

TEGEAN CAPITAL MANAGEMENT, LLC

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FORM ADV PART 2A FIRM BROCHURE

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ITEM 1: COVER PAGE

This brochure provides information about the qualifications and business practices of Tegean Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at 212.201.1954. 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.

Tegean Capital Management, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about Tegean Capital Management, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

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ITEM 4: ADVISORY BUSINESS

Tegean Capital Management, LLC (“Tegean” or the “Adviser”), a limited liability company organized under the laws of the State of Delaware, is a privately owned alternative investment management firm. Tegean was founded in 2008 by Tom Maheras and is based in New York City. Tom Maheras is the sole managing member and Chief Investment Officer of Tegean.

Tegean provides advisory services on a discretionary basis to its clients, which are private pooled investment vehicles intended for sophisticated investors and institutional investors who satisfy applicable eligibility and suitability requirements.

The private pooled investment vehicles managed by Tegean are as follows (collectively, the “Funds”):

- Tegean Master Fund Limited
- Tegean Offshore Fund Limited
- Tegean Fund, L.P.

Because Tegean provides advisory services to the Funds, which are commingled investment vehicles, the Adviser does not generally tailor its advisory services to the individual needs of investors in the Funds.

As of January 1, 2013, Tegean has approximately \$492 million dollars in regulatory assets under management, all of which is managed on a discretionary basis.

ITEM 5: FEES AND COMPENSATION

The Adviser’s current fee and expense structure for Fund investors is summarized below. All terms, including fees and compensation, are set forth in the Funds’ offering documents.

Compensation earned by Tegean generally is comprised of fees based on a percentage of assets under management (“Fixed Fee”) and performance-based amounts (“Performance Compensation”). Fixed Fees are generally charged at an annual rate of 2% and paid quarterly in advance. The management fee is prorated for any period that is less than a full quarter.

Performance Compensation generally is equal to 20% of net realized and unrealized profits for each year, after restoration of any loss carried forward from prior years. In general, Performance Compensation will be allocated to the Adviser (or its affiliate) as of the end of each fiscal year. In the event that Tegean ceases to act as investment manager or a redemption is made prior to the last day of a fiscal year, the Performance Compensation will be computed and allocated as though the termination date or redemption date were the last day of the fiscal year. The nature of Performance Compensation may create an incentive for Tegean to make investments that are riskier or more speculative than would be the case in the absence of such compensation.

Employees of Tegean may maintain (directly or indirectly) investments in the Funds and generally Fixed Fees and Performance Compensation are waived in whole or in part with respect to such investments. In addition, when a Tegean affiliate acts as the general partner of a Fund, Fixed Fees

and Performance Compensation may not be charged on the general partner capital contribution. Finally, a portion of the Fixed Fee and Performance Allocation has been waived for certain strategic investors.

In addition to Fixed Fees and Performance Compensation, the Funds generally are responsible for the costs and expenses set forth in the Funds' offering memoranda, limited partnership agreements or management agreements, as may be applicable. Such costs and expenses generally include, among others; (i) legal, accounting, audit, custodial and administration expenses associated with the organization and operation of the Funds; and (ii) research expenses (including research-related travel), investment expenses such as commissions, interest on margin accounts and other indebtedness, bank service fees and other expenses related to the execution of the investment and trading program.

Neither Tegean nor its employees accept compensation for the sale of securities or other investment products.

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

The Funds are organized as a master-feeder structure. As such, all portfolio investments are held and managed in a singular trading vehicle (the "Master Fund"). The "Feeder" Funds invest substantially all of their assets in the Master Fund.

As described above, Tegean receives performance-based compensation from the Funds.

ITEM 7: TYPES OF CLIENTS

Tegean offers investors the opportunity to participate in its investment strategy through investment in private pooled investment vehicles (the Funds) managed on a fully discretionary basis by the Adviser.

With respect to each Fund, any initial investment minimums are disclosed in the applicable offering memorandum.

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

The investment objective of each Fund is to seek capital appreciation through long/short investing across markets, including equities, fixed income securities, currencies, commodities and related derivatives, while endeavoring to preserve assets. The Adviser seeks to target and manage risk levels with the goal of achieving superior risk adjusted returns over time.

