
CastleRock Asset Management II, LLC

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This Brochure provides information about the qualifications and business practices of CastleRock Asset Management II, LLC (“CAM II”). If you have any questions about the contents of this Brochure, please contact us at (212) 251-3300. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

CAM II has applied for registration as an investment adviser with the SEC. Registration with the SEC does not imply any level of skill or training.

Additional information about CAM II also is available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2 – MATERIAL CHANGES

This is CAM II's initial narrative Brochure prepared in accordance with Part 2A of Form ADV. There are no material changes to report.

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ITEM 4 – ADVISORY BUSINESS

CAM II was incorporated in Delaware on August 26, 2010 and is owned by Douglas Greening, CRAM TA, LLC and Jeffrey Davis. CRAM TA, LLC is owned by Paul P. Tanico and Ellen H. Adams. CAM II has applied for registration as an investment adviser with the SEC.

CAM II provides discretionary investment management services regarding U.S. securities and non-U.S. securities to U.S. and non-U.S. institutional clients (“Clients”) consisting principally of private investment funds (“Private Funds”). CastleRock Management II, LLC, a related person of CAM II, serves as the general partner to certain domestic Private Funds that CAM II advises. Information about each Private Fund, including information about investment strategies, fees, risks and other material information, is contained in its offering memorandum or offering circular (each, a “Memorandum”).

As of March 31, 2011, CAM II managed approximately \$10.1 million of assets on a discretionary basis.

CAM II provides advisory services to its Clients based on their respective investment objectives and guidelines. The investment objectives and guidelines for each Private Fund are set forth in its Memorandum.

ITEM 5 – FEES AND COMPENSATION

CAM II does not have a standardized fee schedule for its discretionary investment management services. CAM II generally may receive a management fee of up to 2% per annum of the assets under management, which is charged quarterly in advance. CAM II also may receive performance-based compensation of up to 20% of the increase in net asset value of a Client’s account above a “high water mark” (*i.e.*, the previous highest net asset value at which performance-based compensation was paid). Performance-based compensation generally is charged annually in arrears and upon an intra-year withdrawal of capital from a Client’s account or a redemption by an investor in a Private Fund. CAM II’s performance-based compensation is calculated taking into account both realized and unrealized gains. CastleRock Management II, LLC, a related person of CAM II, holds a general partner interest in certain of the Private Funds managed by CAM II and is allocated net profits from such Private Funds in respect of such interest on the same terms as the performance-based compensation described above. Fees and other material terms regarding an investment in a particular Private Fund are set forth in such Private Fund’s Memorandum.

Fees charged in advance will be refunded for partial periods. Fees may be reduced or waived in certain circumstances or with respect to certain Private Fund investors. Fees charged with respect to an investment in a Private Fund advised by CAM II are set forth in such Private Fund’s Memorandum.

Clients may terminate CAM II’s advisory services at any time without penalty generally upon thirty days’ prior written notice. Withdrawals or redemptions by investors in a Private Fund can

be made on the terms described in the Private Fund's Memorandum. Upon termination of any Client account, any prepaid, unearned fees will be promptly refunded and any earned, unpaid fees will be due and payable.

CAM II's fees do not include brokerage and transaction fees, costs and charges, and other related costs and expenses that will be incurred by Clients regarding the trading and maintenance of Client accounts. Clients may incur certain charges imposed by custodians, brokers and other third parties such as commissions, custodial fees, and other fees and taxes on brokerage accounts and securities transactions. Such charges, fees and commissions are exclusive of and in addition to CAM II's fees, and CAM II does not receive any portion of these commissions, fees, and costs.

Item 12 describes the factors that CAM II considers in selecting or recommending broker-dealers for Client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

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

As set forth in Item 5 above, CAM II may receive performance-based compensation of up to 20% of the increase in net asset value of a Client's account above a "high water mark" (*i.e.*, the previous highest net asset value at which performance-based compensation was paid). Performance-based compensation generally is charged annually in arrears and upon the intra-year withdrawal of capital from a Client's account or a redemption by an investor in a Private Fund. CAM II's performance-based compensation is calculated taking into account both realized and unrealized gains. Performance-based compensation will be in conformity with Rule 205-3 under the Investment Advisers Act of 1940 (the "Advisers Act"), as applicable. Please see Item 5 for more information.

