

**Item 1      Form ADV Part 2A**

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May 31, 2011

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**This brochure provides information about the qualifications and business practices of Cabazon Investment Group, LLC (“CIG”). If you have any questions about the contents of this brochure, please contact us at 415.518.9154 or kchan@cabazoninvest.com. 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.**

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

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## Item 2      Material Changes

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On July 28, 2010, the SEC published “Amendments to Form ADV” which amends the disclosure that we provide to clients as required by SEC Rules. This brochure dated May 31, 2011 is a new document prepared according to the SEC’s new requirements and rules. This document is intended to meet the new regulatory requirements.

In the future, this Item will be updated annually when material changes occur since the previous release of this brochure. CIG (formerly known as “Cabazon Capital Markets, LLC” until March 7, 2011) has not previously filed an annual update to Form ADV. Therefore, there are no material changes to report.

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## Item 4 Advisory Business

Cabazon Capital Markets was founded in 2007. Cabazon Capital Markets, LLC was renamed to Cabazon Investment Group, LLC in 2011.

CIG is responsible for the business and affairs of limited partnerships, including the management of the partnerships' portfolios and separately-managed accounts for clients. Michael P. Dooley is a principal and is the Head of Research. Michael S. Cagney, also a principal, is the Chief Investment Officer. In those capacities Messrs. Dooley and Cagney are primarily responsible for the advising clients on their investment activities. Additional principals are Kenneth Chan, Esq. and Alana Aldag. Other principal owners include the Orpheus Trust, the Pleiades Trust, and the Ronal Family Trust A. CIG is privately owned.

CIG offers a range of liquid market strategies. CIG's macroeconomic viewpoints guide its asset class selection, portfolio design, trade execution and risk management. The investment portfolios are managed on a discretionary basis and are primarily offered through limited partnerships and managed accounts.

Limited partnerships are comingled investment vehicles, in which all investors commit capital pari passu. The investment parameters for managed accounts are agreed upon with individual clients.

CIG does not sponsor any wrap fee programs that clients would receive investment advisory, execution, clearing, and custodial services for an all-inclusive fee.

As of May 31, 2011, CIG manages \$484 million in assets on a discretionary basis.

## Item 5 Fees and Compensation

As the general partner for limited partnerships, CIG receives a monthly management fee, calculated at an annual percentage rate of each limited partner's capital account (the "Management Fee") of each limited partnership.

The annual management-fee rates for separately-managed accounts are as follows:

Client	Annual Rate
Synthetic Oil	0.25%
Enhanced S&P	0.10%
FX Absolute Return	0.50%
Equitization	0.25%
Yield Enhancement	0.40%

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The annual management-fee rates for limited partnerships and separately-managed accounts are as follows:

Client	Annual Rate
BWII, L.P.	2.00%
Cabezon FX Absolute Return, L.P.	0.75%
Cabezon Global Marco, L.P.	1.50% for Founders Share Class A, 2.00% for Share Class B
Cabezon Long/Short Alpha, L.P.	1.50% for Share Class A, 0.0% for Share Class B
Cabezon Synthetic Oil, L.P.	0.0%
Cabezon FX Absolute Return, Ltd	0.75%
Cabezon Global Marco, Ltd	1.50% for Founders Share Class A, 2.00% for Share Class B
Cabezon Long/Short Alpha, Ltd	1.50% for Share Class A, 0.0% for Share Class B
Cabezon Synthetic Oil, Ltd	0.0%

The Management Fee will be paid monthly in advance, based on the value of each limited partner's capital account, as of the first day of month. If capital contributions are made at any time other than at the beginning of a calendar month, a pro rata portion of the Management Fee will be paid to CIG in respect of such capital contribution (based on the actual number of days remaining in such partial month). If capital accounts are withdrawn at any time other than at the end of a calendar month, the full monthly Management Fee will be paid to CIG for such partial month. Although the Management Fee is not refundable, CIG may elect to reduce, otherwise modify or waive the Management Fee with respect to any limited partner. Separately-managed account clients will incur brokerage and other transaction costs. Please see Item 12 "Brokerage Practices" below for details.

Neither CIG nor any of CIG's affiliates receives any compensation for the sale of securities or other investment products to its clients.

## **Item 6 Performance-Based Fees and Side-by-Side Management**

For separately managed accounts, the clients will pay a performance-based fee based on a share of capital gains on or capital appreciation of the assets of a client. The performance-based fee rates of separately-managed accounts are as follows:

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Client	Annual Rate
Synthetic Oil	20.00% in excess of USO <sup>1</sup>
Enhanced S&P	20.00% in excess of S&P 500 <sup>2</sup>
FX Absolute Return	20.00% in excess of BIL <sup>3</sup>
Equitization	50.00% in excess of MSCI World <sup>4</sup>
Yield Enhancement	0.00%

<sup>1</sup>USO is an exchange-traded fund whose objective is to track the changes in percentage terms of the spot price of light, sweet crude oil delivered to Cushing, Oklahoma, as measured by the changes in the price of the futures contract on light, sweet crude oil traded on the New York Mercantile Exchange (the NYMEX).

<sup>2</sup>S&P 500 is a free-float capitalization-weighted index of the prices of 500 large-cap common stocks actively traded in the United States. The stocks included in the S&P 500 are those of large publicly held companies that trade on either of the two largest American stock market exchanges: the New York Stock Exchange and the NASDAQ.

<sup>3</sup>BIL is an exchange-traded fund that seeks to provide investment results that correspond to the price and yield performance of the Barclays Capital 1-3 Month U.S. Treasury Bill Index. The Barclays Capital 1-3 Month U.S. Treasury Bill Index includes all publicly issued zero-coupon United States treasury bills that have a remaining maturity of less than three months and more than one month, are rated investment grade, and have \$250 million or more of outstanding face value.

<sup>4</sup>MSCI World is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 45 country indices comprising 24 developed and 21 emerging market country indices.

Subject to CIG's right to receive an incentive allocation, the net income or net loss of the limited partnerships (including realized and unrealized gains and losses) will be allocated to each limited partner and CIG in proportion to their respective capital account balance. The annual incentive-allocation rate for limited partnerships and separately-managed accounts are as follows:

Client	Annual Rate
BWII, L.P.	20.00%
Cabezon FX Absolute Return, L.P.	20.00%
Cabezon Global Marco, L.P.	15.00% for Founders Share Class A, 20.00% for Share Class B
Cabezon Long/Short Alpha, L.P.	20.00% for Share Class A, 25.00% for Share Class B
Cabezon Synthetic Oil, L.P.	50.00% in excess of USO
Cabezon FX Absolute Return, Ltd	20.00%
Cabezon Global Marco, Ltd	15.00% for Founders Share Class A, 20.00% for Share Class B

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Cabezon Long/Short Alpha, Ltd	20.00% for Share Class A, 25.00% for Share Class B
Cabezon Synthetic Oil, Ltd	50.00% in excess of USO

An incentive allocation is also made as to amounts withdrawn, as of the effective time of the withdrawal by limited partners as of the effective date of any such share redemption. Incentive allocations are subject to a “high water mark” provision. That is, CIG will be eligible to receive an incentive allocation only to the extent the limited partner’s share of net income exceeds his or its previously allocated but unrecouped net losses (subject to adjustment for partial withdrawals). The “high water mark” provision prevents CIG from receiving an incentive allocation on net income that simply restores previous net losses.

