

MK Capital Advisors, LLC

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This brochure provides information about the qualifications and business practices of MK Capital Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 212-409-2400 or by e-mail at info@mkcapitaladvisors.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Any reference to or use of the terms “registered investment adviser” or “registered,” does not imply that MK Capital Advisors, LLC or any person associated with MK Capital Advisors, LLC has achieved a certain level of skill or training.

Additional information about MK Capital Advisors is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 - Material Changes

Not applicable.

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Item 4 - Advisory Business

About the Firm

MK Capital Advisors, LLC is a privately owned limited liability company organized under the laws of the state of New York in 2012, with its principal place of business in New York, New York. The principal members of the firm are Michael J. Kramer and Mark D. Klein, each of whom own 50% of the company.

Types of Advisory Services offered by MK Capital Advisors, LLC

MK Capital Advisors, LLC ("MKCA") provides the following advisory services:

Managed Account Services

MKCA manages accounts for clients (each a "Managed Account Client" and together the "Managed Account Clients") on a discretionary basis by purchasing, selling, or otherwise trading securities or other investments. Such securities may include: exchange-listed equity securities, securities traded over-the-counter, foreign equities, corporate debt securities (other than commercial paper), certificates of deposit, and municipal securities, options on securities, government securities, exchange-traded funds, and mutual funds. The advisory services are tailored to the investment objectives and/or restrictions established by each Managed Account Client. Fee arrangements and terms for each Managed Account Client are individually negotiated. Accordingly a Managed Account Client may be subject to different terms and fees than those of the Fund (as defined below) and/or other Managed Account Clients. Managed Account Clients may direct that transactions be executed through Ladenburg Thalmann and Co., Inc., ("LTCO"), MKCA's preferred broker-dealer, or by another broker-dealer chosen by the Managed Account Client. MKCA has a relationship with LTCO in that some Investment Advisory Representatives employed by MKCA ("IAR"s) are also employed by LTCO as Registered Representatives ("RRs") and maintain their securities licenses with LTCO. These RR's may be compensated in connection with transactions executed through LTCO. (See "Brokerage Practices," Item 12 of this ADV.) LTCO is a full service, retail broker-dealer and not a discount brokerage firm. Brokerage charges and/or commissions may be higher if the client chooses LTCO.

Consulting Services

Pursuant to a consulting services agreement, MKCA also provides personal consultations to clients ("Consulting Clients") that are intended to address the Consulting Client's individual questions, financial needs, and personal circumstances. The consulting services may encompass a wide variety of issues and topics, including investment recommendations. Investment consultation can be general in nature or focus on particular areas of interest, depending on the Consulting Client's needs. Advice and/or recommendations are based on information provided by the Consulting Client, which MKCA will deem to be reliable. Advice and/or services provided to Consulting Clients may be limited in scope. Consulting services are offered on an hourly or fixed fee project basis. The advice given may include the recommendation of annual reviews/updates and it is the Consulting Client's responsibility to initiate additional services as may be needed. MKCA will also provide the Consulting Client with a quarterly performance review of the assets identified in the client's consulting services agreement.

The Consulting Client has sole responsibility for determining whether to implement any recommendations made during any personal consultation. The Consulting Client may, but is not required to, implement any of the recommendations through MKCA as investment adviser. If the Consulting Client chooses to use MKCA to implement any recommendations, those activities are separate and distinct from the financial consulting services provided by MKCA under the consulting services agreement, and will involve separate fees. In the event that a Consulting Client chooses to implement recommendation through MKCA orders will be directed to either LTCO or a broker-dealer designated by the client for execution. LTCO is a full service, retail broker-

dealer and not a discount brokerage firm. Brokerage charges and/or commissions may be higher if the Consulting Client chooses LTCO.

Third-Party Programs

MKCA offers a number of structured investment programs administered by other managers. Clients selecting this service inform their MKCA IARs of their investment objectives, risk tolerance, and investment time horizon, and any investment policies, guidelines, or reasonable restrictions applicable to the assets they designate for investment through third-party advisory programs. Based on the information provided, the IAR assists the client in selecting one or more third-party advisory programs. Certain of these programs are sponsored by Ladenburg Thalmann Asset Management, Inc. (“LTAM”), an affiliate of LTCO. MKCA has a conflict of interest in recommending programs sponsored by LTAM because MKCA may earn more total compensation than if the client selects unrelated programs.

