9.B</b>	<p>An administrative <i>proceeding</i> before the SEC, any other federal regulatory agency, any state regulatory agency, or any <i>foreign financial regulatory authority</i> in which your firm or a <i>management person</i></p> <ol style="list-style-type: none"> <li>1. was <i>found</i> to have caused an <i>investment-related</i> business to lose its authorization to do business; or</li> <li>2. was <i>found</i> to have been <i>involved</i> in a violation of an <i>investment-related</i></li> </ol>

	<p>statute or regulation and was the subject of an <i>order</i> by the agency or authority</p> <ul style="list-style-type: none"> <li>(a) denying, suspending, or revoking the authorization of your firm or a <i>management person</i> to act in an <i>investment-related</i> business;</li> <li>(b) barring or suspending your firm's or a <i>management person's</i> association with an <i>investment-related</i> business;</li> <li>(c) otherwise significantly limiting your firm's or a <i>management person's investment-related</i> activities; or</li> <li>(d) imposing a civil money penalty of more than \$2,500 on your firm or a <i>management person</i>.</li> </ul> <p>Not applicable.</p>
<b>Item 9.C</b>	<p>A self-regulatory organization (SRO) proceeding in which your firm or a management person</p> <ul style="list-style-type: none"> <li>1. was <i>found</i> to have caused an <i>investment-related</i> business to lose its authorization to do business; or</li> <li>2. was <i>found</i> to have been <i>involved</i> in a violation of the <i>SRO's</i> rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from <i>investment-related</i> activities; or (iii) fined more than \$2,500.</li> </ul> <p>Not applicable.</p>

## ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

<b>Item 10.A</b>	<p>If you or any of your <i>management persons</i> are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.</p> <p><a href="#">Not applicable.</a></p>
<b>Item 10.B</b>	<p>If you or any of your <i>management persons</i> are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.</p> <p><a href="#">Not applicable.</a></p>
<b>Item 10.C</b>	<p>Describe any relationship or arrangement that is material to your advisory business or to your <i>clients</i> that you or any of your <i>management persons</i> have with any <i>related person</i> listed below. Identify the <i>related person</i> and if the relationship or arrangement creates a material conflict of interest with <i>clients</i>, describe the nature of the conflict and how you address it.</p> <ol style="list-style-type: none"> <li>1. broker-dealer, municipal securities dealer, or government securities dealer or broker</li> <li>2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)</li> <li>3. other investment adviser or financial planner</li> <li>4. futures commission merchant, commodity pool operator, or commodity trading advisor</li> <li>5. banking or thrift institution</li> <li>6. accountant or accounting firm</li> <li>7. lawyer or law firm</li> <li>8. insurance company or agency</li> <li>9. pension consultant</li> <li>10. real estate broker or dealer</li> <li>11. sponsor or syndicator of limited partnerships</li> </ol> <p><a href="#">Avesta serves as the trading manager to the Funds. Avesta, its employees, affiliates or their related persons may also invest directly in any one, some or all of the Funds.</a></p> <p><a href="#">An affiliate of Avesta, Avesta Capital Partners, is the general partner to the Domestic Feeder. Avesta Capital Partners and Avesta Advisors, also an affiliate of Avesta, act as co-general partners to the Portfolio.</a></p>
<b>Item 10.D</b>	<p>If you recommend or select other investment advisers for your <i>clients</i> and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.</p> <p><a href="#">Not applicable.</a></p>