A research-intensive, value oriented investment philosophy guides Tegean's investing and trading related activities. Tegean's investment process aims to identify mispriced instruments with asymmetric risk reward profiles and identifiable catalysts. Tegean believes securities markets continually offer compelling opportunities to exploit pricing anomalies within and across individual companies, sectors, asset classes and geographies. Tegean also believes that a multi-asset class investment approach delivers the broadest opportunity set and enhanced diversification.

While Tegean employs a multi-disciplinary approach, investment ideas are primarily expressed through directional exposures to corporate debt and equity securities and related derivatives.

Portfolio construction and risk management are dynamic, interactive processes, informed by Tegean's macroeconomic outlook, view on risk assets/market technicals and relative conviction in an individual investment's merits. To enhance returns, the Fund's core positions are actively traded to profit from short-term price volatility.

Tegean believes that strong risk management, liquidity management and diversification are essential to generate superior returns. Tegean believes that position sizing and liquidity are critical in risk management. Tegean monitors the Fund's portfolio on an ongoing basis to review the portfolio's market risk, credit risk, liquidity risk, concentration risk and operational risk. While Tegean emphasizes risk management and seeks to avoid permanent impairment of capital, the portfolio's return objectives and use of leverage may result in higher levels of volatility.

Tegean intends to pursue the investment objective described above and will generally follow the outlined investment strategies for so long as such strategies are in accord with each Fund's investment objective and may also formulate new strategies to carry out the overall investment objective of each Fund. In addition, the parameters described herein may change over time in response to factors such as the size of the Funds, the size of Tegean's management team, the level of attractive investment opportunities and the overall market and interest rate environment, among others.

While it is anticipated that the Funds will invest primarily in fixed income securities, equity securities, mortgage related securities, commodities, currencies and related instruments, the Funds have broad and flexible investment authority. Accordingly, the Funds' assets may at any time include long or short positions in U.S. or foreign publicly traded or privately issued common stocks, preferred stocks, stock warrants and rights, sovereign debt, corporate debt, bonds, notes or other debentures or bank/private debt participations, loans, convertible securities, swaps, options (purchased or written), futures contracts, commodities and other derivative instruments, partnership interests and other securities or financial instruments including those of investment companies.

This investment strategy and method of operation involves the risk of loss to clients and clients should be prepared to bear the loss of their entire investment.

Prospective investors should speak with their legal, tax, and financial advisors prior to making an investment with Tegean. The following summary identifies the material risks related to Tegean's significant investment strategies and should be carefully evaluated before making an investment with Tegean; however, the following does not intend to identify all possible risks of an investment with Tegean or provide a full description of the identified risks. Prospective investors should review the Funds' offering memoranda for a more detailed description of certain risks of an investment in a Fund.

Market Risks. The profitability of a significant portion of Tegean's investment program depends to a great extent upon correctly assessing the future course of price movements of specific securities. There can be no assurance that Tegean will be able to predict accurately these price movements.

Highly Volatile Markets. The prices of financial instruments in which Tegean may invest can be highly volatile. Price movements of stock options, forward contracts and other instruments in which clients' assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies.

Investment and Trading Risks. Tegean invests and actively trades securities and other financial instruments using strategies and investment techniques with significant risk characteristics, including risks arising from the volatility of the equity and currency markets, the risks of borrowings and short sales, the leverage associated with trading in the debt and currency markets. No guarantee or representation is made that the investment program will be successful. Tegean may utilize such investment techniques as option transactions, margin transactions, short sales, leverage, and trading in forward contracts, which practices involve substantial volatility and can, in certain circumstances, substantially increase the adverse impact to which a client's investment portfolio may be subject.

Leverage. Performance may be more volatile if a client's account employs leverage.