Performance-based fee arrangements may create an incentive for CAM II to recommend investments that may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities.

CAM II has procedures designed and implemented so that all Clients are treated fairly and equally, and to prevent this potential conflict from influencing the allocation of investment opportunities among Clients.

ITEM 7 – TYPES OF CLIENTS

CAM II primarily provides investment advice to U.S. and non-U.S. institutional clients consisting primarily of private investment funds. CAM II does not have a standard minimum account size.

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

CAM II pursues principally a global macro strategy which may invest in a variety of asset classes in the context of a global macro trading platform, including, but not limited to, fixed-income investments, currencies, equities, commodities, credit indices and related derivatives. In pursuing this strategy, a variety of investment techniques may be utilized, some of which may be considered speculative, including short selling, purchasing and selling futures options, and utilizing leverage. In addition, a Client's assets may be invested in a combination of exchange-traded instruments and over-the-counter instruments.

A global macro investment strategy is driven by research: "top-down" research of macroeconomic and financial trends, including global business cycles, monetary and fiscal policies, and international imbalances; "bottom-up" research on companies, industries and particular markets; and quantitative research on asset valuations, price patterns, and other variables.

There can be no assurances that a Client will achieve its investment objective or that the strategy pursued and methods utilized by CAM II will be successful under all or any market conditions.

Certain Risk Factors for Global Macro Strategy

Investing in securities involves risk of loss that Clients should be prepared to bear. A brief explanation of the material risks associated with CAM II's principal investment strategy and methods of analysis follows. Additional risk factors are set forth in the Memorandum of a Private Fund.

Global Macro Strategy. Global macroeconomic investing looks at changes in global economies typically brought about by shifts in government policy. The strategy may call for long and short positions in any of the world's major capital or derivative markets that reflect an investment manager's view on overall market directions as influenced by such policies, economic trends and/or other events. This may involve active forecasting by an investment manager of the direction of market movements. There is no assurance that an investment manager will accurately assess current market levels and perceived value and correctly anticipate global turning points. Without limiting the scope of the foregoing, a Client's assets may be invested in currencies, securities and commodities traded in various markets throughout the world, including in emerging or developing markets, some of which are highly controlled by governmental authorities. Such investments require consideration of certain risks typically not associated with investing in developed markets. Such risks include, among other things, trade balances and imbalances and related economic policies, unfavorable currency exchange rate fluctuations, imposition of exchange control regulation by governments, withholding taxes, limitations on the removal of funds or other assets, policies of governments with respect to possible nationalization of their industries, political difficulties, including expropriation of assets, confiscatory taxation and social, economic or political instability in foreign nations. These factors may affect the level and volatility of securities prices and the liquidity of a Client's

investments. Unexpected volatility or illiquidity could impair a Client's profitability or result in losses.

Fixed-Income Investments. Client assets may be invested in various forms of fixed-income and adjustable-rate securities, including securities of issuers in developed countries, issuers located in or with significant exposure to emerging markets, and in the sovereign debt of developed countries.

Fixed-income securities are subject to interest rate, market and credit risk. Interest rate risk relates to changes in a security's value as a result of changes in interest rates generally. Even though such instruments are investments that may promise a stable stream of income, the prices of such securities are inversely affected by changes in interest rates and, therefore, are subject to the risk of market price fluctuations. In general, the values of fixed-income securities held long can be expected to increase when prevailing interest rates fall and decline when interest rates rise, while the values of fixed-income securities sold short can be expected to decline when prevailing interest rates fall and increase when interest rates rise. Due to the resetting of interest rates, adjustable-rate securities are less likely than non-adjustable rate securities of comparable quality and maturity to increase or decrease significantly in value when market interest rates fall or rise, respectively. Market risk relates to the changes in the risk or perceived risk of an issuer, country or region. Credit risk relates to the ability of the issuer to make payments of principal and interest. The values of income securities may be affected by changes in the credit rating or financial condition of the issuing entities. Income securities denominated in non-U.S. currencies are also subject to the risk of a decline in the value of the denominating currency relative to the U.S. dollar.