MKCA may provide additional consulting services in connection with particular programs. The consulting services that the MKCA IAR provides in connection with a particular program are set forth in the agreement that the client signs with MKCA. These services may include assistance with the selection of portfolio managers, the selection of investment strategies, and the allocation of assets among managers or strategies. MKCA will not have trading discretion over any client assets in these programs; however other managers may have discretion over client assets invested in the program. Certain of these structured investment programs are WRAP programs, and the client will receive a brochure describing each program selected. The client may also receive a disclosure brochure describing each portfolio manager selected. Clients should read these brochures carefully before deciding whether to invest through a particular program or select a particular portfolio manager.

Currently MKCA offers the following 3rd party programs:

1. SEI Management Corporation
2. Ladenburg Thalmann Asset Management – ICS and the LAMP program
3. Paychex Retirement Services

Other programs may be added to, or removed from, this list at MKCA’s discretion at any time.

MKCA may receive different compensation in connection with different programs. Thus, MKCA’s IARs have an incentive to recommend certain programs over others. MKCA addresses these conflicts of interest through its policies and procedures that among other things require IARs to make recommendations that are suitable for each client.

Fund Management

LTAM Titan Fund, LLC*

The principals of MKCA are the portfolio managers of, and provide investment advisory services to, the LTAM Titan Fund, LLC, a Delaware limited liability company (the “Fund”). Shortly after the effective date of registration with the Securities and Exchange Commission, MKCA will take over from LTAM as the managing member of the Fund. The Fund invests in other private investment funds that MKCA identifies for investment based on a multi-level review process including past performance and other relevant data. MKCA provides investment management services tailored to the specific investment guidelines set forth in the confidential private placement memorandum of the Fund. Subject to these investment guidelines, MKCA has

* The Fund has no affiliation with LTAM or LTCO, despite its name, which will be changed to reflect this.

complete discretion and authority to manage the assets of the Fund and to make all related investment decisions. Underlying investors in the Fund do not have the ability to impose restrictions on investing in certain securities or types of securities. Membership interests in the Fund will be offered and sold only to “accredited investors” as that term is defined in Regulation D, adopted pursuant to Section 4(2) of the Securities Act. Investors must also qualify as “qualified clients” as such term is defined in the rules of the Investment Adviser Act of 1940. An investment in the Fund involves substantial risks. For information about the material risks associated with the Fund’s investment strategies, see the Fund’s private placement memorandum.

Wrap Fee Programs

MKCA also provides advisory services through a WRAP program offered in conjunction with LTCO. Under this program, clients pay a single fee that covers both advisory services provided by MKCA and brokerage services provided by LTCO. MKCA receives a portion of the WRAP fee, which it shares with its IARs servicing the account. Information about the wrap fee program and the manner in which WRAP accounts are managed is set forth in a separate wrap program brochure that is available upon request.

Assets Managed

At the date of registration MKCA expects to manage \$168,562,000, on a discretionary basis, and \$18,542,000 on a non-discretionary

Item 5 - Fees and Compensation

Management Fees

Each client pays MKCA a management fee that is calculated as a percentage of assets under management by MKCA. Clients generally pay MKCA a quarterly fee in advance, based on the quarter-end asset value as of the [first] business day of the calendar quarter. All fees for Managed Account Clients, Consulting Clients and clients participating in the third party and/or WRAP programs are individually negotiated between MKCA and the client and are set forth in the client’s agreement with MKCA. The maximum management fee for Managed Account Clients is a flat 1.50% annually and will be pro-rated for any partial quarters. The maximum fee for Consulting Clients is an annual fee rate of 0.75%. The fee is based on the value of the assets in the account and will be pro-rated for any partial quarters. The management fees for MKCA Wrap Programs are included in the separate Wrap Program brochure.

Management fees for the Fund are set out in detail in the Fund’s confidential private placement memorandum, and are paid in an amount which is equal to a maximum of 2.0% of assets under management in the Fund per annum. Each underlying investor in the Fund pays the Fund the portion of the fee attributable to that investor’s holdings in the Fund. Fees paid in advance are not refundable.

The value of securities held in a client account will be based on information provided by the custodian of the assets, the Managed Account Client, the administrators of the funds in which the Fund invests, or other third party, as applicable. MKCA is entitled to rely on the financial and other information received from such persons and does not independently verify this information or guarantee the accuracy or validity of such information

Fee Differential

As set forth above, all fees for Managed Account Clients, Consulting Clients and clients participating in the third-party and WRAP programs are individually negotiated between MKCA and the client. Accordingly clients participating in such programs may not pay the same fees.