Short Selling Risk. Tegean's investment program may include short selling. Short selling transactions expose Tegean to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed by Tegean in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, wherein Tegean might be compelled, at the most disadvantageous time, to replace the borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

Business Risk. The companies in which the Funds invest may involve a high degree of business and financial risk. Generally, investments are expected to include securities of companies with leveraged capital structures. Such investments will be subject to increased exposure to adverse economic factors such as an increase in interest rates, a downturn in the economy or deterioration in the economic conditions of such company or its industry. These companies may require significant additional capital to support their operations, or may otherwise have a weak financial condition. Similarly, such companies may be unable to generate sufficient cash flow to meet principal and interests payments on their indebtedness. Accordingly, the value of investments in such entities could be significantly reduced or even eliminated due to ongoing credit deterioration. Accordingly, investors are subject to the risk of loss of all or substantially all of their investments.

Risks Associated With Types of Securities that are Primarily Recommended Include:

Asset-Backed Securities. Asset-backed securities are subject to interest rate risk and, to a lesser degree, prepayment risk. Asset-backed securities are subject to additional risks in that, unlike mortgage-backed securities, asset-backed securities generally do not have the benefit of a security interest in the related collateral. Each type of asset-backed security also entails unique risks depending on the type of assets involved and the legal structure used. In addition, asset-backed securities experience credit risk. There is also the possibility that recoveries on repossessed

collateral may not be available to support payments on these securities because of the inability to perfect a security interest in such collateral.

Mortgage-Backed Securities. Mortgage-backed securities are subject to credit risk associated with the performance of the underlying mortgage properties. Factors such as consumer spending habits, local economic and competitive conditions, tenant occupancy rates and regulatory or zoning restrictions, or the loss of a major tenant may adversely affect the economic viability of a mortgaged property. In addition, these securities are subject to prepayment risk. Some securities have a structure that makes their reaction to interest rates and other factors difficult to predict, making their value highly volatile.

Commodity Futures and Options. Commodity 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 commodity futures trading, a high degree of leverage may be typical of a pooled investment vehicle engaging in commodity futures trading. As a result, a relatively small price movement in a commodity futures contract may result in substantial losses to such a pooled investment vehicle. Commodity options, like commodity futures contracts, are speculative, and their use involves risk. Specific market movements of the cash commodity or futures contract underlying an option cannot be predicted, and no assurance can be given that a liquid offset market will exist for any particular futures option at any particular time.

Derivatives. Swaps, and certain options and other custom derivative or synthetic instruments are subject to the risk of non-performance by the counterparty to such instrument, including risks relating to the financial soundness and creditworthiness of the counterparty. In addition, investments in derivative instruments require a high degree of leverage, meaning the overall contract value (and, accordingly, the potential for profits or losses in that value) is much greater than the modest deposit used to buy the position in the derivative contract. Derivative securities can also be highly volatile. The prices of derivative instruments and the investments underlying the derivative instruments may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the client or Tegean. Further, transactions in derivative instruments are not undertaken on recognized exchanges, and will expose the client's account to greater risks than regulated exchange transactions that provide greater liquidity and more accurate valuation of securities.

Non-U.S. Securities. Foreign securities, foreign currencies, and securities issued by U.S. entities with substantial foreign operations can involve additional risks relating to political, economic, or regulatory conditions in foreign countries. These risks include fluctuations in foreign currencies; withholding or other taxes; trading, settlement, custodial, and other operational risks; and the less stringent investor protection and disclosure standards of some foreign markets. All of these factors can make foreign investments, especially those in emerging markets, more volatile and potentially less liquid than U.S. investments. In addition, foreign markets can perform differently from the U.S. market.

Emerging Markets Securities. The risks of foreign investments typically are greater in less developed countries, sometimes referred to as emerging markets. For example, political and economic structures in these countries may be less established and may change rapidly. These countries also are more likely to experience high levels of inflation, deflation, or currency

devaluation, which can harm their economies and securities markets and increase volatility. Restrictions on currency trading that may be imposed by emerging market countries will have an adverse effect on the value of the securities of companies that trade or operate in such countries.