High water mark provisions may or may not apply to clients with separately managed accounts and are subject to negotiations.

The incentive allocation and performance fee may create an incentive for CIG to make investments that are riskier or more speculative than would be the case if such arrangement were not in effect.

Determinations on the value of certain investments, and how to value assets as to which limited prices or quotations are available, are based on the CIG’s valuation policy. CIG may face a conflict of interest in making any of these valuation decisions or recommendations. A higher valuation of assets would increase the monthly management fee and annual incentive allocations to CIG. CIG has instituted a valuation policy to consistently value assets in client accounts. The valuation policy is available to clients upon request.

## Item 7 Types of Clients

CIG’s clients may include individuals, trusts, investment companies, or pension plans. For limited partnerships, admission as a limited partner is not open to the general public and interests in the limited partnerships are privately offered on a confidential basis in reliance upon exemptions contained in the Securities Act of 1933, as amended (the “Securities Act”) and the rules and regulations promulgated thereunder for transactions not involving any public offering. Each limited partner will be required to represent and warrant to the limited partnerships in connection with its subscription, among other things, that the limited partner is acquiring its limited partnership interest for its own account for investment purposes only, and not with a view toward resale or other distribution in whole or in part, that it will not transfer, sell or otherwise dispose of its interest in any manner that will violate the Securities Act or other applicable laws, rules or regulations, and that it is an “accredited investor” as that term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act, a “qualified purchaser” as that term is defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended and a “qualified client” as defined in Rule 205-3 under the Investment Advisers Act of 1940, as amended. Each limited partnerships has a minimum initial investment and minimum additional investment, subject to waiver at the discretion of CIG, as follows:

Client	Minimum Initial Investment	Minimum Additional Investment
BWII, L.P.	\$250,000	N/A
Cabezon FX Absolute Return, L.P.	\$500,000	\$250,000

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Cabezon Global Marco, L.P.	\$1,000,000	\$500,000
Cabezon Long/Short Alpha, L.P.	\$500,000	\$250,000
Cabezon Synthetic Oil, L.P.	\$500,000	\$250,000
Cabezon FX Absolute Return, Ltd	\$500,000	\$250,000
Cabezon Global Marco, Ltd	\$1,000,000	\$500,000
Cabezon Long/Short Alpha, Ltd	\$500,000	\$250,000
Cabezon Synthetic Oil, Ltd	\$500,000	\$250,000

Minimum initial investment and minimum additional investment requirements do not apply to separately managed accounts and are at CIG's discretion.

## **Item 8      Methods of Analysis, Investment Strategies and Risk of Loss**

The client accounts invest in and trade securities, consisting principally, but not solely, of fixed income and fixed income derivatives, global currencies and currency derivatives, and equity and equity-related securities that are traded in U.S. and non-U.S. markets. The client accounts also may invest in preferred stocks, convertible securities, warrants, rights, options (including covered and uncovered puts and calls and over-the-counter options), swaps and other derivative instruments, bonds and other fixed income securities, non-U.S. currencies, futures, options on futures, other commodity interests, private Securities and money market instruments. The client accounts may engage in short selling, margin trading, hedging and other investment strategies.

CIG generally examines various current and trending macroeconomic statistics based on hard economic data. CIG selects for the client accounts individual securities positions based on, among other things, market inefficiencies as perceived by CIG, CIG's expected returns for each considered security, the value of the security as perceived by CIG and the security's liquidity.

The investment program of the client accounts are speculative and entail substantial risks. There can be no assurance that the investment objective of the client accounts will be achieved and that investors will not incur losses. When investing in securities, clients may be subject to numerous risks including those that arise as a result of changes in general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, industry conditions, laws, governmental regulation, competition, technological developments, and national and international political circumstance. All investments risk a total loss of capital. Specifically, clients are subject to the following risks that may cause clients to lose part or all of their original investments:

- Market risk, which is the chance that the value of the client account will fall due to a decline in some or all of the securities the client account holds;
- Manager risk, which is the chance that the client account underperforms the benchmark due to poor security selection or allocation decisions by CIG;
- Credit risk, which is the chance that one or more counterparties to contracts held by the client account default;



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- Liquidity risk, which is the chance that unfavorable liquidity conditions prevent CIG from liquidating one or more positions in the client account;
- Leverage risk, which is the chance that losses in the client account are magnified by investment leverage; and
- Currency Risks, which is the chance that some countries may adopt policies which would prevent the CIG from transferring cash out of the country, or withhold portions of interest and dividends at the source.

For private investment company clients, in addition to those risks outlined above for separately managed account clients, the client accounts may invest in securities that have investment and trading risks include the following:

**Investment Risks.** The client accounts invest substantially all of their available capital (other than capital that CIG retains in cash or cash equivalents) principally in securities, engages in short sales of securities and trades in options (including covered and uncovered puts and calls and over-the-counter options), swaps and other derivative instruments, non-U.S. currencies, futures, options on futures, other commodity interests, private securities and money market instruments. Markets for such instruments fluctuate and the market value of any particular investment may vary substantially. In addition, such securities may be issued by unseasoned companies and may be highly speculative. The client accounts' investment portfolio may not generate any income or appreciate in value.

**Information Sources.** CIG selects investments for the client accounts based in part on information and data that the issuers of such securities file with various government agencies or make directly available to CIG or that CIG obtains from other sources. CIG is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not readily available.

**Investment Selection.** The client accounts engage in long purchases and short sales of securities, hedging, option trading, leverage (including, but not limited to, margin trading and investing in derivatives) and other strategies. The client accounts may invest in securities with relatively low prices, which may be subject to greater percentage price fluctuations than higher priced securities.

Hedging strategies usually are intended to limit or reduce investment risk, but also can limit or reduce the potential for profit and may increase the client accounts' transaction costs, interest expense and other costs and expenses. Options, futures and commodities trading, other derivatives trading, short sales, hedging, margin trading and other techniques and strategies may result in material losses for the client accounts.

The client accounts may have higher portfolio turnover than other investment funds. The client accounts' brokerage commissions and other transaction costs generally are higher than those incurred by a client account with a lower portfolio turnover rate. The likelihood that client accounts will realize income or gain depends on the skill and expertise of CIG and the portfolio managers, Michael P. Dooley and Michael S. Cagney.

**Short Sales.** The client accounts sell securities short. A short sale results in a gain if the price of the securities sold short declines between the date of the short sale and the date on which securities are purchased to replace those borrowed. A short sale results in a loss if the price of the securities sold short increases. Any gain is decreased, and any loss is increased, by the amount of any payment, dividend or interest that the client accounts may be required to pay with respect to the borrowed securities, offset

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(wholly or partly) by short interest credits. In a generally rising market, the client accounts' short positions may be more likely to result in losses because securities sold short may be more likely to increase in value. A short sale involves a finite opportunity for appreciation, but a theoretically unlimited risk of loss.