In limited circumstances, certain underlying investors in the Fund may pay lower fees or have other unique

arrangements such as the waiver or rebate of fees or preferential liquidity. In addition, investors such as those who are otherwise affiliated with MKCA, or who provide large or initial investments in the Fund, may have specially tailored arrangements with respect to their investment in the Fund. These arrangements could create preferences or priorities for certain investors in the Fund as compared to other investors. MKCA may enter into these arrangements without the consent of, or notice to, other Fund investors. Investors are not entitled to participate in any such special arrangements.

Other Fees

All management fees paid to MKCA are separate from fees related to brokerage commissions, transaction fees, custodial fees, exchange fees, SEC fees, deferred sales charges (on Mutual Funds or annuities), odd-lot differentials, deferred sales charges (charged by Mutual Funds), transfer taxes, wire transfer and electronic fund processing fees, and commissions or mark-ups / mark-downs on security transactions. In addition clients participating in the third-party and/or WRAP programs may pay other fees charged by third parties such as fees charged by managers. The Fund will be subject to additional fees imposed by the managers of the underlying funds ("Investment Vehicles") in which it invests. The Investment Vehicles are typically subject to base management fees (usually 1% to 3% per annum) and incentive allocation fees (usually 15% to 30% of the appreciation in net asset value of the Fund's investment in the Investment Vehicles during any applicable accounting period). These fees associated with the Investment Vehicles reduce the amount of the Fund's return on the investments subject to such fees. For more information, see the Confidential Private Placement Memorandum of the Fund. In addition, each mutual fund, exchange-traded fund ("ETF") or private fund in which a client may invest also bears its own investment advisory fees and other expenses.

If a Managed Account Client or a Consulting Client directs brokerage to LTCO, the client will pay commissions and fees to LTCO. The fee that a Managed Account Client or a Consulting Client pays to MKCA for advisory services will not be reduced if fees are paid to LTCO. With respect to Managed Account Clients and Consulting Clients, LTCO may receive distribution or service ("trail") fees from the sale of certain mutual funds (including money market funds) pursuant to a 12(b)-1 distribution plan or other such plan as compensation for distribution or administrative services and are distributed from the fund's total assets. In addition, LTCO receives compensation in connection with cash held in the account. LTCO receives compensation from the custodian based on the value of credit balances in the accounts. In addition, if cash is swept into a money market fund, LTCO receives compensation based on the value of assets in these funds as a broker-dealer. MKCA may participate in the revenues collected by LTCO. Thus, MKCA's IARs have an incentive to recommend that the client selects a money market fund as a sweep vehicle that pays more compensation to LTCO than other funds.

As set forth above, the MKCA IARs will generally receive more compensation if brokerage is executed at LTCO rather than being directed to another investment adviser or broker-dealer. IARs are also compensated based on clients referred to MKCA. Therefore, the MKCA IARs have an incentive to recommend investment products based on the compensation they receive rather than on a client's needs. Clients have the option to direct brokerage to a broker-dealer that is not related to MKCA. In addition, MKCA has policies and procedures in place to monitor whether any security recommended is suitable for the client.

In addition, clients may purchase securities through broker-dealers in initial public offerings and/or secondary offering ("new issue") transactions. If LTCO acts as an underwriter or manager or as a member of the selling group for such offerings, it will receive compensation equal to either all or a portion of "gross spread" (the difference between the price the client pays for the security and the price at which LTCO purchased the securities). The advisory fee is not reduced to offset this compensation. The amount of the gross spread is described in the relevant prospectus, offering circular or official statement. Further details of potential additional compensation to MKCA IARs are discussed below in the section on Brokerage Practices

If a Consulting Client chooses to implement any portion of the recommendations through LTCO, MKCA will receive additional compensation. For example, if the client decides to implement a portion of the

recommendations through LAMP as part of the total advisory fee that is negotiated with LAMP, MKCA will receive additional compensation. IARs of MKCA will generally receive a portion of the advisory fees for services rendered under the LAMP program.

Billing Method

The Fund's administrator deducts from the account of each investor in the Fund the quarterly management fee. MKCA does not rebate any portion of a management fee once it has been paid.