Equity Securities. The value of equity securities fluctuates in response to issuer, political, market, and economic developments. Fluctuations can be dramatic over the short as well as long term, and different parts of the market and different types of equity securities can react differently to these developments. For example, large cap stocks can react differently from small cap stocks, and "growth" stocks can react differently from "value" stocks. Issuer, political, or economic developments can affect a single issuer, issuers within an industry or economic sector or geographic region, or the market as a whole. Changes in the financial condition of a single issuer can impact the market as a whole. Terrorism and related geo-political risks have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally.

Fixed-Income and Debt Securities. Investment in fixed-income and debt securities such as bonds, notes and asset-backed securities, subject a client's portfolios to the risk that the value of these securities overall will decline because of rising interest rates. Similarly, portfolios that hold such securities are subject to the risk that the portfolio's income will decline because of falling interest rates. Investments in these types of securities will also be subject to the credit risk created when a debt issuer fails to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that debt to decline. Lastly, investments in debt securities will also subject the investments to the risk that the securities may fluctuate more in price, and are less liquid than higher-rated securities because issuers of such lower-rated debt securities are not as strong financially, and are more likely to encounter financial difficulties and be more vulnerable to adverse changes in the economy.

ITEM 9: DISCIPLINARY INFORMATION

As of the date hereof, there have been no legal or disciplinary events that are material to Tegean's advisory business or the integrity of its management.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Tegean and its management persons are not registered as broker-dealers and do not have any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer.

Tegean is registered with the Commodity Futures Trading Commission as a commodity pool operator and certain of Tegean's management persons are registered as associated persons of Tegean.

Tegean does not recommend or select other investment advisers for its clients.

Each of the Funds for which Tegean or its related persons serves as general partner or investment manager has and may in the future enter into agreements, or "side letters," with certain prospective or existing Fund investors whereby such Fund investors may be subject to terms and conditions that are more advantageous than those set forth in the offering memorandum for a given Fund. For example, such terms and conditions may provide for special rights to make future investments in

the Fund, other investment vehicles or managed accounts; special redemption rights, relating to frequency or notice; a waiver or rebate in fees or redemption penalties to be paid by the Fund investor and/or other terms; rights to receive reports from the Fund on a more frequent basis or that include information not provided to other Fund investors (including, without limitation, more detailed information regarding portfolio positions) and such other rights, standards, waivers or modifications as may be negotiated by the Fund and such Fund investors. The modifications are solely at the discretion of the Fund and may, among other things, be based on the size of the Fund investor's investment in the Fund or an affiliated investment entity, an agreement by a Fund investor to maintain such investment in the Fund for a significant period of time, or other similar commitment by a Fund investor to the Fund.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS & PERSONAL TRADING

Tegean has adopted a Code of Ethics (the "Code"), which is designed to foster compliance with applicable federal statutes and regulatory requirements, minimize circumstances that may lead to or give the appearance of conflicts of interest with clients, insider trading, or unethical business conduct as well as promote a culture of high ethical standards. The Code includes provisions relating to personal trading and outside business activities.

The Code governs personal securities trading by the Adviser's personnel. Generally, no employee of the Adviser may personally trade or own any security (with the exception of various securities such as shares issued by open-ended mutual funds, money market funds, government obligations, commercial paper, etc.). If any employee has any direct or indirect beneficial ownership in any non-excepted security as of the date he or she joined the Adviser, any sale of that security thereafter must be cleared, in advance and in writing, by the Adviser's Chief Compliance Officer. Employees must also pre-clear transactions in various types of limited offerings. In addition, the Code requires employees to disclose their personal securities holdings and transactions to the Adviser on a periodic basis.

Tegean also maintains insider trading policies and procedures that are designed to prevent the misuse of material, non-public information. The Adviser and its personnel may not trade for clients or themselves or recommend to others trading in securities of a company while in possession of material, non-public information or disclose such information to any person not entitled to receive it. By reason of its various investment activities, the Adviser may have access to material, non-public information or be restricted from effecting transactions in certain investments that might have otherwise been initiated. While the Adviser has designed and implemented policies and procedures reasonably designed to limit those situations, there can be no assurance that such policies and procedures will be successful and that restrictions will not occur.

The Adviser's personnel are required to certify their compliance with the Code on a periodic basis.