To make a short sale, the client accounts must borrow the securities being sold short. It may be impossible for the client accounts to borrow securities at the most desirable time to make a short sale, particularly in illiquid securities markets. In addition, special rules, which differ from jurisdiction to jurisdiction, apply to short sales. For example, the client accounts are prohibited from making short sales of certain securities at prices below the last sale price, which may prevent the client accounts from executing short sales of certain securities at the most desirable time. If the prices of securities sold short increase, the client accounts may be required to provide additional funds or collateral to maintain the short positions. This could require the client accounts to liquidate other investments to provide additional margin. Such liquidations might not be at favorable prices. Further, the lender can request the return of the borrowed securities and the client accounts may not be able to borrow those securities from other lenders. This would cause a "buy-in" of the short position, which may be disadvantageous to the client accounts.

**Risks of Non-U.S. Investments.**

- (a) Generally. The client accounts may invest in non-U.S. securities which may be denominated in U.S. or non-U.S. currencies, and uses forward non-U.S. currency exchange contracts, which involve unusual risks not typically associated with investing in U.S. securities. These risks include, but are not limited to, less public information available regarding non-U.S. issuers, limited liquidity of non-U.S. securities and political risks associated with the countries in which non-U.S. Securities are traded and the countries where non-U.S. issuers are located. Individual non-U.S. economies may differ unfavorably from the U.S. economy in gross national product growth, inflation rate, savings rate and capital reinvestment, resource self-sufficiency and balance of payments positions, and in other respects. The client accounts may invest in securities of non-U.S. governments (or agencies or subdivisions thereof), and some or all of the foregoing considerations also may apply to those investments.
- (b) Developing Countries. The risks of non-U.S. 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 developing countries will have an adverse effect on the value of the securities of companies that trade or operate in such countries.
- (c) Political Risks. Many of the non-U.S. companies in which the client accounts invest, directly or indirectly, may be particularly exposed to the risk of political change and governmental action. In some non-U.S. countries, there is the possibility of expropriation or confiscatory taxation, limitations on removing funds or other client accounts assets, political or social instability, or diplomatic developments that could materially and adversely affect the value and marketability of the client accounts' investments in those countries.
- (d) Non-U.S. Investment Limitations. Some of the countries in which the client accounts invest, directly or indirectly, may have laws and regulations that currently preclude or severely restrict direct non-U.S. investment in securities of their companies. Indirect non-U.S. investment may,

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however, be permitted through investment funds that have been specifically authorized for that purpose. Because of the limited number of authorizations granted in such countries, however, units or shares in most of the investment funds authorized in those countries may at times trade at a substantial premium over the value of their underlying assets. There can be no certainty that these premiums will be maintained and if the restrictions on direct non-U.S. investment in the relevant country were significantly liberalized, premiums might be reduced, eliminated altogether or turned into a discount.

- (e) **Non-U.S. Securities Regulation.** The securities of non-U.S. issuers held by the client accounts generally are not registered under, nor are the issuers thereof subject to the reporting requirements of, U.S. securities laws and regulations. Accordingly, there may be less publicly available information about these securities and about the non-U.S. company or government issuing them or the board of trade clearing them than is available about a U.S. company, government entity or board of trade. Non-U.S. companies and boards of trade generally are not subject to accounting, auditing and financial reporting standards, practices and requirements comparable to those applicable to U.S. companies. Further, government supervision of stock exchanges, boards of trade, securities brokers and issuers of securities is generally less stringent than supervision in the U.S. The investments also may be subject to withholding taxes imposed by the applicable country's taxing authority.
- (f) **Limited Liquidity of Non-U.S. Securities.** Securities of some non-U.S. securities are less liquid and their prices are more volatile than comparable U.S. companies. Investing in non-U.S. securities creates a greater risk of securities clearance and settlement problems.
- (g) **Non-U.S. Currency Risks.** The client accounts hold cash in U.S. Dollars to meet expenses and may hold cash in other currencies for hedging or investment purposes or to meet settlement requirements for non-U.S. securities. The client accounts may be affected unfavorably by exchange control regulations or changes in the exchange rate between such currencies and the U.S. Dollar. Changes in non-U.S. currency exchange rates influence values within the client accounts' portfolios from the perspective of U.S. investors. Changes in non-U.S. currency exchange rates also may affect the value of dividends and interest earned, gains and losses realized on the sale of securities and the client accounts' net investment income and gains, if any. The exchange rate between the U.S. Dollar and other currencies is determined by the forces of supply and demand in the non-U.S. exchange markets. These forces are affected by the international balance of payments and other economic and financial conditions, government intervention and other political and diplomatic conditions, speculation and other factors.

**Options and Commodity Interests.** The client accounts may invest in options, futures and other commodity interests. Trading in these instruments is highly speculative and may entail risks that are greater than those of investing in other securities. Prices of these instruments generally are more volatile than prices of other securities, and prices of futures and other commodity interests can be particularly volatile. These changes are extremely difficult to predict. The client accounts speculate on market fluctuations of securities, commodities and securities exchange indices while investing only a small percentage of the value of the securities or commodities underlying the option or futures contract. A change in the market price of the underlying securities, commodities or market index will cause a much greater percentage change in the price of the option or futures contract. In addition, if the client accounts purchases options that it does not sell or exercise, it will lose the premium paid in such purchase. If the client accounts sell call options and must deliver the underlying securities at the option strike price, the client accounts have a theoretically unlimited risk of loss if the price of such underlying securities increases. If the client accounts sell put options and must buy the underlying securities, the client

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accounts risks the loss of the difference between the market price of the underlying securities and the option strike price. Any gain or loss from the sale or exercise of an option is reduced or increased, respectively, by the amount of the premium paid. The expenses of option investing include commissions payable on the purchase and on the exercise or sale of an option.

Special risks are associated with using options. Deciding whether, when and how to use options involves different skills and judgment than those needed to select portfolio securities. Even a well-conceived transaction may be unsuccessful to some degree because of market behavior, currency fluctuations or interest rate trends. If CIG incorrectly forecasts market values or other relevant factors, the client accounts may be in a worse position than if they had not engaged in options transactions. The client accounts' potential loss from writing uncovered options is unlimited. When options are used for hedging, there may be no correlation between price movements in the option and in the portfolio securities being hedged. A lack of correlation could result in a loss on both the hedged securities and the hedging vehicle, so that the client accounts' return might have been better had it not attempted to hedge.

The client accounts may purchase or sell derivatives, stock, commodity interest or index options that are not traded on a securities or commodities exchange. Options that are not traded on an exchange are not issued by the Options Clearing Corporation. Therefore, the risk of the obligor's nonperformance on such an option may be greater and it may be more difficult for the client accounts to dispose of such an option than an exchange traded option issued by the Options Clearing Corporation.

**Derivative Instruments; Counterparty Risk.** Some of the markets in which the client accounts purchases and sells derivative instruments are "over-the-counter" or "interdealer" markets. The participants in these markets typically are not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. This exposes the client accounts to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a credit or liquidity problem with the counterparty. Disputes over the terms of the contract (whether or not bona fide) may cause settlement delays because such markets may lack the established rules and procedures for swift settlement of disputes among market participants found in "exchange-based" markets. These factors may cause the client accounts to suffer a loss due to adverse market movements while replacement transactions are executed or otherwise. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the client accounts have concentrated their transactions with a single or small group of counterparties. These derivative instruments also may be difficult to value accurately. Any misvaluation could adversely affect one or more limited partners.