MKCA does not deduct advisory fees or other expenses directly from the Managed Accounts (nor does it have the power to do so without the consent/action of the Managed Account client). The custodians of the Managed Accounts are authorized by the Managed Account Client to pay MKCA the quarterly management fee based on an invoice that is submitted to the custodian and the Managed Account client simultaneously. With respect to Consulting Clients, MKCA will generally send the client an invoice for the consulting fee, which will be due within thirty days of the client's receipt of the invoice, unless the client instructs its custodian to take instructions from MKCA to debit the fee from one of client's accounts.

Item 6 - Performance-Based Fees and Side-By-Side Management

MKCA does not currently charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 - Types of Clients

Managed Account Clients, Consulting Clients and clients using the Third-Party and/or WRAP programs offered by MKCA include:

- individuals, including high net worth individuals,
- small business owners,
- pension and profit sharing plans, including the plan participants,
- trusts,
- charitable organizations, and
- corporations, LLCs, partnerships or other business entities.

As described above, MKCA also provides advisory services to a private investment fund.

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

Methods of Analysis

Managed Account Services

MKCA IARs will perform security analysis and methods used may include charting, fundamental, technical, or cyclical analysis. The main sources of information that the IAR may use include financial newspapers and magazines, inspection of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filing with the SEC and company press releases.

Charting: In this type of technical analysis, MKCA reviews charts of market and security activity in an attempt to identify when the market is moving up or down and to attempt to predict how long the trend may last and when that trend might reverse.

Fundamental Analysis: MKCA attempts to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Technical Analysis: MKCA analyzes past market movements and applies that analysis to the present to supplement its fundamental research and to recognize recurring patterns of investor behavior and attempt to predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk that a poorly-managed or financially unsound company may underperform regardless of market movement.

Cyclical Analysis: In this type of technical analysis, MKCA measures the movements of a particular stock against the overall market in an attempt to predict the price movement of that security.

Consulting Services

The MKCA IAR will assist client in the selection of other money managers or asset allocation programs. The IAR will assist in determining the client's investment objectives, selecting managers, funds or portfolios, setting restrictions or limitations on the management of the account, explaining portfolio strategies and transactions, and answering questions. The IAR will also evaluate the overall investment strategy and performance of any third-party money manager or asset allocation program. Factors to be considered in monitoring performance may include comparing client portfolio performance relative to certain market indices and other money managers.

Third-Party Programs

Factors MKCA considers in selecting and monitoring third-party program performance may include comparing the performance of accounts in the program relative to certain market indices or asset allocation objectives, other money managers, strategies, and or programs. Other factors include allocation and or manager risk analysis, comparison of expenses, and other qualitative factors and analyses. Clients investing in a third-party program will receive a disclosure brochure setting forth the material risks related to that program or the specific portfolio managers associated with the program.

Fund Management

MKCA selects funds for investment based on quantitative as well as qualitative factors. Quantitative factors include analysis of historical returns, risk figures and correlation. Qualitative analysis may include assessment of a portfolio manager's investment process, its information sources, generation of its investment ideas, its competitive advantage, and its performance in down markets, the depth of its management skills and its liquidity management.

Risk of Loss Applicable to all MKCA Clients

General Risk of Loss Statement

Investing in securities involves risk of loss that clients should be prepared to bear. MKCA does not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. MKCA cannot offer any guarantees or promises that any client's financial goals and objectives will be met. Securities markets are volatile and at any time the value of assets invested may fluctuate and be worth less than the amount originally invested. Past performance is in no way an indication of future performance. A client should only invest assets it will not need for current purposes and that can be invested on a long-term basis. These risks apply to underlying investors in the Fund as well. Certain advisory strategies may consist of portfolios being

either fully or primarily invested in money market funds and/or short term bond funds, depending on the client's unique financial planning needs and/or our economic market outlook. As set forth above, to the extent the transactions are executed at LTCO, RIAs may receive additional compensation. MKCA has policies and procedures to address such conflicts of interest.

Margin Risk

Leverage increases a portfolio's risk as price swings are amplified in a margin account and clients can lose more funds than deposited if value of securities decline.