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

<p><b>Item 11.A</b></p>	<p>If you are an SEC-registered adviser, briefly describe your code of ethics adopted pursuant to SEC rule 204A-1 or similar state rules. Explain that you will provide a copy of your code of ethics to any <i>client</i> or prospective <i>client</i> upon request.</p> <p>As of January 24, 2006, Avesta has adopted a Code of Ethics governing personal trading by its personnel. Avesta’s Code of Ethics has been designed to comply with the requirements of Advisers Act Rule 204A-1. Among other things, the Code of Ethics (i) requires that all employees comply with federal securities laws, (ii) requires that all employees submit to Avesta reports containing their personal securities holdings and transactions in reportable securities, and that Avesta review such reports, (iii) requires all employees to obtain pre-approval of certain personal investments; and (iv) contains policies and procedures designed to prevent the misuse of material, non-public information. All personnel of Avesta are required to certify their compliance with the Code of Ethics.</p> <p>Clients or prospective clients may arrange a time to review Avesta’s Code of Ethics by contacting the Chief Compliance Officer, Wendell Fowler, at (212) 332-8868.</p>
<p><b>Item 11.B</b></p>	<p>If you or a <i>related person</i> recommends to <i>clients</i>, or buys or sells for <i>client</i> accounts, securities in which you or a <i>related person</i> has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.</p> <p>As explained in Item 10.C above, Avesta serves as the trading manager to each Fund. Avesta, its employees, affiliates or their related persons may also invest directly in any one, some or all of the Funds.</p> <p>An affiliate of Avesta, Avesta Capital Partners, is the general partner to the Domestic Feeder. Avesta Capital Partners and Avesta Advisors, also an affiliate of Avesta, act as co-general partners to the Portfolio.</p> <p>Related persons of Avesta and its affiliates may buy, sell or otherwise invest in certain securities that Avesta also recommends to Advisory Clients. Each such related person transaction is separately identified and made strictly in accordance with Avesta’s Code of Ethics and the terms of the offering described in any applicable investment product’s offering materials. Avesta and its related persons and entities may not purchase or sell any securities that they know will be, or currently are being, purchased or sold for the account of any Advisory Client of Avesta, until after such time as all of Avesta’s Advisory Clients have completed such purchases or sales. As noted, Avesta’s related persons and related entities participate in the investments of the Fund’s in accordance with their proportionate shares of the capital of those Funds.</p> <p>Avesta may, from time to time and subject to the requirements of applicable law, cause an Advisory Client account it manages to sell or transfer a security to another Advisory Client account it manages in order to “rebalance” the portfolios, where a particular Advisory Client needs liquidity, where investment objectives differ, in order to combine accounts or otherwise. In any case, these transactions</p>

	<p>will be executed at prevailing prices. Avesta is utilizing a master-feeder structure and therefore transactions between accounts or “rebalancing” is not currently required.</p> <p>The fact that Avesta, its employees, affiliates or their related persons have a financial ownership interest in the Funds creates a potential conflict in that it could cause Avesta to make different investment decisions than if they did not have such a financial ownership interest. Further, Avesta (and/or its affiliates) charges the Funds fees based on a percentage of assets under management via the Management Fee and based on performance via the Performance Share Allocation. The Management Fee is payable without regard to the overall success or income earned by the Funds and therefore may create an incentive on the part of Avesta to raise or otherwise increase assets under management to a higher level than would be the case if Avesta were receiving a lower or no Management Fee. The receipt of Profit Share Allocation by Avesta (or its affiliates) may create an incentive for Avesta to make investments for the Funds that are riskier or more speculative than it otherwise would.</p> <p>It should be further noted, however, that Avesta may from time to time make a determination that certain holdings in Advisory Clients’ portfolios, must be rebalanced and reallocated to bring the asset allocation for the Advisory Clients back to target allocations (which involves a “sell” from one account and a “buy” on a different account) or for any other purpose as deemed appropriate. In such an event, a determination will be made independently for each Advisory Client involved in the contemplated transaction based upon the Advisory Client’s investment/risk parameters, assets under management, liquidity and portfolio exposure. In the event such a transaction occurs, for rebalancing or any other reason, it will be executed on a fair and equitable basis.</p> <p>Avesta may give advice or take action with respect to the investments of one or more Advisory Clients that may not be given or taken with respect to other Advisory Clients with similar investment programs, objectives, and strategies. Accordingly, Advisory Clients with similar strategies may not hold the same securities or instruments or achieve the same performance returns.</p> <p>These activities also may adversely affect the prices and availability of other securities or instruments held by or potentially considered for one or more of Avesta’s Advisory Clients.</p>
<b>Item 11.C</b>	<p>If you or a <i>related person</i> invests in the same securities (or related securities, <i>e.g.</i>, warrants, options or futures) that you or a <i>related person</i> recommends to <i>clients</i>, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.</p> <p>Avesta and its affiliates and their principals and employees (the “Avesta Group”) may act as trading manager, investment adviser, sponsor or general partner for other clients, accounts and pooled investment vehicles and may give advice, and take action with respect to any of those clients, accounts and pooled investment vehicles that may differ from the advice given or the timing or nature of action taken, with respect to the Advisory Clients.</p> <p>Any of the Avesta Group related persons may trade for their own accounts. Each such related person transaction is separately identified and made strictly in</p>