**Securities Lending and Borrowing.** The client accounts may lend securities to securities brokers and other institutions to earn additional income, or borrow securities from securities brokers or other institutions to enable short sales. If the other party becomes insolvent or bankrupt, the client accounts could experience delays and costs in recovering payment or the securities. If, in the meantime, the value of the securities changes, the client accounts could experience further losses. Security loans must be fully collateralized, and CIG may misjudge the creditworthiness of the other party to the transaction.

**Repurchase Agreements.** The client accounts may enter into repurchase agreements, by which it buys a security and simultaneously agrees to sell it back later at a predetermined price, or in reverse repurchase agreements, by which the client accounts sells a security and simultaneously agrees to buy it back later at a predetermined price. The repurchase date is usually within 7 days after initiating the agreement. If the other party to a repurchase or reverse repurchase agreement becomes insolvent or bankrupt, the client accounts may experience delays and incur costs in recovering payment or the securities. If the value of the security purchased changes in the meantime, the client accounts could experience further losses.

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Repurchase agreements to which the client accounts are a party must be fully collateralized by client accounts Securities. Repurchase and reverse repurchase agreements can have effects similar to margin trading and other leveraging strategies.

**Stock Index Futures.** Using stock index futures for hedging involves several risks. Price movement in the stock index and price movements in the securities that are the subject of the hedge do not always correlate. Positions in futures contracts may be closed out only on the exchange on which they were entered into or through a linked exchange, and there is no secondary market for those contracts. In addition, there may be no active market for the contracts at any particular time. Some exchanges do not permit trading in particular contracts at prices that fluctuate more than a set limit in any day. If prices fluctuate during a single day beyond those limits, the client accounts may not be able to liquidate unfavorable positions promptly and may lose money.

**Limited Liquidity of Investments.** The client accounts may invest in thinly traded and relatively illiquid securities, securities that may not be traded at the time the client accounts invests or securities that may cease to be traded after the client accounts invests. The client accounts also may acquire significant positions in some securities. In such cases and in the event of extreme market activity, the client accounts may not be able to liquidate its investments promptly if necessary. In addition, the client accounts' sales of thinly traded securities could depress the market value of those securities and thereby reduce the client accounts' profitability or increase its losses. Such circumstances or events could affect the client accounts' gain or loss materially and adversely.

The client accounts may invest in PIPE (private investments in public equity) financings. In a PIPE transaction, the client accounts typically purchases unregistered equity securities of a class of securities that is publicly traded and receives registration rights with respect to the unregistered securities that it purchases. The securities are not publicly tradable when the client accounts purchase them, however, and the client accounts cannot assure investors that they will become publicly tradable.

The client accounts also may invest in restricted securities that are subject to substantial holding periods or that are not traded in public markets. Restricted securities generally are difficult or impossible to sell at prices comparable to the market prices of similar securities that are publicly traded. Such restricted securities may not be eligible to be traded on a public market even if a public market for securities of the same class were to develop. It is highly speculative as to whether and when an issuer will be able to register its securities so that they become eligible for trading in public markets.

**Economic Conditions.** Changes in economic conditions, including, for example, interest rates, credit availability, inflation rates, industry conditions, government regulation, competition, technological developments, political and diplomatic events and trends, tax and other laws and innumerable other factors, can affect the client accounts' investments and prospects materially and adversely. None of these conditions is within CIG's control, and it may not anticipate these developments. These factors may affect the volatility of securities prices and the liquidity of the client accounts' investments. Unexpected volatility or illiquidity could impair the client accounts' profitability or result in losses.

Economic conditions also affect the client accounts' investment in fixed income securities. For example, an increase in overall interest rates will depress the investment value and consequently the price of any bonds that the client accounts hold. The value of these securities also may be affected by non-payment of interest due on them, or liquidation or dissolution proceedings with respect to their issuers.

**No Control over Portfolio Issuers.** The client accounts may acquire substantial positions in the securities of particular companies. Nevertheless, the client accounts are unlikely to be represented on the

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board of directors or share any control over the management of any such company. The success of each investment depends on the ability and success of the management of that company, in addition to economic and market factors.

**Concentration of Investments.** The client accounts' investment portfolio (on account of size, investment strategy and other considerations) may be confined to the securities of relatively few issuers. The client accounts are not required to maintain a minimum level of capital. If the client accounts fails to raise substantial initial capital or incurs losses or withdrawals, it may not have sufficient funds to diversify its investments. There are no particular limits as to concentration in particular issuers or types of investments. If the client accounts concentrate investments in several, relatively large security positions or industries relative to its capital, a loss in any one position or downturn in any one industry could reduce the client accounts' performance materially.

**Trade Errors by CIG.** CIG places orders for the purchase and sale of securities with brokers on behalf of the client accounts. The trading process can be complex and can vary for different types of securities. Moreover, CIG may be required to break up orders, or may buy or sell the same security for more than one client, further complicating the trading process. CIG might make or cause errors in trading. Trade errors made or caused by CIG or its Affiliates (as defined in the Partnership Agreement") are the responsibility of the client accounts. CIG and its Affiliates will not be required to bear the cost of any trade error or reimburse the client accounts for resulting costs or losses.

**Highly Volatile Markets.** The prices of financial instruments in which the client accounts may invest can be highly volatile. Price movements of forward and other derivative contracts in which the client accounts' 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. The client accounts are subject to the risk of failure of any of the exchanges on which their positions trade or of its clearinghouses.

**Use of Leverage and Financing.** The client accounts may leverage its capital because CIG believes that the use of leverage may enable the client accounts to achieve a higher rate of return. Accordingly, the client accounts may pledge its securities in order to borrow additional funds for investment purposes. The client accounts may also leverage its investment return with options, short sales, swaps, forwards and other derivative instruments. The amount of borrowings which the client accounts may have outstanding at any time may be substantial in relation to its capital. There is no limit on the client accounts' ability to borrow or use leverage. While leverage presents opportunities for increasing the client accounts' total return, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of an investment by the client accounts would be magnified to the extent the client accounts is leveraged. The cumulative effect of the use of leverage by the client accounts in a market that moves adversely to the client accounts' investments could result in a substantial loss to the client accounts which would be greater than if the client accounts were not leveraged. The use of short-term margin borrowings results in certain additional risks to the client accounts. For example, should the securities pledged to brokers to secure the client accounts' margin accounts decline in value, the client accounts could be subject to a "margin call", pursuant to which the client accounts must either deposit additional funds or securities with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden drop in the value of the client accounts' assets, the client accounts might not be able to liquidate assets quickly enough to satisfy its margin requirements. The financing used by the client accounts to leverage the portfolio is extended by securities brokers and dealers in the marketplace in which the client accounts invest. While the client accounts attempts to

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negotiate the terms of these financing arrangements with such brokers and dealers, its ability to do so is limited. The client accounts is therefore subject to changes in the value that the broker-dealer ascribes to a given security or position, the amount of margin required to support such security or position, the borrowing rate to finance such security or position and/or such broker-dealer's willingness to continue to provide any such credit to the client accounts. Because the client accounts currently have no alternative credit facility which could be used to finance its portfolio in the absence of financing from broker-dealers, they could be forced to liquidate their portfolios on short notice to meet their financing obligations. The forced liquidation of all or a portion of the client accounts' portfolios at distressed prices could result in significant losses to the client accounts.