Options Risks

The investment strategies used to manage accounts may include long term purchases, short term purchases, selling securities within 30 days, short sales, margin transactions, and option writing. An option holder runs the risk of losing the entire amount paid for the option in a relatively short period of time. This risk reflects the nature of an option as a wasting asset which becomes worthless when it expires. An option holder who neither sells their option in the secondary market nor exercises it prior to its expiration will necessarily lose their entire investment in the option. An option writer may be assigned an exercise at any time during the period the option is exercisable.

Starting with the day it is purchased, an American-style option is subject to being exercised by the option holder at any time until the option expires. This means that the option writer is subject to being assigned an exercise at any time after they have written the option until the option expires or until they have closed out their option position in a closing transaction. By contrast, the writer of an European-style or capped option is subject to assignment only when the option is exercisable or, in the case of a capped option, when the automatic exercise value of the underlying interest hits the cap price. For more information regarding the risks of options, please read the 'Characteristics and Risks of Standardized Options' brochure, which can be found at www.optionsclearing.com.

Additional Risk of Loss Applicable to an Investment in the Fund

As set forth above, the Fund invests in other private investment funds, which in turn invest in an wide array of securities. Investing in the Fund is speculative and entails a high degree of risk. Risk factors include illiquidity of the funds in which it invests, lack of control over, or even satisfactory knowledge of, the trading of the portfolio managers, the possibility of missed-valuations, entrusting custody of the fund's assets to third parties and dependence on the portfolio managers for all relevant net asset value and trading information. Underlying investors in the Fund should review its confidential private placement memorandum for a more detailed discussion of the methods of analysis, investment strategies and risk of loss associated with an investment in the Fund.

Item 9 - Disciplinary Information

There are no legal or disciplinary events that are material to an evaluation of MKCA's advisory business or the integrity of its management.

Item 10 - Other Financial Industry Activities and Affiliations

As indicated above some of MKCA's IARs are registered representatives of LTCO. Managed Account Clients and Consulting Clients may direct brokerage to LTCO. These affiliations, and associated conflicts of

interest, are described throughout this ADV, including in detail in the Fees and Compensation portion of this brochure.

Mark Klein owns a majority and controlling interest in M. Klein and Company, LLC, which has 100% ownership interest in The Klein Group, LLC ("The Klein Group"), a registered broker-dealer and a member of FINRA. Mr. Klein is a registered representative and principal of The Klein Group. The Klein Group's business is limited to providing investment-banking advice to issuers and advice on mergers and acquisitions. Mr. Klein also serves as Director of GSV Capital Corp., a publically traded fund focused on business development, and of New University Holdings Corp., a capital pool company listed on the TSC Venture Exchange, with a principal business of identifying, evaluating and negotiating the acquisition of assets or businesses. Mr. Klein also holds shares in GSV Capital Corp. Pursuant to MKCA's policies and procedures, Mr. Klein is required to recuse himself from investment decisions related to the Managed Accounts to the extent that his involvement in investment-banking or other matters pertains to issuers in which any of the Managed Accounts may invest.

As discussed in Items 4 and 7 of this ADV, MKCA serves as the investment manager to the Fund and to certain Managed Account Clients and provides consulting services to Consulting Clients. We do not believe that contemporaneous management of the Fund the Managed Account Clients and the consulting services provided to Consulting Clients causes a conflict because their respective strategies and or portfolio holdings are sufficiently different and allocations are made in accordance with the investment guidelines for the Fund and/or each Managed Account Client or Consulting Client, as applicable.

The existence of multiple investment vehicles or clients may create conflicts as to time and resource commitments on the part of MKCA's principals and other personnel. While such persons intend to devote such time to the business of the clients as they deem necessary, they will have other ongoing investment and business responsibilities which could have the effect of reducing the time they will devote to the investment activities of the clients.

Certain clients also may maintain accounts at LTCO for which an MKCA IAR in their dual capacity as RR for LTCO, may serve as broker. MKCA does not receive any compensation related to these accounts and does not act in an advisory capacity with respect to these accounts.

Neither MKCA nor any of its management persons are registered or have an application pending as a futures commission merchant, commodity pool operator or commodity trading advisor, or as an associated person of any of the foregoing.

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

MKCA has adopted a Code of Ethics in an effort to avoid possible conflicts of interest, the inappropriate use of material non-public information and to ensure the propriety of its employees' and clients' trading activities. The Code of Ethics is distributed to each employee at the time of hire and employees receive annual training in issues related to the Code of Ethics. The Code is based on the principle that officers, directors and other MKCA personnel owe a fiduciary duty to MKCA's clients and must place the interests of MKCA's clients above their own.