The debt securities in which Client assets may be invested are not required to satisfy any minimum credit rating standard, and may include instruments that are considered to be of relatively poor standing and have predominantly speculative characteristics with respect to capacity to pay interest and repay principal. Client assets may be invested in bonds rated lower than investment grade, which may be considered speculative. CAM II may also invest a substantial portion of Clients' assets in high-risk instruments that are low rated or unrated.

Currency and Exchange Rate Risks. A significant portion of a Client's assets may be invested in currencies other than the U.S. dollar and in securities of companies denominated in currencies other than the U.S. dollar. Accordingly, a substantial portion of the income received by a Client may be denominated in non-U.S. currencies. Since a Client's assets may be invested in non-U.S. currencies and in securities denominated or quoted in currencies other than the U.S. dollar, changes in currency exchange rates will affect the value of a Client's portfolio and the unrealized appreciation or depreciation of investments. Further, a Client may incur costs in connection with conversions between various currencies. A Client may enter into futures or forward contracts on currencies, and may purchase put and call options on currencies, in U.S. and non-U.S. markets, for both investment and hedging purposes. In this latter regard, there is no certainty that instruments suitable for hedging currency shifts will be available at the time a Client wishes to use them.

Derivative Transactions Generally. A Client may engage in forward and futures contracts and other derivative transactions, such as swaps, collars, caps and floors, both as an alternative to direct investments in the underlying currencies and securities or for hedging purposes. The risks associated with derivative transactions are potentially greater than those associated with the direct purchase or sale of the underlying currencies or securities due to the additional complexity and potential for leverage. In addition, derivatives may create credit risk (the risk that a counterparty on a derivative transaction will not fulfill its contractual obligations), as well as legal, operational, reputational and other risks beyond those associated with the direct purchase or sale of the underlying currencies or securities to which their values are related.

Equity Securities Generally. Client portfolios may include positions in common stocks, including preferred stocks and convertible securities. Equity securities fluctuate in value in response to many factors, including the activities and financial condition of individual companies, the business market in which individual companies compete and industry market conditions and general economic environments.

Commodities and Futures Trading. Substantially all trading in commodities and futures has as its basis a contract to purchase or sell a specified quantity of a particular asset for delivery at a specified time, although certain financial instruments, such as market index futures contracts, may be settled only in cash based on the value of the underlying composite index. Futures trading involves trading in contracts for future delivery of standardized, rather than specific, lots of particular assets.

- (i) *Volatility:* Futures prices are highly volatile. Price movements for the futures contracts that a Client may trade are influenced by, among other things, changing supply and demand relationships, government, trade, fiscal, and economic events, and changes in interest rates. Governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly.
- (ii) *Position Limits:* The Commodity Futures Trading Commission (the “CFTC”) has jurisdiction to establish, or cause exchanges to establish, position limits with respect to all commodities traded on exchanges located in the U.S. and may do so, and any exchange may impose limits on positions on that exchange. No such limits presently exist in the forward contract market or on certain non-U.S. exchanges. Insofar as such limits do exist, all commodity accounts (including a Client’s accounts) owned, held, controlled or managed by an investment manager and its principals and affiliates may be combined (that is, aggregated) for position limit purposes.
- (iii) *Price Limits:* U.S. commodity exchanges may limit fluctuations in futures contracts prices during a single day by regulations referred to as “daily price fluctuation limits” or “daily limits.” In addition, even if futures prices have not moved the daily limit, an investment manager may not be able to execute futures trades at favorable prices if little trading in such contracts is taking place (a “thin” market).