**Hedging Transactions.** CIG is not required to attempt to hedge portfolio positions in the client accounts and, for various reasons, may determine not to do so. Furthermore, CIG may not anticipate a particular risk so as to hedge against it. The client accounts may utilize financial instruments, both for investment purposes and for risk management purposes in order to: (i) protect against possible changes in the market value of the client accounts' investment portfolio resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect the client accounts' unrealized gains in the value of the client accounts' investment portfolio; (iii) facilitate the sale of any such investments; (iv) enhance or preserve returns, spreads or gains on any investment in the client accounts' portfolios; (v) hedge the interest rate or currency exchange rate on any of the client accounts' liabilities or assets; (vi) protect against any increase in the price of any securities the client accounts anticipate purchasing at a later date; or (vii) for any other reason that CIG deems appropriate. The success of the client accounts' hedging strategy is subject to CIG's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the client accounts' hedging strategy is also subject to CIG's ability to continually recalculate, readjust, and execute hedges in an efficient and timely manner. While the client accounts may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the client accounts than if it had not engaged in any such hedging transactions. For a variety of reasons, CIG may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the client accounts from achieving the intended hedge or expose the client accounts to risk of loss. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of the client accounts' portfolio holdings.

In addition, CIG's high portfolio turnover may result in the recognition of gains and may negatively impact investment performance due to increased brokerage and other transaction costs and taxes.

## **Item 9      Disciplinary Information**

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CIG and its management persons have not, in a criminal or civil action in a domestic, foreign or military court of competent jurisdiction been (1) convicted of, or pled guilty or nolo contendere ("no contest") to (a) any felony; (b) a misdemeanor that involved investments or an investment-related 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; (2) the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses; (3) found to have been involved in a violation of an investment-related statute or regulation; or (4) the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.

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CIG and its management persons have not, in an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which your firm or a management person been (1) found to have caused an investment-related business to lose its authorization to do business; or (2) found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority (a) denying, suspending, or revoking the authorization of CIG or a management person to act in an investment-related business; (b) barring or suspending CIG's or a management person's association with an investment-related business; (c) otherwise significantly limiting CIG's or a management person's investment-related activities; or (d) imposing a civil money penalty of more than \$2,500 on CIG or a management person.

CIG and its management persons have not been in a self-regulatory organization (SRO) proceeding where they (1) were found to have caused an investment-related business to lose its authorization to do business; or (2) were found to have been involved in a violation of the SRO's 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 investment-related activities; or (iii) fined more than \$2,500.

## **Item 10      Other Financial Industry Activities and Affiliations**

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None of CIG's management persons are registered, or have an application pending to register, as a registered representative of a broker-dealer. None of CIG's management persons are registered, or have an application pending to register, as a futures commission merchant, a commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

CIG is the manager for ReFlow Services, LLC an investment adviser managing the assets of ReFlow Fund, LLC. The ReFlow Fund, LLC has contractual arrangements with the following mutual funds:

- AQR Diversified Arbitrage Fund
- AQR Global Equity Fund
- AQR International Equity Fund
- AQR International Momentum Fund
- AQR Managed Futures Strategy Fund
- AQR Momentum Fund
- AQR Small Cap Momentum Fund
- Autopilot Managed Growth Fund
- Bridgeway Aggressive Investors 1 Fund
- Bridgeway Aggressive Investors 2 Fund
- Bridgeway Balanced Fund
- Bridgeway Blue Chip 25 Fund
- Bridgeway Large-Cap Growth Fund
- Bridgeway Large-Cap Value Fund
- Bridgeway Micro-Cap Limited Fund
- Bridgeway Omni Small Cap Value Fund
- Bridgeway Small-Cap Growth Fund
- Bridgeway Small-Cap Momentum Fund



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- Bridgeway Small-Cap Value Fund
- Bridgeway Ultra-Small Company Fund
- Bridgeway Ultra-Small Market Fund
- Calamos 130/30 Equity Fund
- Calamos Blue Chip Fund
- Calamos Convertible Fund
- Calamos Evolving World Growth
- Calamos Global Equity
- Calamos Global Growth and Income Fund
- Calamos Growth and Income Fund
- Calamos Growth Fund
- Calamos High Yield Fund
- Calamos International Growth
- Calamos Market Neutral Income Fund
- Calamos Multi-Fund Blend Fund
- Calamos Value Fund
- Cambiar Conquistador Fund
- Cambiar International Equity Fund
- Cambiar Opportunity Fund
- Community Reinvestment Act Qualified Investment Fund
- Eaton Vance Alabama Municipals Fund
- Eaton Vance AMT-Free Municipal Bond Fund
- Eaton Vance Arizona Municipals Fund
- Eaton Vance Arkansas Municipals Fund
- Eaton Vance Asian Small Companies Fund
- Eaton Vance Atlanta Capital Intermediate Bond Fund
- Eaton Vance Atlanta Capital Large-Cap Growth Fund
- Eaton Vance Atlanta Capital Small-Cap Fund
- Eaton Vance Balanced Fund
- Eaton Vance California Limited Maturity Municipals Fund
- Eaton Vance California Limited Maturity Municipals Fund
- Eaton Vance Colorado Municipals Fund
- Eaton Vance Connecticut Municipals Fund
- Eaton Vance Diversified Income find
- Eaton Vance Dividend Income Find
- Eaton Vance Emerging Markets Fund
- Eaton Vance Equity Research Fund
- Eaton Vance Floating-Rate & High Income Fund
- Eaton Vance Floating-Rate Fund
- Eaton Vance Florida Insured Municipals Fund
- Eaton Vance Florida Limited Maturity Municipals Fund
- Eaton Vance Florida Limited Maturity Municipals Fund

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- Eaton Vance Georgia Municipals Fund
- Eaton Vance Global Growth Fund
- Eaton Vance Government Obligations Fund
- Eaton Vance Greater China Growth Fund
- Eaton Vance Greater India Fund
- Eaton Vance Growth Fund
- Eaton Vance Hawaii Municipals Fund
- Eaton Vance High Income Fund
- Eaton Vance High Yield Municipals Fund
- Eaton Vance Income Fund of Boston
- Eaton Vance Institutional Grade Income Fund
- Eaton Vance Institutional Short-Term Income Fund
- Eaton Vance Institutional Short-Term Treasury Fund
- Eaton Vance International Equity Fund
- Eaton Vance International Equity Fund
- Eaton Vance Kansas Municipals Fund
- Eaton Vance Kentucky Municipals Fund
- Eaton Vance Large-Cap Growth Fund
- Eaton Vance Large-Cap Value Fund
- Eaton Vance Louisiana Municipals Fund
- Eaton Vance Low Duration Fund
- Eaton Vance Maryland Municipals Fund
- Eaton Vance Massachusetts Limited Maturity Municipals Fund
- Eaton Vance Massachusetts Limited Maturity Municipals Fund
- Eaton Vance Michigan Municipals Fund
- Eaton Vance Minnesota Municipals Fund
- Eaton Vance Mississippi Municipals Fund
- Eaton Vance Missouri Municipals Fund
- Eaton Vance National Limited Maturity Municipals Fund
- Eaton Vance National Municipals Fund
- Eaton Vance New Jersey Limited Maturity Municipals Fund
- Eaton Vance New Jersey Municipals Fund
- Eaton Vance New York Municipals Fund
- Eaton Vance New York Limited Maturity Municipals Fund
- Eaton Vance North Carolina Municipals Fund
- Eaton Vance Ohio Municipals Fund
- Eaton Vance Ohio Limited Maturity Municipals Fund
- Eaton Vance Oregon Municipals Fund
- Eaton Vance Pennsylvania Municipals Fund
- Eaton Vance Pennsylvania Limited Maturity Municipals Fund
- Eaton Vance Real Estate Fund
- Eaton Vance Rhode Island Municipals Fund