MKCA may give advice, take action, or hold or deal in securities for some clients or accounts, including MKCA's own accounts or accounts of related parties, if applicable, which may differ from advice given, action taken or not taken or the timing of any action for any other client.

MKCA employees are required to conduct their personal investment activities in a manner that is not detrimental to its advisory clients. MKCA employees are not permitted to transact in securities except under circumstances specified in the code of ethics.

Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these transactions would not materially interfere with the best interest of MKCA's clients. In addition, the Code requires pre-clearance of many transactions and restricts trading in close proximity to client trading activity. MKCA and its employees may not enter orders for accounts in which they have a beneficial ownership interest to benefit from their knowledge of clients' orders in a particular security ("front-running"). This includes orders in securities that are derivatives (options, warrants, etc.) of the security being purchased or sold by the client. Because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and is reasonably designed to prevent conflicts of interest between MKCA and its clients.

Employees are required to provide MKCA with a complete report of their securities holdings at the time they are hired. Employees also provide MKCA with duplicate copies of trade confirmations and account statements for all of their brokerage accounts. Employees are also required to provide quarterly and annual securities holdings reports. Most types of securities are subject to these reporting requirements.

The Code of Ethics also prohibits employees from serving on the boards of public companies or from maintaining outside affiliations without prior approval.

The Code of Ethics also prescribes employee conduct with respect to the giving and receipt of gifts. Employees are generally permitted to receive gifts or similar items including entertainment from other professionals, as long as they are less than \$250 in value per gift or instance and less than \$1,000 per donor per year. Employees are required to report all gifts in excess of \$50 and MKCA conducts a periodic review to ensure that business is not being referred to a third party as a result of improper gift giving. IARs of MKCA may be subject to further restrictions as RRs of LTCO.

The Code establishes sanctions if its requirements are violated, up to and including dismissal from employment. Employees are required to certify annually that they have complied with the Code of Ethics.

The foregoing is only a summary of the provisions of the Code of Ethics and is qualified in its entirety by the detailed provisions appearing in the full text of the Code. Clients and prospective clients and/or investors in the Fund may obtain a copy of the MKCA Code of Ethics may be obtained by writing to: MKCA, 590 Madison Avenue, 29th Floor, New York, NY 10022.

Item 12 - Brokerage Practices

Managed Account Services, Consulting Services and 3rd Party Programs

As described in "Fees and Compensation" above, MKCA may recommend that Managed Account Clients, Consulting Clients or clients in 3rd Party Programs execute transactions through LTCO as broker-dealer. If the client elects to execute transactions through LTCO, the compensation paid by the client is negotiated separately with LTCO as part of a separate brokerage relationship between the client and LTCO. If the client selects LTCO for brokerage execution, MKCA may receive a higher level of compensation.

MKCA requires Managed Account Clients and Consulting Clients to direct brokerage to a particular broker-dealer and to designate a custodian. This broker-dealer may be LTCO or a third-party broker-dealer. The

direction is given by the client at the outset of an advisory relationship in the managed account or consulting agreement, as applicable. As a result of the direction, the client may be unable to achieve most favorable execution of account transaction. Transaction costs may be higher or lower depending on which broker-dealer the client chooses. For example, the client may pay higher brokerage commissions if it chooses a broker-dealer that other clients have not chosen because MKCA may not be able to aggregate orders to reduce transaction costs, or the client may receive less favorable prices.

LTCO serves as the broker-dealer for the Managed Accounts that direct brokerage to LTCO. Pursuant to this relationship, LTCO trades for the benefit of MKCA's clients through National Financial Services ("NFS") in a relationship that is designed to allow trading with multiple brokers while centralizing clearance and custody through NFS. Under this arrangement, MKCA places trades through LTCO which routes them to NFS, which in turn executes through accounts with different executing brokers in the name of LTCO for the benefit of MKCA's clients. NFS is responsible for custody, clearance and settlement services including matching trades with executing brokers and delivering account confirms and statements. MKCA believes that this relationship and the robust nature of NFS trade management system provide our clients with reasonable access to best execution. NFS provides extensive analyses of execution speed and price to its customer. MKCA regularly reviews best execution reports provided by NFS to LTCO.