	<p>accordance with Avesta’s Code of Ethics and the terms of the offering described in any applicable Fund’s offering documents. In order to manage this conflict of interest, Avesta has established a policy generally prohibiting Avesta employees from trading single name equities (or derivatives thereon). Additionally, Avesta’s Code of Ethics requires related persons of Avesta to obtain prior written approval from Avesta’s Chief Compliance Officer before engaging in any transactions in their personal accounts other than certain “allowable instruments” (i.e., broad-based mutual funds, broad-based ETFs, US Treasury bonds, municipal bonds, bank CDs and money market funds). The Chief Compliance Officer may approve the transaction if he or she concludes that the transaction would comply with the provisions of this Code of Ethics and is not likely to have any adverse economic impact on the Advisory Clients.</p> <p>Furthermore, when any of the Avesta Group trades proprietary accounts, they may or may not trade in parallel with the Advisory Client accounts. In contrast to the Avesta Group’s Advisory Client accounts, any of the Avesta Group at times may trade their proprietary accounts by employing different trading strategies, trading a different number of contracts, utilizing a different degree of leverage, testing new markets, conducting experimental trading to test new methods or variations of basic trading methods and strategies and trading in markets which any of the Avesta Group judge to be too illiquid or volatile for the trading of Advisory Client accounts.</p> <p>Moreover, any of the Avesta Group may at times take positions in their proprietary accounts that are the same as or different from those taken by the Avesta Group on behalf of Advisory Client accounts. Proprietary trading may be conducted at brokerage commission rates that are lower than the rates that the Advisory Client accounts normally will be charged by its brokers. In light of the foregoing, proprietary accounts may produce trading results which are different from those experienced by a particular Advisory Client.</p>
<b>Item 11.D</b>	<p>If you or a <i>related person</i> recommends securities to <i>clients</i>, or buys or sells securities for <i>client</i> accounts, at or about the same time that you or a <i>related person</i> buys or sells the same securities for your own (or the <i>related person's</i> own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.</p> <p>Avesta and its related persons conduct investment activities for their own accounts and may serve as investment advisers or trading managers to other Advisory Clients in the future. Such other activities or accounts may have investment objectives or may implement investment strategies similar to those of the Funds. Avesta and its principals have a significant investment in certain Funds and may have investments in certain other entities managed by Avesta or its affiliates from time to time. In addition, Avesta may provide discretionary investment advisory services to one or more Managed Accounts. The trades made by any affiliated funds or Managed Accounts that would be managed by Avesta or its affiliates may compete with trades for the Funds’ portfolios. In addition, Avesta will determine the allocation of assets among the Advisory Clients pro rata based on assets under management or in some other manner which Avesta determines is fair and equitable under the circumstances to all Advisory Clients.</p> <p>Please see Item 11.C above for a description of how Avesta manages the personal trading aspect of this conflict via its Code of Ethics.</p>