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- Eaton Vance Small-Cap Growth Fund
- Eaton Vance Small-Cap Value Fund
- Eaton Vance South Carolina Municipals Fund
- Eaton Vance Special Equities Fund
- Eaton Vance Strategic Income Fund
- Eaton Vance Structured Emerging Markets Fund
- Eaton Vance Tax-Managed Dividend Income Fund
- Eaton Vance Tax-Managed Emerging Markets Fund
- Eaton Vance Tax-Managed Equity Asset Allocation Fund
- Eaton Vance Tax-Managed Growth Fund 1.1
- Eaton Vance Tax-Managed Growth Fund 1.2
- Eaton Vance Tax-Managed International Equity Fund
- Eaton Vance Tax-Managed Mid-Cap Core Fund
- Eaton Vance Tax-Managed Small-Cap Opportunity Growth Fund
- Eaton Vance Tax-Managed Small-Cap Value Fund
- Eaton Vance Tax-Managed Value Fund
- Eaton Vance Tennessee Municipals Fund
- Eaton Vance Utilities Fund
- Eaton Vance Virginia Municipals Fund
- Eaton Vance West Virginia Municipals Fund
- Eaton Vance Worldwide Health Sciences Fund
- Empiric Core Equity Fund
- Forward Aggressive Growth and Allocation Fund
- Forward Allocation Fund
- Forward Asia ex-Japan Equities Fund
- Forward Balanced Allocation Fund
- Forward Banking and Finance Fund
- Forward Core Plus Fund
- Forward Credit Analysis Long/Short Fund
- Forward Eastern Europe Equities Fund
- Forward EM Corporate Debt Fund
- Forward Emerging Markets Fund
- Forward Extended Market Plus Fund
- Forward Frontier Strategies Fund
- Forward Global Infrastructure Fund
- Forward Growth & Income Allocation Fund
- Forward Growth Allocation Fund
- Forward Growth Fund
- Forward High Yield Bond Fund
- Forward Income & Growth Allocation Fund
- Forward Income Allocation Fund
- Forward International Equity Fund

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- Forward International Fixed Income Fund
- Forward International Real Estate Fund
- Forward International Small Companies Fund
- Forward Investment Grade Fixed Income Fund
- Forward Large Cap Equity Fund
- Forward Limited Duration US Government Fund
- Forward Long/Short Credit Analysis Fund
- Forward Mini-Cap
- Forward Mortgage Securities Fund
- Forward Opportunities Fund
- Forward Real Estate Fund
- Forward Real Estate Long/Short Fund
- Forward Select Income Fund
- Forward Short-Intermediate Fixed-Income Fund
- Forward Sierra Club Stock Fund
- Forward Small Cap Equity Fund
- Forward Small to Mid Cap Fund
- Forward Strategic Alternatives Fund
- Forward Strategic Reality Fund
- Forward Tactical Growth Fund
- Forward Total Return Fund
- Forward U.S. Government Money Fund
- Forward Value Fund
- Heartland Select Value Fund
- Heartland Value Fund
- Heartland Value Plus Fund
- James Balanced Golden Rainbow Fund
- James Market Neutral Fund
- James Small Cap Fund
- Micro-Cap Fund
- Mid Cap Fund
- Miller Convertible Bond Fund
- Nuveen Symphony Credit Opportunities Fund
- Oppenheimer AMT-Free Municipals
- Oppenheimer AMT-Free New York Municipals
- Oppenheimer Balanced Fund – Class A shares
- Oppenheimer California Municipal Fund
- Oppenheimer Capital Income Fund – Class A shares
- Oppenheimer Champion Income Fund – Class Y
- Oppenheimer Core Bond Fund – Class Y shares
- Oppenheimer Corporate Bond Fund (Class Y)
- Oppenheimer Limited Term California Municipal Fund

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- Oppenheimer Limited Term Municipal Fund
- Oppenheimer Limited Term New York Municipal Fund
- Oppenheimer Limited-Term Government Fund (Class Y)
- Oppenheimer New Jersey Municipal Fund
- Oppenheimer Pennsylvania Municipal Fund
- Oppenheimer Rochester Arizona Municipal Fund
- Oppenheimer Rochester Maryland Municipal Fund
- Oppenheimer Rochester Massachusetts Municipal Fund
- Oppenheimer Rochester Michigan Municipal Fund
- Oppenheimer Rochester Minnesota Municipal Fund
- Oppenheimer Rochester National Municipals
- Oppenheimer Rochester North Carolina Municipal Fund
- Oppenheimer Rochester Ohio Municipal Fund
- Oppenheimer Rochester Virginia Municipal Fund
- Oppenheimer Senior Floating Rate Fund (Class Y)
- Oppenheimer U.S. Government Trust (Class Y)
- The Oakmark Equity & Income Fund
- The Oakmark Fund
- The Oakmark Global Fund
- The Oakmark Global Select Fund
- The Oakmark International Fund
- The Oakmark International Small Cap Fund
- The Oakmark Select Fund
- RiverNorth Core Opportunity Fund
- Verdus Aggressive Growth Fund

CIG is the general partner or serves as the investment manager to the following private investment companies or “hedge funds” and offshore funds:

- BWII, L.P.
- Cabezon FX Absolute Return, L.P.
- Cabezon Global Marco, L.P.
- Cabezon Long/Short Alpha, L.P.
- Cabezon Synthetic Oil, L.P.
- Cabezon FX Absolute Return, Ltd
- Cabezon Global Marco, Ltd
- Cabezon Long/Short Alpha, Ltd
- Cabezon Synthetic Oil, Ltd

Other than as clients or customers, CIG does not have relationships or financial arrangements that involve any of the following:

- broker-dealer, municipal securities dealer, or government securities dealer or broker

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- 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) other than those disclosed above;
- other investment adviser or financial planner;
- futures commission merchant, commodity pool operator, or commodity trading advisor;
- banking or thrift institution;
- accountant or accounting firm;
- lawyer or law firm;
- insurance company or agency;
- pension consultant;
- real estate broker or dealer; and
- sponsor or syndicator of limited partnerships.

CIG does not recommend or select other investment advisers for clients.

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

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CIG has adopted a Code of Ethics expressing its commitment to ethical conduct to comply with applicable securities laws including those relating to insider trading and anti-money laundering. CIG's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients and sets forth CIG's practice of supervising the personal securities transactions of employees. Individuals associated with CIG may buy or sell securities for their personal accounts identical or different than those recommended to clients. A conflict of interest exists in such cases because CIG has the ability to trade ahead of client and potentially receive more favorable prices than the clients will receive. To mitigate this conflict of interest, no person employed by the firm shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on investment decisions of advisory clients.