NFS is obligated to seek best execution for its customers, including MKCA. Best execution generally means lowest transaction cost (commission) for brokerage services rendered combined with best market price in order to minimize total purchase cost or maximize total sales proceeds. Other brokerage and trading services may be considered in analyzing execution practices including but not limited to the promptness of execution, quality of research provided, confidentiality of trading activity, clearance and settlement, order positioning and financial stability. MKCA reviews NFS' order execution on a regular basis.

As described in more detail in "Fees and Compensation" above, if the client directs brokerage to LTCO, the client will pay commissions and fees to LTCO. The fee that a client pays to MKCA for advisory services will not be reduced if fees are paid to LTCO. LTCO and MKCA RIAs, who are RRs of LTCO, will receive additional compensation when brokerage is directed to LTCO in addition to commissions, such as compensation in connection with the sale of funds.

MKCA does not use soft dollars to pay for third-party research. However, MKCA does execute portfolio transactions with LTCO, which provides MKCA with research services, consistent with Section 28(e) of the Securities Exchange Act of 1934. Under Section 28(e) an investment adviser is generally deemed to have acted lawfully and in a manner consistent with its fiduciary duties under federal and state law, if the adviser determines in good faith that the commissions charged by a broker are reasonable in relation to the value of the brokerage and research products or services provided by such broker. For purposes of Section 28(e), research products or services provided by a broker may include research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities and other products and services providing lawful and appropriate assistance to the investment adviser in the performance of its investment decision making responsibilities, without regard to whether the research products or services benefit the account bearing the commission charge.

Fund Management

Certain of the underlying funds in which the Fund invests may also effect transactions through LTCO and registered representatives of LTCO may receive commissions or selling concessions as a result of such transactions.

Trade Allocation Policies for Managed Account Clients and Consulting Clients

Certain of the Managed Account Clients and/or the Consulting Clients may have similar investment strategies and policies. As such, MKCA may invest several clients' capital in the same security and/or may elect to

liquidate a position in one client account but retain it in another. In determining whether a particular situation or strategy is suitable and feasible for each Managed Account Client and/or Consulting Client, MKCA will evaluate relevant factors (some of which include the capital available for investment at any particular time, the nature of the opportunity in the context of the client's other positions, the client's liquidity needs and risk tolerance, whether a directed brokerage arrangement is in place and the characteristics of such arrangement, the transaction and borrowing costs involved and the tax consequences). MKCA is not obligated to present every investment opportunity to every client so long as MKCA, to the extent within its control, does not favor itself or its employees to the detriment of its clients and acts in a manner that over the long term is fair and equitable to all its clients. No one client will be entitled to priority of choice as among available investments.

If MKCA determines to buy or sell the same security on behalf of more than one client (based upon the investment mandates of such clients), and such transaction are to be executed at LTCO, LTCO will, but is not obligated to, aggregate, to the extent permitted by applicable law and regulations, the securities to be purchased or sold in order to seek more favorable prices, lower brokerage commissions or more efficient execution. In such case, MKCA will place an aggregate order with the broker on behalf of all such accounts in order to ensure fairness for all accounts for which no directed brokerage arrangement is in place (or which permit "step-out" trades); provided, however, that trading shall be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. Transactions for MKCA employees and/or affiliated entities may be aggregated with orders for clients and are not given preferential treatment over client orders. MKCA will not aggregate trades for accounts subject to regulation under ERISA with trades for any other client accounts. Generally allocations are determined by the portfolio managers in accordance with these policies. Allocations are determined prior to a trade and documented on trade date. Allocations of an aggregated order are made to each client using the average execution price for such aggregated orders.

IPO Allocations

When the availability of a particular investment opportunity is limited, including securities issued in IPO's, MKCA intends to allocate such opportunity among applicable clients in accordance with its policy on the allocation of investment opportunities in such manner as MKCA deems equitable to all parties.

In general, allocations of IPOs and new issues and other public offerings, are made on the basis of pre-established criteria across those eligible accounts seeking to purchase the securities and for which the securities are appropriate. IPOs and new issues will be restricted to certain Managed Account Clients or Consulting Clients who are eligible to participate in new issue profits. Accounts which are not prohibited from purchasing or selling IPOs or new issues may participate in such transactions. IPOs and new issues will generally be allocated on a pro rata basis to all eligible Managed Account Clients or Consulting Clients, as applicable, based on the asset size of each account, its risk tolerance, suitability of investment and other factors. As a result, certain clients may have greater opportunities than others to invest in IPOs and new issues.