- (iv) *Margin:* Futures are typically traded on “margin.” The “margin” is the amount of escrow or performance bond deposit that a Client will have to make and maintain with its futures commission merchants (futures brokers) to secure its future obligation to close out open positions. The initial margin requirements may be satisfied by the deposit of cash (or, in some U.S. markets, certain U.S. Government obligations). The open positions must be “marked to market” daily, requiring additional margin deposits if the position reflects a loss that reduces a Client’s equity below the level required to be maintained, or permitting release of a portion of the deposit if the position reflects a gain that results in excess margin equity. The level of margin that must be maintained for a given position is sometimes subject to increase, requiring additional cash outlays. In the futures markets, margin deposits are typically low relative to the value of the futures contracts purchased or sold. Such low margin deposits are indicative of the fact that any futures contract trading typically is accompanied by a high degree of leverage. Because margin requirements normally range upward from as little as 2% or less of the total value of the contract, a comparatively small commitment of cash or its equivalent may permit trading in futures contracts of substantially great value. As a result, price fluctuations may result in a contract profit or loss that is disproportionate to the amount of funds deposited as margin. Such a profit or loss may materialize suddenly, since the prices of futures frequently fluctuate rapidly and over wide ranges, reflecting both supply and demand changes and changes in market sentiment.
- (v) *Size of a Client’s Account:* Depending upon the size of a Client’s account, it may be difficult or impossible for an investment manager to take or liquidate a position in a particular commodity, method or strategy due to the size of the accounts which may be managed by an investment manager.

Exchange-Traded Funds. Exchange-traded funds (“ETFs”) represent shares of ownership in either funds or unit investment trusts that hold portfolios of common stocks or bonds, which are designed to generally correspond to the price and yield performance of their underlying indexes, either broad stock market, stock industry sector, international stock, or U.S. bond. ETF shareholders are subject to risks similar to those of holders of other diversified portfolios. A primary consideration is that the general level of stock or bond prices may decline, thus affecting the value of an equity or fixed-income exchange-traded fund, respectively. This is because an equity (or bond) ETF represents an interest in a portfolio of stocks (or bonds). When interest rates rise, bond prices will generally decline, adversely affecting the value of fixed-income ETFs. Moreover, the overall depth and liquidity of the secondary market may also fluctuate. An exchange-traded sector fund may also be adversely affected by the performance of that specific sector or group of industries on which it is based. International investments may involve risk of capital loss from unfavorable fluctuations in currency values, differences in generally accepted accounting principles, or economic or political instability in other nations. Although ETFs are designed to provide investment results that generally correspond to the price and yield performance of their respective underlying indexes, ETFs may not be able to exactly replicate the performance of the indexes as a result of their expenses and other factors.

Index-Based Trading. Trading in index-based unit investment trusts and exchange-traded funds generally involves risks similar to other securities trading. Additionally, these instruments may not move in tandem with the indices upon which they are based.

Leverage; Interest Rates; Margin. Forward contracts and futures trade on margin, and their relatively low margin requirements permit a Client to trade contracts of substantially greater value than the cash or cash equivalents it posts as margin. Forward and futures contracts thus provide embedded “leverage.” A Client may also leverage its investments in other ways, which may include borrowing to buy currencies, securities and commodity interests on margin, and borrowing money to satisfy withdrawal requests under certain circumstances and to pay fees and expenses, among other things. The Client’s investors will therefore be exposed to significant amounts of leverage. To the extent the Client makes investments with borrowed funds or by employing derivatives that otherwise leverage the portfolio, its net assets will tend to increase or decrease at a greater rate than if borrowed funds or such derivatives are not used. If the interest expense on borrowings were to exceed the net return on the currencies, securities and commodity interests purchased with borrowed funds, the use of leverage would result in a lower rate of return than if the Client were not leveraged.

In the event of a precipitous drop in value of a Client’s assets occasioned by a sudden decline in the value of assets it holds long, or increase in the value of assets it has sold short, the Client might not be able to liquidate assets quickly enough to meet its margin or borrowing obligations. Also, acquiring and maintaining positions on margin or through the use of derivatives allows the Client to control positions worth significantly more than its investment in those positions, and therefore the amount the Client stands to lose in the event of adverse price movements is high in relation to the amount of its investment. In addition, since interest will be an expense of the Client, the Client will be at risk that interest rates will increase, thereby increasing its expenses.