To supervise compliance with its Code of Ethics, CIG requires that everyone associated with the firm provide securities holding reports and transaction reports at least quarterly to CIG's chief compliance officer. Neither CIG nor any of its associated persons has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

To avoid a conflict of interest between CIG and its clients, CIG prohibits principal securities transactions, between CIG and any advisory client, for client accounts without first obtaining the prior written approval of the compliance officer and the written consent of the client. CIG will also not cross trades between client accounts. CIG will provide a complete copy of its Code of Ethics to any client or prospective client upon request.

## **Item 12      Brokerage Practices**

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CIG has complete discretion to select the brokers to be used for executing securities transactions in client accounts and the commission rates to be paid to those brokers. In selecting a broker for any transaction or

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series of transactions, CIG may consider a number of factors, including, but not limited to, net price, clearance, settlement, reputation, financial strength and stability, efficiency of execution and error resolution, block trading and block positioning capabilities, willingness to execute related or unrelated difficult transactions in the future, special execution capabilities, order of call, offering to CIG on-line access to computerized data regarding client accounts, computer trading systems, the availability of stocks to borrow for short trades, other services that allow CIG to provide efficient investment advisory services to clients. CIG also may purchase from a broker or allow a broker to pay for custody, record-keeping and similar services, certain research services, economic and market information, portfolio strategy advice, proxy voting services, industry and company comments, technical data, recommendations, research conferences, general reports, periodical subscription fees, consultations, performance measurement data, on-line pricing, news wire and data processing charges, quotation services, computer hardware and software, office rent, office equipment, supplies, salaries, secretarial, clerical and administrative services and assistance, telephone and utility charges, expenses incurred in visiting companies and attending research conferences (for example, airfare, hotel accommodations and meals), accounting fees, legal fees and the like (a "soft dollar" relationship). CIG does not receive soft dollar credits based on principal, as well as agency, securities transactions with brokerage firms or direct a brokerage firm that executes transactions to share some of its commissions with a brokerage firm that provides soft dollar benefits to CIG. During the past fiscal year, CIG did not have any soft dollar relationships with any brokers.

CIG may pay a brokerage commission in excess of that which another broker might charge for effecting the same transaction if CIG determines in good faith that such commission is reasonable in relation to the value of the brokerage, research, and other services provided by that broker, viewed in terms of either the specific transaction or CIG's overall responsibilities to the portfolios over which it exercises investment authority. In addition, the research and other benefits resulting from a brokerage relationship benefit all client accounts or CIG's operations as a whole, including client accounts that direct CIG to use a broker that does not provide soft dollar benefits.

CIG may direct a client to a broker for execution of client transactions in return for improved fee structures and other account considerations that may benefit all CIG's client accounts. Directing clients to a broker in exchange for favorable account considerations creates a conflict of interest in that CIG has an incentive to refer brokerage transactions for client accounts to brokers to which it otherwise might not direct brokerage transactions. During the past fiscal year, CIG did not direct any client transactions to a particular broker in return for client referrals.

Clients may elect to use a specific broker in which to execute trading activity for their account. In such situations, CIG may be unable to achieve most favorable execution of client transactions. The client may pay higher brokerage commissions because CIG may not be able to aggregate orders to reduce transaction costs, or the client may receive less favorable prices.

CIG has a fundamental fiduciary duty to act in the best interests of its clients, with undivided loyalty to each. Nevertheless, because CIG has multiple clients, its duty of loyalty to one client may conflict with its duty of loyalty to another, particularly with respect to allocating trades. To resolve this conflict of interest, CIG has adopted a policy to provide equal and fair treatment to its clients over time, consistent with the CIG's duty of loyalty. No client should receive preferential treatment over any other. In particular, trades may not be allocated to one client over another to (1) favor one client at the expense of another; (2) generate higher fees paid by one client over another or to produce greater performance compensation to CIG; (3) develop a relationship with a client or prospective client; (4) compensate a

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client for past services or benefits rendered to CIG or to induce future services or benefits to be rendered to CIG; or (5) equalize performance among different client accounts.

Because of the diversity of objectives, risk tolerances, tax situations, and differences in the timing of capital contributions and withdrawals, there always will be differences in invested positions and securities held among client accounts. Any allocation of securities among client accounts is made in a manner consistent with the client accounts' investment objectives, and the foregoing principles.

CIG regularly reviews the securities in each client account for their appropriateness for that client account and for compliance with (1) the agreement or policy applicable to CIG or such client account and (2) any applicable regulatory restriction applicable to CIG or such client account.

If CIG determines that a particular investment is appropriate for more than one client account, CIG may aggregate securities transactions for those client accounts (including client accounts that belong to employees and their family members). CIG will allocate buy or sell programs of a particular security among all client accounts for which the program is appropriate. Generally, CIG allocates trades in a particular security to client accounts based on the size of each account participating in the trade, and if a trade order is partially filled, it is allocated pro rata based on the size of each client account participating in the order. To ensure that no client account is disadvantaged as a result of such aggregation, CIG has adopted the following policies and procedures:

1. CIG discloses its policy regarding aggregating securities transactions for client accounts in its internal documents and to existing clients and the brokers through which such transactions are placed.
2. CIG does not aggregate securities transactions for client accounts, unless it believes that aggregation is consistent with its duty to seek best execution for client accounts and is consistent with the applicable agreements of the client accounts for which CIG aggregates securities transactions.
3. No client account is favored over any other client account, and each client account that participates in an aggregated securities transaction participates at the average share price for all transactions in the security for which that aggregated order is placed on the day that such aggregated order is placed. Subject to minimum ticket charges, transaction costs are shared in proportion to client accounts' participation.
4. If an order is to be allocated among participating client accounts other than pro rata based on the size of each such client account, one of CIG's portfolio managers or trading staff prepares, before entering an aggregated securities transaction, a written allocation statement specifying the participating client accounts and how CIG intends to allocate the transaction among those client accounts. If an investment opportunity arises unexpectedly and CIG cannot prepare an allocation statement before the investment can be made in client accounts' best interests, CIG may complete the allocation statement immediately after the trade. Such statements, as well as any record of deviation therefrom, are maintained in CIG's records for at least five years (the first two years in CIG's office) and such records are easily accessible.
5. If an aggregated securities transaction is filled in its entirety, it is allocated among client accounts pro rata based on the size of each participating client account, or if applicable, in accordance with the allocation statement. If the order is partially filled, it is allocated pro rata based on the size of



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each participating client account or, if applicable, in proportion to the allocations in the allocation statement.

6. The allocation of a securities transaction may differ from CIG's general policy or the allocation statement, whichever is applicable, if all client accounts receive fair and equitable treatment and if the reason for the difference is explained in writing and is approved in writing by the compliance officer no later than one hour after the markets open on the trading day following the day the order is executed.
7. CIG's books and records separately reflect, for each client account participating in any aggregated securities transaction, the securities held by or bought or sold for that client account.
8. Funds and securities of client accounts participating in an aggregated securities transaction are deposited with the custodian for each such client account, and neither cash nor securities belonging to any client account participating in such transaction is held collectively any longer than is necessary to settle the transaction on a delivery versus payment basis; and cash or securities held collectively for client accounts participating in such transaction are delivered to the custodian for each such client account as soon as practicable following settlement.
9. CIG receives no additional compensation or remuneration of any kind as a result of aggregating securities transactions for client accounts.
10. Individual investment advice and treatment are accorded by CIG to each client account.
11. The compliance officer annually reviews CIG's aggregation procedures to ensure that they are adequate to prevent any client account from being systematically disadvantaged as a result of the aggregation of securities transactions.
12. No proprietary account that is not a client account is included in any aggregated securities transaction.