Clients and prospective clients may request a copy of the Code by contacting the Adviser at the address or telephone number listed on the first page of this document.

ITEM 12: BROKERAGE POLICIES

Tegean Capital will have complete discretion in deciding what brokers and dealers the Funds will use and in negotiating the rate of compensation the Funds will pay. It is Tegean's policy to place trades for execution for the Funds with broker-dealers on the basis of seeking best execution and in

consideration of relevant factors, including, but not limited to: price quotes; the size of the transaction and ability to find liquidity; the broker-dealer's promptness of execution; confidentiality considerations; the nature of the market for the financial instrument; the timing of the transaction; the difficulty of execution; the broker-dealer's expertise in the specific financial instrument or sector in which the Funds seek to trade; the extent to which the broker-dealer makes a market in the financial instrument involved or has access to those markets; the broker-dealer's skill in positioning the financial instruments involved; the broker-dealer's financial stability; the broker-dealer's reputation for diligence, fairness and integrity; the quality of service rendered by the broker-dealer in other transactions for the Adviser; the quality and usefulness of brokerage and research services and investment ideas presented by the broker-dealer or third parties; the broker-dealer's willingness to correct errors; the broker-dealer's ability to accommodate any special execution or order handling requirements that may surround the particular transaction; and other factors deemed appropriate by the Adviser. Tegean need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost or spread.

Tegean may cause its clients to pay a broker or dealer which provides eligible brokerage and research services that benefit the Adviser, or its affiliates, a commission for effecting a securities transaction in excess of the lowest available commission cost; provided that: (i) the Adviser determines in good faith that the amount is reasonable in relation to the services in terms of the particular transaction or in terms of the Adviser's overall responsibilities with respect to the accounts as to which it exercises investment discretion, (ii) that payment is made in compliance with the provisions of Section 28(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), other applicable state and federal laws and each Fund's respective governing documents and (iii) in the opinion of the Adviser, the total commissions paid by each Fund will be reasonable in relation to the benefits to that Fund over the long term. The Performance Compensation and the Fixed Fee are not reduced as a result of the receipt by the Adviser of research or brokerage services.

Generally, research services provided by brokers may include information on the economy, industries, sectors, individual companies, statistical information, accounting and tax interpretations, political developments, legal developments affecting portfolio securities, technical market action, pricing and appraisal services, credit analysis, risk measurement analysis, performance analysis, and analysis of corporate responsibility issues. Research services may be received in the form of written reports, telephone contacts, and meetings with security analysts. In addition, these research services may be provided in the form of access to various computer-generated data and computer software. In the last year, the Adviser has received Bloomberg market reports and sell-side research from one or more brokers. Brokerage services provided by brokers may include services related to the execution, clearing and settlement of securities transactions and functions incidental thereto, trading software operated by a broker-dealer to route orders, software that provides trade analytics and trading strategies, software used to transmit orders, clearance and settlement in connection with a trade, electronic communication of allocation instructions, routing settlement instructions, post trade matching of trade information, and services required by the SEC or a self regulatory organization such as comparison services, electronic confirms or trade affirmations.

If less than 100% of a product or service is used for assistance in the Adviser's decision-making process, the Adviser will consider the product as a "mixed-use" product. With mixed-use products, the Adviser will make a good faith effort to determine the relative proportion of the product or service used to assist the Adviser in carrying out its investment decision-making responsibilities

and the relative proportion used for administrative or other purposes outside Section 28(e) of the Exchange Act. The proportion of the product or service attributable to assisting the Adviser in carrying out its investment decision-making responsibilities will be paid through brokerage commissions generated by client transactions and the proportion attributable to administrative or other purposes outside Section 28(e) of the Exchange Act will be paid for by the Adviser from its own resources. The determination of the appropriate allocation of “mixed use” products and services creates a potential conflict of interest between the Adviser and clients.

In selecting or recommending broker-dealers, the Adviser may consider whether the Adviser or a related person receives client referrals from a broker-dealer or third party. The Adviser may have an incentive to select or recommend a broker-dealer based on its interests to receive client referrals rather than on the client’s interests to receive most favorable execution. To address this conflict of interest, the Adviser will execute client trades through broker-dealers that refer clients to the Adviser only if it is determined by the Adviser that client trades with such broker-dealers are otherwise consistent with seeking best execution.