- (i) *Repurchase Agreements:* A Client may obtain its leverage through repurchase agreements whereby it effectively will “borrow” funds by selling interests in investments to a financial institution for cash and agreeing to repurchase those interests at a specified future date for an amount equal to the sales price plus interest at a negotiated rate. Although similar in many respects to a secured loan, the repurchase transaction provides for the outright transfer of the securities that are subject to the repurchase agreement from a Client to the buyer. As the seller of the securities, a Client will be subject to the risk that its counterparty may default on its obligation to return those securities upon tender of the repurchase price. The repurchase agreement generally will apply the concept of set-off of exposure of the counterparties to each other in the event of insolvency or other default. The occurrence of an event of default would have the effect of accelerating outstanding transactions, converting delivery obligations in respect of the securities to cash sums based on the default market value of the securities, and then netting outstanding amounts to result in a single sum payable from one party to the other. The counterparty may not be able to discharge any such payment obligation to a Client.

The foregoing does not purport to be a complete explanation of the risks involved in trading securities or with respect to any investment strategy.

ITEM 9 – DISCIPLINARY INFORMATION

CAM II does not have any disciplinary or legal events to report.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

CAM II is a related person of CastleRock Asset Management, Inc., which is an SEC-registered investment adviser. CAM II is also a related person of CastleRock Management II, LLC which serves as a general partner to certain of CAM II's Private Fund Clients. See Item 4.

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

CAM II has adopted a Code of Ethics (the "Code") which sets forth the ethical and fiduciary principles and related compliance requirements under which CAM II operates and the procedures for implementing those principles. The Code includes provisions that govern fiduciary duty, client opportunities, insider trading, personal trading, gifts and entertainment, political contributions, outside business activities and confidentiality.

The principals and employees of CAM II and their related accounts (collectively, "Employees") are permitted to maintain personal securities accounts provided that such accounts are disclosed to CAM II and that any personal trading is consistent with applicable law and with the Code. Subject to compliance with the Code, Employees may buy, sell or hold, for their own personal accounts, securities that CAM II also may buy, sell or hold for Clients, although it is not expected that Employees will generally do so to any great extent, which will help to mitigate any potential conflict of interest.

The Code contains policies and procedures that, among other things:

- prohibit Employees from taking personal advantage of opportunities belonging to Clients;
- prohibit trading on the basis of material nonpublic information;
- place limitations on personal trading by Employees and impose preclearance (in certain cases) and reporting obligations with respect to trading; and
- require initial and annual reports of securities holdings and quarterly transaction reports by Employees.

CAM II's Code is available to any Client or prospective client upon request by contacting Maria Lamari-Burden, CAM II's Chief Compliance Officer, at (212) 251-3300.

CAM II, consistent with Clients' investment objectives and in accordance with applicable law, may cause accounts it manages to effect, and will recommend to Clients or prospective clients, the purchase or sale of securities in which CAM II, directly or indirectly, has a position or interest. CAM II may recommend to Clients an investment in a Private Fund that it advises or for which a related person serves as the general partner or investment adviser. The potential conflict of interest regarding such relationship is disclosed to investors and prospective investors in a Private Fund prior to their making an investment in a Private Fund. See also Items 4 and 10.

CAM II does not engage in principal transactions with Client accounts and before it could do so it would have to secure applicable Client consent. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated private investment fund and another client account.

ITEM 12 – BROKERAGE PRACTICES

Client portfolio transactions generally are allocated to brokers on the basis of best execution and in consideration of such brokers' provision of, or payment of the costs of, certain services and products that may be of benefit to the Private Funds, CAM II and other Client accounts. These services may take the form of research services, special execution capabilities, clearance, settlement, reputation, net price, on-line pricing, block trading and block positioning capabilities, willingness to execute related or unrelated difficult transactions in the future, order of call, on-line access to computerized data regarding clients' accounts, performance measurement data, consultations, economic and market information, portfolio strategy advice, industry and company comments, technical data, recommendations, general reports, supplies, financial strength and stability, efficiency of execution and error resolution, telephone lines, news and quotation equipment, electronic office equipment, on-line financial information, publications, legal and accounting services, data processing, the availability of stocks to borrow for short trades, referral of prospective investors to the Private Funds, custody, recordkeeping and similar services.