## **Item 13      Review of Accounts**

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Account reviews are performed no less than quarterly by traders along with the portfolio managers to determine if asset class values have deviated from target ranges. Even when one or more asset classes fall outside their targets, CIG may determine not to rebalance the portfolio for various reasons, including, but not limited to, avoiding the recognition of capital gains (losses), minimizing transaction costs, or responding to global political, business, market and economic conditions.

CIG will undergo additional portfolio reviews upon the request by clients. Other situations that may trigger a review and potential rebalance are changes in the tax laws, new investment, market, and economic information and changes in a client's situation or circumstances. CIG may also execute sales and purchases for tax loss harvesting.

In executing rebalancing actions the portfolio manager will seek to rebalance one or more asset classes closer to the targets, but may not rebalance a specific asset class or security in light of various considerations including those relating to tax implications and transaction costs.

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Upon request, CIG provides written monthly statements on client accounts that show account balances and profits (losses) of the accounts.

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## **Item 14      Client Referrals and Other Compensation**

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CIG has not received an economic benefit from anyone who is not a client in return for providing investment advice or other advisory services to its clients. CIG does not provide or accept compensation from any person for client referrals.

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## **Item 15      Custody**

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CIG does not accept custody of clients' securities. With the exception of assets owned by clients in which CIG serve as a general partner and certain clients that have granted CIG authority to transfer assets between accounts owned directly by the clients to facilitate trading activities, CIG cannot withdraw, transfer, or otherwise move funds or cash from any client account to its accounts or the account of any third party.

CIG provides monthly statements to certain clients upon request. Separately, the clients will receive monthly statements directly from qualified, third-party custodians of the assets or the fund administrator as applicable. Clients should carefully review these account statements and regularly compare the statements from CIG with those received from the custodian to ensure all account transactions remain proper. Clients are encouraged to contact us with any questions or concerns regarding any discrepancies in the statements.

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## **Item 16      Investment Discretion**

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When CIG is engaged as an investment adviser, unless CIG serves as the general partner of the client, the client must execute an investment management agreement outlining the authority CIG has over the client's accounts along with any documentation required by qualified, third-party custodians including a power of attorney. As a result, CIG has discretionary authority to manage securities on behalf of clients which allows CIG to determine the securities to sell and in the appropriate amounts without consultation with the client on a transaction-by-transaction basis. However, some clients have placed restrictions on the trading of certain types and quantities of securities as outlined in the investment management agreements.

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## **Item 17      Voting Client Securities**

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CIG instructs each custodian for a discretionary account to deliver to CIG all proxy solicitation materials that the custodian receives for that discretionary account. CIG reviews the securities held in its discretionary accounts on a regular basis to confirm that CIG receives copies of all proxy solicitation materials concerning such securities.

CIG decides whether to vote a proxy on behalf of its discretionary accounts after considering whether the proposal will have a material effect on CIG's investment strategy for discretionary accounts. This analysis frequently leads CIG to determine not to vote proxies unless CIG determines that for other reasons, voting a proxy is in the best interests of a discretionary account. CIG's compliance officer may

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designate an appropriate employee to be responsible for insuring that all proxy statements are received and that CIG responds to them in a timely manner.

If CIG is considering voting a proxy, CIG reviews all proxy solicitation materials it receives concerning securities held in a discretionary account. CIG evaluates all such information and may seek additional information from the party soliciting the proxy and independent corroboration of such information when CIG considers it appropriate and when it is reasonably available.

If CIG decides that voting a proxy is in the best interest of a discretionary account:

- a. CIG votes for a proposal when it believes that the proposal serves the best interests of the discretionary account whose proxy is solicited because, on balance, the following factors predominate:
  - i. the proposal would have a positive economic effect on shareholder value;
  - ii. the proposal would pose no threat to existing rights of shareholders;
  - iii. the dilution, if any, of existing shares that would result from adoption of the proposal is warranted by the benefits of the proposal; and
  - iv. the proposal would not limit or impair the accountability of management and the board of directors to shareholders.
- b. CIG votes against a proposal if it believes that, on balance, the following factors predominate:
  - i. the proposal would have an adverse economic effect on shareholder value;
  - ii. the proposal would limit the rights of shareholders in a manner or to an extent that is not warranted by the benefits of adopting the proposal;
  - iii. the proposal would cause significant dilution of shares that is not warranted by the benefits of the proposal;
  - iv. the proposal would limit or impair accountability of management or the board of directors to shareholders; or
  - v. the proposal is a shareholder initiative that CIG believes wastes time and resources of the company or reflects the grievance of one individual.
- c. CIG abstains from voting proxies when it believes that it is appropriate. Usually, this occurs when CIG believes that a proposal will not have a material effect on CIG's investment strategy for discretionary accounts.

Due to the size and nature of CIG's operations and CIG's limited affiliations in the securities industry, CIG does not expect that material conflicts of interest will arise between CIG and a discretionary account over proxy voting. CIG recognizes, however, that such conflicts may arise from time to time, such as, when CIG or one of its affiliates has a business arrangement that could be affected by the outcome of a proxy vote or has a personal or business relationship with a person seeking appointment or re-appointment as a director of a company. If a material conflict of interest arises, CIG will vote all proxies as indicated above. CIG will not place its own interests ahead of the interests of its discretionary accounts in voting proxies.

If CIG determines that the proxy voting policies outlined above do not adequately address a material conflict of interest related to a proxy, it will provide the affected client account with copies of all proxy solicitation materials that CIG receives with respect to that proxy, notify that client account of the actual

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or potential conflict of interest and of CIG's intended response to the proxy request in accordance with the policies set forth above, and request that the client account consent to CIG's intended response. If the client account consents to CIG's intended response or fails to respond to the notice within a reasonable period of time specified in the notice, CIG will vote the proxy as described in the notice. If the client account objects to the intended response, CIG will vote the proxy as directed by the client account.

For non-discretionary accounts, CIG shall inform each client that the client is responsible for voting proxies and must make arrangements for its brokers to forward proxy materials directly to the client. At a client's request, CIG may, but is not obligated to, advise that client account with respect to voting any proxy. CIG does not provide advice concerning the voting of any proxy to any client account unless such advice is first approved by its compliance officer.

CIG upon request provides clients with (a) a summary of these policies and procedures relating to proxy voting, (b) an offer to provide a copy of such policies and procedures to clients on request, and (c) information concerning how a client may obtain a report summarizing how CIG voted proxies on behalf of such client.

## **Item 18      Financial Information**

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CIG does not require clients to pay any fees six months or more in advance. CIG is not in a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. CIG does not currently face and has never been subject to a bankruptcy proceeding.

## **Item 19      Requirements for State-Registered Advisers**

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Not applicable.