## ITEM 12 – BROKERAGE PRACTICES

<b>Item 12.A.1</b>	<p>Describe the factors that you consider in selecting or recommending broker-dealers for <i>client</i> transactions and determining the reasonableness of their compensation (e.g., commissions).</p> <p><u>Research and Other Soft Dollar Benefits.</u> If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions (“soft dollar benefits”), disclose your practices and discuss the conflicts of interest they create.</p> <ol style="list-style-type: none"> <li>a. Explain that when you use <i>client</i> brokerage commissions (or markups or markdowns) to obtain research or other products or services, you receive a benefit because you do not have to produce or pay for the research, products or services.</li> <li>b. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving the research or other products or services, rather than on your <i>clients’</i> interest in receiving most favorable execution.</li> <li>c. If you may cause <i>clients</i> to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), disclose this fact.</li> <li>d. Disclose whether you use soft dollar benefits to service all of your <i>clients’</i> accounts or only those that paid for the benefits. Disclose whether you seek to allocate soft dollar benefits to <i>client</i> accounts proportionately to the soft dollar credits the accounts generate.</li> <li>e. Describe the types of products and services you or any of your <i>related persons</i> acquired with <i>client</i> brokerage commissions (or markups or markdowns) within your last fiscal year.</li> <li>f. Explain the procedures you used during your last fiscal year to direct <i>client</i> transactions to a particular broker-dealer in return for soft dollar benefits you received.</li> </ol> <p>Avesta is solely responsible for selecting the broker used in each transaction instituted by Avesta for the Advisory Client accounts and for negotiating the fees to be paid to the broker in connection with such transactions. Consistent with its duty to obtain “best execution” for its Advisory Clients, Avesta exercises its discretion by seeking the best information, research and other services available. While the primary consideration in allocating portfolio transactions to brokers will be to obtain favorable prices and efficient executions, Avesta does not recognize an obligation to obtain the lowest priced execution regardless of qualitative considerations. Avesta does not solicit competitive bids.</p> <p>Consistent with the above policy, consideration is given to placing orders with brokers who also provide research and brokerage services to the Fund or a</p>
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	<p>Managed Account, Avesta and its affiliates or pay the costs thereof in consideration of commissions, fees charges or other remuneration arising from an Advisory Client's portfolio transactions. Accordingly, except to the extent restricted by an Advisory Client or applicable law, Avesta may be deemed to be paying for research or brokerage services with "soft dollars" (i.e., paying with dollars included in the commission rate).</p> <p>Avesta's brokerage allocation practices and policies (including arrangements whereby brokers provide research and brokerage services to Avesta for soft dollars) are intended to satisfy the conditions and requirements necessary to fall within the safe harbor created by Section 28(e) of the Securities Exchange Act of 1934, as amended. The safe harbor provides that certain conduct is not deemed a violation of law or a breach of fiduciary duty, for example, and relieves a money manager from the obligation of justifying commission payments for research and brokerage services on an account-by-account basis.</p> <p>Commission rates are generally negotiable and, as described below, Avesta selects brokers on the basis of considerations that are not limited to the applicable commission rates. Consideration will be given to placing orders with brokers who also provide research and brokerage services to the Advisory Client, Avesta and its affiliates, or pay the costs thereof in consideration of commissions, fees, charges or other remuneration arising from the Fund's portfolio transactions. Accordingly, the Advisory Client may be deemed to be paying for research and brokerage services with "soft" or commission dollars. Since it is not Avesta's practice to negotiate "execution only" commission rates, the Avesta Advisory Client accounts may pay commissions to brokers or dealers in an amount greater than the amount another firm might charge, and, as a result, may be deemed to be "paying up" for research or brokerage services that are indirectly built into the commission rate. For the avoidance of any doubt, any such research and brokerage services which are indirectly obtained by the use of commissions arising from Avesta's portfolio transactions will be limited to services which constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934. Examples of the types of products and services Avesta obtained by the use of commissions arising from Avesta's portfolio transactions within the last fiscal year include investment research, the EZE order management system, Bloomberg and other trading services.</p> <p>Brokers may sometimes suggest a level of business they would like to receive in return for the various products and services they provide. Actual brokerage business received by any broker may be less than the suggested allocations or may exceed the suggestions because total brokerage is allocated on the basis of all the considerations described above. A broker will not be excluded from receiving business simply because it has not been identified as providing research services. Avesta is also authorized to and may determine that portions of the securities commissions and other charges arising from an Advisory Client's portfolio transactions shall be paid to persons who assist in soliciting investors to invest in the Advisory Client or may be used to cover direct obligations of the Advisory Clients.</p> <p>Furthermore, the Chief Compliance Officer, the Head Trader and Mr. Tung (collectively referred to as the "Brokerage Committee") meet, generally on a quarterly basis, to review Avesta's trading activities, a list of approved brokers and "score cards" of the quality of the brokers' services to ensure that Avesta's</p>
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	<p>brokerage business for its Advisory Clients is consistent with stated procedures and generally in accordance with its duty to obtain “best execution.”</p> <p>Avesta has the right, at its discretion, to change the brokerage arrangements described above without further notice to investors.</p>
Item 12.A.2	<p><u>Brokerage for Client Referrals.</u> If you consider, in selecting or recommending broker-dealers, whether you or a <i>related person</i> receives <i>client</i> referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.</p> <ol style="list-style-type: none"> <li>Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving <i>client</i> referrals, rather than on your <i>clients’</i> interest in receiving most favorable execution.</li> <li>Explain the procedures you used during your last fiscal year to direct <i>client</i> transactions to a particular broker-dealer in return for <i>client</i> referrals.</li> </ol> <p>The Fund’s and/or the Portfolio’s prime broker(s) may provide capital introduction services whereby Avesta may be afforded the opportunity to make a presentation regarding its services to certain qualified investors recommended by the prime broker(s). While the prime broker(s) generally provide capital introduction services at no additional cost and certain other services at favorable or below market rates, Avesta, and not the Fund or the Portfolio, may be the principal or sole beneficiary of those services, thus presenting a potential conflict of interest between the Fund and/or the Portfolio and Avesta, which is responsible for selecting the prime broker(s) and negotiating such person’s brokerage, margin and other fees.</p>
Item 12.A.3	<p><u>Directed Brokerage.</u></p> <ol style="list-style-type: none"> <li>If you routinely <u>recommend</u>, <u>request</u> or <u>require</u> that a <i>client</i> direct you to execute transactions through a specified broker-dealer, describe your practice or policy. Explain that not all advisers require their <i>clients</i> to direct brokerage. If you and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, describe the relationship and discuss the conflicts of interest it presents. Explain that by directing brokerage you may be unable to achieve most favorable execution of <i>client</i> transactions, and that this practice may cost <i>clients</i> more money.</li> <li>If you <u>permit</u> a <i>client</i> to direct brokerage, describe your practice. If applicable, explain that you may be unable to achieve most favorable execution of <i>client</i> transactions. Explain that directing brokerage may cost <i>clients</i> more money. For example, in a directed brokerage account, the <i>client</i> may pay higher brokerage commissions because you may not be able to aggregate orders to reduce transaction costs, or the <i>client</i> may receive less favorable prices.</li> </ol> <p>Avesta has complete discretion in deciding what brokers and dealers the Advisory Clients will use and in negotiating the rates of compensation the Advisory Clients will pay. Avesta is not committed to continue its prime brokerage relationships with any particular prime brokers for any minimum period, and Avesta may select</p>