In addition, the prime brokers and other brokers used by the Private Funds and other Clients may pay all or a portion of the following costs and expenses of the Private Funds or CAM II: data processing charges, news and quotation equipment and services, publications and periodical subscription fees, electronic office equipment, telephone lines and charges, account recordkeeping, on-line financial information, consulting, marketing, and accounting and legal services. Any of the above services and products provided by the prime brokers and other brokers used by the Private Funds and other Clients will take into account the level of assets that are maintained with such brokers. The Private Funds and other Clients therefore may be deemed to be paying for research and the other services and products described above with "soft" or commission dollars. Although CAM II believes that Clients will benefit from many of the services and products obtained with "soft" dollars generated by Client trades, Clients do not benefit from all of these "soft" dollar services and products. CAM II, its affiliates and such other accounts and entities may also derive substantial direct or indirect benefits from these services

and products, particularly to the extent that CAM II is using “soft” or commission dollars to pay for expenses CAM II would otherwise be required to pay itself.

CAM II intends generally to consider the amount and nature of research, execution and other services and products provided by brokers as well as the extent to which such services and products are relied on, and will attempt to allocate a portion of the brokerage business of the Private Funds and any other Client accounts on the basis of such considerations. The investment information received from brokers, however, may be used by CAM II, its affiliates and principals in servicing some or all of such other Client accounts (including the Private Funds), but not all such information may be used by CAM II in connection with all Client accounts. CAM II believes that such an allocation of brokerage business will help Clients to obtain research and execution capabilities and provides other benefits to Clients.

The relationship with brokerage firms that provide soft dollar services to CAM II influences CAM II’s judgment in allocating brokerage business. CAM II has an incentive to select a broker-dealer based on its interest in receiving research or other products or services, rather than on a Clients’ interest in receiving the most favorable execution and thereby creates a conflict of interest in using the services of those broker-dealers to execute Clients’ brokerage transactions. It is anticipated that the brokerage commissions Clients expect pay to firms that provide soft dollar services to CAM II should not differ materially from and are not materially higher than the commissions that they pay to other firms for comparable services. CAM II believes that these relationships will be beneficial to both CAM II and Clients, but Client trades executed through these firms or any other brokerage firm may or may not be at the best price otherwise available. Prospective investors who consider such “soft” dollar practices material to their investment decision should inquire with CAM II to obtain the most recent information on “soft” dollar practices.

CAM II may receive incidental economic benefits from the brokers it uses, including free attendance at conferences or seminars sponsored by such brokers and related travel and meal accommodations. Although the commission rates charged by such brokers are represented as not reflecting any such additional benefits, the commission rates charged by such brokers may be higher or lower than other brokers. CAM II may have a potential conflict of interest between its duty to obtain best execution for a Client and its interest in receiving such economic benefits in the future.

CAM II’s selection of brokers is guided and/or limited by (i) its responsibility to act as a fiduciary when handling Clients’ accounts, (ii) its obligation, to the extent applicable and subject to the conditions hereinabove specified, to select brokers who offer overall best execution on Clients’ trades, and (iii) with respect to a Private Fund, the Private Fund’s Memorandum.

In the future, it may be appropriate for more than one of the accounts managed by CAM II to trade in the same securities at the same time. As a general rule, such orders are combined (or bunched) and allocations among CAM II’s Clients acquiring the same securities on the same day are effected on a pro rata basis, based on the relative value of the accounts, or otherwise based on an allocation amount determined at the time of the order. If the orders are combined (or bunched), each of the accounts will have its same day orders filled on an average price basis

(such that each receives the same price). While CAM II's goal is to be fundamentally fair on an overall basis with respect to all Clients, there can be no assurance that on an overall or trade-by-trade basis that any particular Client will not be treated more favorably than another.

