

**ITEM 1
COVER PAGE**

PART 2A OF FORM ADV: FIRM BROCHURE

MeehanCombs, LP

March 2015

MeehanCombs, LP
40 Signal Road, STE 3
Stamford, CT 06902
(203) 295-7413
www.meehancombs.com

This brochure provides information about the qualifications and business practices of MeehanCombs, LP (“MeehanCombs”). If you have any questions about the contents of this brochure, please contact us at (203) 295-7413. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

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

MeehanCombs is registered as an investment adviser with the SEC. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

THIS BROCHURE DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITY.

ITEM 2
MATERIAL CHANGES

We last updated Part 2 of Form ADV in March 2014. Since the time of that update, Eli Combs, MeehanCombs' President, assumed the role of Chief Compliance Officer in July 2014. MeehanCombs was also named a sub-adviser to a portion of a registered investment company's portfolio. We also note our privately offered fund changed auditors from PricewaterhouseCoopers LLP to Ernst & Young LLP.

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ITEM 4

ADVISORY BUSINESS

A. General Description of Advisory Firm.

MeehanCombs, LP (“MeehanCombs”) is a Delaware limited partnership which commenced operations in January 2012. MeehanCombs is controlled by MeehanCombs GP, LLC, its general partner. MeehanCombs and MeehanCombs GP, LLC are owned and controlled by Matt Meehan and Eli Combs.

B. Description of Advisory Services.

MeehanCombs is an investment advisory firm specializing in alternative investments. MeehanCombs currently acts, or intends to act, as investment adviser to private investment funds, registered investment companies on a sub-advisory basis and managed accounts. MeehanCombs currently acts as investment adviser to MeehanCombs Global Credit Opportunities Fund, LP (“Onshore Fund”), MeehanCombs Global Credit Opportunities Fund (Cayman), LP (“Offshore Fund”) and MeehanCombs Global Credit Opportunities Master Fund, LP (“Master Fund” and collectively with the Onshore Fund and Offshore Fund, the “Funds”). In addition, MeehanCombs acts as a sub-advisor to the Underlying Funds Trust, a Delaware statutory trust registered as an investment company (the “Trust”), and an affiliate of Hatteras Alternative Mutual Funds Trust and BlackRock Funds, a Massachusetts business trust and a registered investment company (together with the Trust, the “RICs”) and an affiliate of BlackRock Advisors LLC. The Fund and the RICs are collectively referred to as “Clients.”

MeehanCombs seeks to generate superior risk adjusted returns by investing primarily in a broad array of event-driven and value credit instruments issued by European and U.S. companies. We intend to invest in both public and private non-investment grade and investment grade bonds, first and second lien bank loans, mezzanine securities, convertible securities, credit default swaps, interest rate swaps and, to a lesser extent, equity securities. Our goal is to invest opportunistically in companies based primarily in Europe and the United States and intend to take long and short positions to express our investment views.

MeehanCombs or affiliates have entered into “side letter” agreements pursuant to which they provide certain investors in the Funds special or more favorable rights with respect to any provision of the governing documents of the Funds, including, without limitation, the provisions relating to fees, allocations, withdrawals, transfers, notices and transparency. Such side letter arrangements may include the granting of (i) greater transparency into the Fund's portfolio, (ii) different or more favorable withdrawal rights such as more frequent withdrawals or shorter withdrawal notice periods, (iii) greater information than may be provided to other investors, (iv) different fee and allocation terms and (v) more favorable transfer rights. These agreements may enable such investors to better assess the prospects and performance of the Fund and need not be offered to any other investor in the Funds or communicated to other investors.

For more information on the Funds, please see Section 7.B.(1) of Schedule D to Part 1A of MeehanCombs’ Form ADV, both of which are available at www.adviserinfo.sec.gov.

MeehanCombs may, in the future, provide discretionary advisory services to other investment funds, RICs, separately managed accounts or other investment vehicles.

C. Availability of Customized Services for Individual Clients.

MeehanCombs advises each Fund in an attempt to achieve the Fund’s investment objective

and does not tailor its advice to the individual needs of any investor in the Fund. Generally, no investor in a Fund may impose any restrictions on the way MeehanCombs advises the Fund.

Should MeehanCombs provide advisory services to a client through a separately managed account, or a fund created specifically for a client, it is anticipated that the account or fund would be tailored to the individual needs of the client and any investment restrictions or guidelines, as well as other terms such as fees, liquidity, and access to information, would be mutually agreed between MeehanCombs and the client.

D. Wrap Fee Programs.

MeehanCombs currently does not participate in any wrap fee programs.

E. Assets Under Management.

As of the fiscal year end, December 31, 2014, MeehanCombs managed approximately \$368,545,614 in regulatory assets on a discretionary basis. We do not manage client assets on a non-discretionary basis.

ITEM 5

FEES AND COMPENSATION

A. Advisory Fees and Compensation.

Compensation received by MeehanCombs in its role as investment adviser to the Funds consists of a percentage of assets under management (“Management Fees”) and performance-based compensation, such as performance fees or allocations to which investors in the Funds are subject (“Performance Fees”). All Management Fees and Performance Fees are disclosed in the relevant Fund’s offering documentation, which is provided to all prospective investors.