	<p>other or additional brokers to act as prime broker for the Advisory Clients. As outlined above, Avesta recognizes its duty to obtain “best execution” in effecting transactions on behalf of its Advisory Clients.</p>
<b>Item 12.B</b>	<p>Discuss whether and under what conditions you aggregate the purchase or sale of securities for various <i>client</i> accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to <i>clients</i> of not aggregating.</p> <p>When appropriate, Avesta generally will, but is not required to, aggregate Advisory Client orders to achieve more efficient execution or to provide for equitable treatment among accounts. Advisory Clients participating in aggregated trades will be allocated securities based on the average price achieved for such trades.</p> <p>In addition, it should be noted that Avesta makes investment decisions on behalf of its Advisory Clients on the principles of fairness and equity, and generally on a pro rata basis. Additional factors that Avesta may take into account include, among others, the nature and size of the proportion of a securities issue or proposed transaction; the investment objectives and restrictions on the Fund and/or the Managed Account; the relative size and cash availability of the applicable strategy within a Fund and/or Managed Account; tax consequences; legal restrictions, the degree of specialization of the Advisory Client relative to the investment offered; and other factors considered relevant by Avesta at the time of the investment.</p> <p>Avesta endeavors to allocate shares equitably across Advisory Clients in a similar strategy. Avesta has adopted detailed trade allocation and aggregation procedures which are available for review by investors during office visits.</p>