ITEM 13 – REVIEW OF ACCOUNTS

Client accounts are reviewed on a daily basis by CAM II's Chief Investment Officer and Chief Risk Officer to ensure that investment objectives are adhered to. As part of this review, CAM II's Chief Risk Officer generates internally developed risk reports that assist in ascertaining whether the position sizes and levels of exposures of the Client accounts' portfolios are consistent with the investment objectives of such accounts.

Investors in the Private Funds generally are provided with a quarterly letter which contains information regarding such Private Fund's performance, portfolio composition and the current balance of the investor's investment in such Private Fund, and annually receive audited fiscal year-end financial information.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

In the future, CAM II may compensate third parties, including registered broker-dealers, for referring prospective advisory clients (or investors in a Private Fund) to it, at no additional cost to the Client (or investor). Such referral fees generally will be a percentage of the annual management fees and/or performance-based compensation earned by CAM II. Such referral arrangements will conform to Rule 206(4)-3 under the Investment Advisers Act of 1940, as applicable. See also Item 10.

Other than the soft-dollar benefits described in Item 12 above, CAM II does not receive any economic benefit for providing advice to its Clients from anyone other than its Clients.

ITEM 15 – CUSTODY

CAM II does not have actual custody of any Client assets. CAM II's related person, CastleRock Management II, LLC, as general partner to certain Private Fund Clients, is deemed to have custody of the assets of those Private Fund Clients. In accordance with Rule 206(4)-2, audited financial statements will be furnished annually to all investors in the Private Funds.

Clients are urged to carefully review all statements and contact CAM II if they have any questions.

ITEM 16 – INVESTMENT DISCRETION

Consistent with a Client's investment objectives and in accordance with the applicable investment management agreement, CAM II has authority, without obtaining specific Client consent, to determine the types and amounts of securities to be bought and sold, pursuant to

discretion granted to it by its Clients. Limitations on CAM II's authority are guided by, among other things, (i) its responsibility to act as a fiduciary when handling Clients' accounts, (ii) the investment strategies and objectives of its Clients, and (iii) with respect to a Private Fund, the Private Fund's Memorandum.

ITEM 17 – VOTING CLIENT SECURITIES

CAM II exercises discretion to vote proxies for Clients' securities in accordance with its proxy voting policies and procedures. CAM II's proxy voting policy is to vote all Client proxies in the Client's best interest, considering such facts as it deems material. Proxies are reviewed by CAM II's Operations Manager. Generally, CAM II's objective is to vote proxies, in its judgment, in a manner that is most likely to maximize the value of its Clients' investments.

CAM II must act as a fiduciary when voting proxies on behalf of its Clients. In that regard, CAM II will seek to avoid possible conflicts of interest in connection with proxy voting as follows:

Where CAM II identifies a potential conflict of interest (such as if CAM II or an Employee is affiliated or associated with an issuer or CAM II holds the issuer's securities on a proprietary basis), CAM II will initially determine whether such potential conflict is material. Where CAM II determines there is a potential for a material conflict of interest regarding a proxy, CAM II will take one or some of the following steps: (i) inform the Client of the material conflict and CAM II's voting decision; (ii) discuss the proxy vote with the Client; (iii) fully disclose the material facts regarding the conflict and seek the Client's consent to vote the proxy as intended; and/or (iv) seek the recommendations of an independent third party. Any Employee who has a direct or indirect pecuniary interest in any issue presented for voting, or any relationship with the issuer, must so inform CAM II's Chief Compliance Officer and recuse himself or herself from decisions on how proxies with respect to that issuer are voted.

CAM II's Chief Compliance Officer oversees and manages the process by which it votes proxies. CAM II's proxy voting policy and procedures are available upon request. A Client may obtain CAM II's proxy voting policy and procedures or a record of the CAM II's proxy voting for such Client by contacting Maria Lamari-Burden, CAM II's Chief Compliance Officer, at (212) 251-3300.

ITEM 18 – FINANCIAL INFORMATION

CAM II has no financial condition that impairs its ability to meet contractual commitments to Clients, and has not been the subject of a bankruptcy proceeding.