ITEM 13: REVIEW OF ACCOUNTS

Each Fund account is generally reviewed daily by Tom Maheras, the Chief Investment Officer, in light of trading activity, significant corporate developments and other activities which may dictate a change in portfolio positions. The Funds’ accounts are reviewed periodically from the standpoint of the specific investment objective of the Funds and as particular situations may dictate.

Significant market events affecting the prices of one or more securities in client accounts may trigger reviews of client accounts on other than a periodic basis.

Tegean generally provides annual audited financial statements within 120 days following the end of the applicable client’s fiscal year end. In addition, the Adviser provides investors in each Fund with capital account statements on a monthly basis and other information as the Adviser may, from time to time, deem advisable and desirable.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

As discussed in **Item 12 – Brokerage Practices** Tegean receives certain research or other products or services from broker-dealers through “soft-dollar” arrangements. These “soft-dollar” arrangements create an incentive for Tegean to select or recommend broker-dealers based on Tegean’s interest in receiving the research or other products or services and may result in the selection of a broker-dealer on the basis of considerations that are not limited to the lowest commission rates and may result in higher transaction costs than would otherwise be obtainable by Tegean on behalf of its clients. Please see **Item 12 – Brokerage Practices** for further information on Tegean’s “soft-dollar” practices, including Tegean’s procedures for addressing conflicts of interest that arise from such practices.

ITEM 15: CUSTODY

As permitted under the custody rule, investors in the Funds are generally provided with their respective annual audited financial statements within 120 days of each fiscal year-end, in lieu of having a qualified custodian send account statements directly to such investors.

ITEM 16: INVESTMENT DISCRETION

Tegean entered into an investment management agreement, or similar agreement, with each Fund, pursuant to which the Adviser was granted discretionary trading authority.

The Adviser's investment decisions and advice with respect to each Fund are subject to each Fund's investment objectives and guidelines, as set forth in the offering memoranda.

Tegean has the authority to determine (i) the securities to be purchased and sold for the client account (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines) (ii) the amount of securities to be purchased or sold for the client account.

If it appears that a trade error or a breach of investment guidelines and restrictions has occurred, Tegean will review the relevant facts and circumstances to determine an appropriate course of action. In the event that a client account incurs a trade error as a result of Tegean's gross negligence, willful misconduct, or fraud, trade errors will be corrected by Tegean as soon as practicable, in a manner such that the client incurs no loss.

ITEM 17: VOTING CLIENT SECURITIES

In accordance with SEC requirements, Tegean has adopted Proxy Voting Policies and Procedures to address how the Adviser shall vote proxies for the Funds' portfolio investments. The Proxy Voting Policies and Procedures seek to ensure that the Adviser votes proxies (or similar instruments) in the best interest of the Funds, including when there may be conflicts of interest in voting proxies. The Adviser does not anticipate any conflicts of interest between the Adviser and the Funds in terms of proxy voting. If the Adviser, however, encounters an identifiable conflict of interest with respect to a particular vote, the Adviser will determine how to vote the proxy consistent with the best interests of the Funds and in a manner not affected by the conflict of interest. The Adviser may opt for a voting procedure by which guidance is sought from its outside legal counsel.

Because Tegean provides investment advice to commingled investment entities, individual investors in the Funds will not be able to direct Tegean on how to cast a proxy vote.

Clients may obtain a copy of the Proxy Voting Policies and Procedures and/or information regarding how the Adviser voted proxies for particular portfolio companies by contacting the Adviser.

ITEM 18: FINANCIAL INFORMATION

Tegean has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Tegean does not charge or solicit pre-payment of \$1200 in fees per client six or more months in advance.

APPENDIX: ITEM 2: SUMMARY OF MATERIAL CHANGES

The following summary only discloses material changes made to the brochure since Tegean's previous brochure, which was filed on February 15, 2012: Tegean has registered as a commodity pool operator.

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