## ITEM 13 – REVIEW OF ACCOUNTS

<b>Item 13.A</b>	<p>Indicate whether you periodically review <i>client</i> accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the <i>supervised persons</i> who conduct the review.</p> <p>William Tung, Chief Executive Officer of Avesta, is responsible for managing risk at the portfolio level. Wendell Fowler, Chief Financial Officer and Chief Compliance Officer of Avesta, is responsible for managing risk at the position and portfolio levels. Mr. Tung serves as the portfolio manager for the Funds and is responsible for selecting investments. Together, Mr. Tung and Mr. Fowler are responsible for reviewing accounts and orders to ensure that any applicable account restrictions are being followed and that the accounts have sufficient available cash to trade. Mr. Tung and Mr. Fowler conduct the reviews on a daily basis. A daily reconciliation of trades is conducted by Nick Carbone, Operations Manager of Avesta, as well as the Funds' administrator.</p> <p>Further, Wendell Fowler, in his capacity as Chief Compliance Officer, periodically reviews the firm's trading to ensure consistency with applicable law and regulations.</p>
<b>Item 13.B</b>	<p>If you review <i>client</i> accounts on other than a periodic basis, describe the factors that trigger a review</p> <p>See Item 13.A above.</p>
<b>Item 13.C</b>	<p>Describe the content and indicate the frequency of regular reports you provide to <i>clients</i> regarding their accounts. State whether these reports are written.</p> <p>Generally, investors will receive weekly, unaudited estimates of NAV per share for each Series of shares in the Offshore Feeder and for each class of limited partnership interests in the Domestic Feeder. Avesta also provides monthly NAV per share for each Series of Shares in the Offshore Feeder and class of limited partnership interests in the Domestic Feeder and may also provide other monthly information, such as sector and exposure levels and market commentary. Separate from Avesta's weekly and monthly reporting, Citco, the funds administrator, provides monthly NAV and performance results directly to investors in both the Domestic Feeder and Offshore Feeder. In addition, investors will receive annual audited financial statements. All such statements and reports are written.</p>

## ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

<b>Item 14.A</b>	<p>If someone who is not a <i>client</i> provides an economic benefit to you for providing investment advice or other advisory services to your <i>clients</i>, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.</p> <p>Not applicable.</p>
<b>Item 14.B</b>	<p>If you or a <i>related person</i> directly or indirectly compensates any <i>person</i> who is not your <i>supervised person</i> for <i>client</i> referrals, describe the arrangement and the compensation.</p> <p>Avesta may enter into written arrangements with third parties to act as solicitors for Avesta's investment advisory business. Avesta currently has one such agreement for referrals of investors in the Funds. All such compensation will be fully disclosed to each client consistent with applicable law. All such referral activities will be conducted in accordance with SEC Rule 206(4)-3 under the Advisers Act as well as relevant SEC guidance.</p>

## ITEM 15 – CUSTODY

If you have *custody* of *client* funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your *clients*, explain that *clients* will receive account statements from the broker-dealer, bank or other qualified custodian and that *clients* should carefully review those statements. If your *clients* also receive account statements from you, your explanation must include a statement urging *clients* to compare the account statements they receive from the qualified custodian with those they receive from you.

With respect to the Funds, Avesta and its affiliate Avesta Capital Partners are deemed to have custody by virtue of their status as trading manager and general partner, respectively. The qualified custodians presently utilized by Avesta for its Funds are:

Goldman Sachs & Co.  
One New York Plaza  
New York, NY 10004

Deutsche Bank  
60 Wall Street  
New York, NY 10005

To ensure compliance with Rule 206(4)-2 under the Advisers Act, Avesta reasonably believes that all investors in the Funds will be provided with audited financial statements, prepared by an independent accounting firm that is registered with and subject to review by the Public Company Accounting Oversight Board, in accordance with U.S. Generally Accepted Accounting Principles, within 120 days, of the end of the Funds' fiscal years. Investors should carefully review the audited financial statements of the Funds upon receipt.