Item 13 - Review of Accounts

MKCA IARs review the accounts of Consulting Clients quarterly based on information provided to MKCA by the client, the client's custodian(s) or other third parties. MKCA generally provides clients receiving consulting services with a quarterly report that includes performance information and portfolio management reporting, analyzing the risk characteristics of the client's portfolio.

MKCA generally reviews the accounts of Managed Account Clients and the Fund on a regular basis, which may be daily, weekly, monthly, quarterly or annually on an individual account, security, advisor, and firm level. The Managed Account Client reviews may focus on among things: asset allocation, diversification, suitability, concentration, or performance and are conducted primarily by the senior IAR for each client.

Portfolio monitoring of the Fund is performed by the Fund's portfolio managers, who use performance and risk analysis data to evaluate each holding and the portfolio composite as a whole. The review may include: a review of monthly performance reports, periodic risk reports and fund commentary, periodic discussions with representatives or portfolio managers, and participation in conference calls. MKCA's Compliance Officer also reviews the Fund portfolio annually.

Item 14 - Client Referrals and Other Compensation

MKCA may enter into agreements with third parties, including LTCO and/or one of its affiliated entities with respect to the RIAs, that will solicit clients for MKCA and receive compensation for solicitation efforts. In such instances, the third party solicitor, including the RIA, will receive either a percentage of, or a set fee from, the fee charged to the client. If a solicitor is used in connection with a client's account, the structure and arrangement of the solicitation agreement, as well as the compensation paid to the solicitor, will be fully disclosed to the client, pursuant to Rule 206(4)-3 under the Investment Advisers Act of 1940. This disclosure will be acknowledged in writing by the client. The client will not be charged any additional fees for the use of such services.

MKCA employees may attend conferences at which employees may be given gifts and/or trinkets that are less than \$50 in value. Employees may also receive gifts or similar items including entertainment from other professionals, as long as they are less than \$250 in value per gift or instance and less than \$1,000 per donor per year. The receipt of these gifts could create the incentive for MKCA to refer business to these professionals when it may not be in the client's best interest to do so. However, employees are required to report all such gifts and MKCA conducts a periodic review to ensure that business is not being referred to a third party as a result of improper gift giving.

Item 15 – Custody

MKCA does not have custody of client assets for the purposes of this Item 15.

Item 16 - Investment Discretion

MKCA's fiduciary duty requires it to give investment advice that is suitable and appropriate to each client, and to have an adequate basis in fact for its investment recommendations. MKCA has been granted discretionary authority to manage the securities accounts of its clients pursuant to an investment management agreement entered into with each such client and/or pursuant to the confidential private placement memorandum of the Fund. Pursuant to this grant of discretionary authority, MKCA is authorized to purchase and sell securities, select brokers, and negotiate commission rates subject to the guidelines applicable to the Fund and/or the Managed Account, as applicable.

Item 17 - Voting Client Securities

With respect to Managed Account Clients, Consulting Clients and Third Party Clients, MKCA is expressly precluded from taking any action or rendering any advice with respect to the voting of proxies solicited by, or with respect to, the issuers of any securities. These clients expressly retain the authority and responsibility with respect to voting proxies for their accounts or will delegate discretion with respect to voting such proxies to a third party. If MKCA receives any proxy materials that pertain to securities held in these accounts, MKCA will forward the materials to person designated by the client. Proxy voting for WRAP accounts is addressed in the appropriate brochures.

With respect to the Fund, MKCA will vote proxies applicable to the underlying funds in which it invests, in

accordance with MKCA's policies and procedures regarding proxy voting. MKCA retains the proxy voting records for six years or such other period as may be required by applicable law or regulation. These proxy voting policies and procedures contain guidelines that MKCA follows in order to minimize conflicts of interest and to ensure that it votes proxies in a manner consistent with the best interests of its client. Investors in the Funds may obtain a copy of these policies and procedures and information from MKCA on how their proxies were voted by submitting a written request to MKCA at 590 Madison Avenue, 29th Floor, NY, NY 10022.

Item 18 - Financial Information

MKCA does not charge or solicit pre-payment of fees six months or more in advance. MKCA has no financial commitment that is reasonably likely to impair its ability to meet contractual and fiduciary commitments to clients. MKCA has never been the subject of a bankruptcy petition.

Item 19 – Requirements for State-Registered Advisers

Not applicable.