## **ITEM 16 – INVESTMENT DISCRETION**

If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).

Avesta has discretionary authority to manage the Funds. Avesta is authorized to make purchase and sale decisions for the Funds. As explained in Item 4.C above, individual investors in the Funds do not have the ability to impose limitations on Avesta's discretionary authority. Prospective investors are provided with an offering memorandum prior to their investment and are encouraged to carefully review the offering memorandum, along with all supplements and other relevant offering documents, and to be sure that the proposed investment is consistent with their investment goals and tolerance for risk. Prospective investors must also execute a subscription agreement, which constitutes a legal, valid and binding obligation of the investor, enforceable in accordance with its terms. Further, prospective investors in the Domestic Feeder must execute a limited partnership agreement.

When deemed appropriate for a large or strategic investor, Avesta may establish a Managed Account that may tailor its investment objectives to those of the specific investor and accept investor-imposed limitations.

## ITEM 17 – VOTING CLIENT SECURITIES

<p><b>Item 17.A</b></p>	<p>If you have, or will accept, authority to vote <i>client</i> securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6. Describe whether (and, if so, how) your <i>clients</i> can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your <i>clients</i> with respect to voting their securities. Describe how <i>clients</i> may obtain information from you about how you voted their securities. Explain to <i>clients</i> that they may obtain a copy of your proxy voting policies and procedures upon request.</p> <p>Avesta understands and appreciates the importance of proxy voting and will generally manage the receipt of incoming proxies, maintain a log of all proxies, and place votes based on established policies and guidelines. In the course of exercising discretion to vote a proxy, Avesta will vote any such proxies in the best interests of Advisory Clients and in accordance with the procedures outlined below (as applicable).</p> <p>Prior to voting any proxies, Avesta’s “Proxy Voting Committee” will determine if there are any conflicts of interest related to the proxy in question. If a conflict is identified, the Proxy Voting Committee will then make a determination (which may be in consultation with outside legal counsel) as to whether the conflict is material or not. If no material conflict is identified pursuant to its set procedures, the Proxy Voting Committee will, following discussion with Avesta’s investment personnel, make a decision on how to vote the proxy in question.</p> <p>Avesta has retained an independent third party, Proxy Edge, to vote proxies in certain situations (including situations where a material conflict of interest is identified).</p> <p>Please let us know if you have any questions about these procedures or if you would like detailed information of how any proxies were actually voted by calling the Chief Compliance Officer at (212) 332-8868.</p>
<p><b>Item 17.B</b></p>	<p>If you do not have authority to vote <i>client</i> securities, disclose this fact. Explain whether <i>clients</i> will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) <i>clients</i> can contact you with questions about a particular solicitation.</p> <p>Not applicable.</p>

## ITEM 18 – FINANCIAL INFORMATION

<b>Item 18.A</b>	<p>If you require or solicit prepayment of more than \$1,200 in fees per <i>client</i>, six months or more in advance, include a balance sheet for your most recent fiscal year.</p> <ol style="list-style-type: none"> <li>1. The balance sheet must be prepared in accordance with generally accepted accounting principles, audited by an independent public accountant, and accompanied by a note stating the principles used to prepare it, the basis of securities included, and any other explanations required for clarity.</li> <li>2. Show parenthetically the market or fair value of securities included at cost.</li> <li>3. Qualifications of the independent public accountant and any accompanying independent public accountant's report must conform to Article 2 of SEC Regulation S-X.</li> </ol> <p><a href="#">Not applicable.</a></p>
<b>Item 18.B</b>	<p>If you have <i>discretionary authority</i> or <i>custody</i> of <i>client</i> funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per <i>client</i>, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to <i>clients</i>.</p> <p><a href="#">Avesta is not currently aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.</a></p>
<b>Item 18.C</b>	<p>If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.</p> <p><a href="#">Not applicable.</a></p>