Management Fees typically range between 1% and 2% per annum. Management Fees are generally payable quarterly in advance and are pro-rated for partial periods.

Performance Fees are generally between 10% and 20% of net realized and unrealized capital appreciation, after making up for any losses carried forward from prior periods. The timing of allocations/distributions related to Performance Fees varies depending on the terms of each class of interest of the Fund, as set forth in the relevant Fund’s offering documentation.

The Management Fees and/or Performance Fees received by MeehanCombs or its affiliates with respect to any investor in a Fund, may be waived, reduced, rebated, or calculated differently, as may be agreed by MeehanCombs and any particular investor in MeehanCombs’ sole discretion. Also, investors in our Fund who are associated with our firm, such as our officers or employees, or their family members or friends, generally do not pay Management Fees or incur Performance Fees. Our fees for acting as investment adviser vary depending on the type of account under management. In the case of a separately managed account, fees and expenses are defined and detailed in the investment management agreement relating to such account and may in certain circumstances be subject to negotiation.

With respect to the RICs, the fees are negotiated with the applicable investment adviser of the RIC and are described in detail in the investment sub-advisory agreement entered into among MeehanCombs, the sub-advised RIC and the sub-advised RIC’s investment adviser. Typically, sub-advised RICs are charged management fees which are generally calculated and paid by the RIC’s investment adviser monthly in arrears. The annual management fees are generally a percentage of the net asset value of RIC’s assets sub-advised by MeehanCombs.

Should MeehanCombs manage and/or advise other investment funds, RICs, or separately managed accounts in the future, it is anticipated that MeehanCombs would receive compensation similar to the Management Fees and Performance Fees described above.

B. Payment of Fees.

In general, Management Fees and Performance Fees are deducted from the assets of the Funds. As discussed above, Management Fees are generally deducted on a quarterly basis. Performance Fees are generally deducted, or allocated away, from the assets of investors in the Funds, on a periodic basis which period varies in duration, generally ranging from one to three years. Such duration is determined by the terms of each class of interest of the Fund, as set forth in the Fund’s offering documentation.

An investor in a Fund may be billed for Management Fees, and a Fund may hold a portion of an investor’s withdrawal/redemption proceeds in reserve to satisfy its future Management Fee payment obligations, in instances where the investor has requested a full withdrawal/redemption from the Fund and the Fund has elected to segregate assets in connection with such withdrawal/redemption.

With respect to the RICs, the Management Fee will generally be paid by the RIC's investment adviser directly upon invoice.

C. Additional Fees and Expenses.

In addition to the Management Fees and Performance Fees described above, investors in the Funds may be subject to additional fees in the event of an early withdrawal. Investors in the Funds also are generally responsible for the costs and expenses of a Fund, as set forth in the Fund's offering documentation.

Generally, each Fund will bear all of its and its *pro rata* share of the Master Fund's legal and other organizational expenses incurred in the formation of the Fund and the Master Fund, including any and all expenses relating to capital raising activities. Each Fund will bear its own operating and other expenses and its *pro rata* share of the Master Fund's expenses including, but not limited to, investment-related expenses (*e.g.*, costs, fees and other out-of-pocket expenses directly related to (i) the investigation of investment opportunities (whether or not consummated) and (ii) the acquisition, ownership, financing, hedging or sale of its investments, including transaction and investment banking or similar fees, legal and other expenses, brokerage commissions, information-related expenses, clearing and settlement charges, custodial fees, interest expenses, appraisal fees and other due diligence expenses), all operational expenses, including legal (including responding to formal and informal inquiries and indemnification expenses), auditing, tax preparation and accounting expenses (including expenses associated with the preparation of financial statements, tax returns and Schedules K-1), expenses incurred in the collection of monies owed to the Fund and the Master Fund, insurance expenses, regulatory expenses (including fees of the Fund's compliance consultant or any such other person, firm or entity providing such services from time to time, filing fees and professional fees and expenses incurred in connection with regulatory filings pertaining to Fund (or Master Fund) portfolios), the Management Fee, compensation of the members of the Board of Advisors, fees of the Administrator and any other service providers, and to the extent applicable, any entity-level taxes, fees or other governmental charges levied against the Fund and the Master Fund, extraordinary expenses (such as litigation-related and indemnification expenses) and expenses comparable to the foregoing. To the extent that Clients are invested in an exchange-traded fund or mutual fund, the Fund or separately managed account will bear, along with other shareholders, its *pro rata* portion of the exchange-traded fund's or mutual fund's management, trading, and administrative fees and expenses. The Onshore Fund and the Offshore Fund will bear their *pro rata* share of the Master Fund's legal and organizational expenses and Operating Expenses. The Funds may, for accounting purposes, amortize these expenses over the first 60 months.

With respect to the RIC, any additional fees and expenses associated with the RIC are described in detail in the investment sub-advisory agreement entered into among MeehanCombs, the sub-advised RIC and the sub-advised RIC's investment adviser. Our fees are exclusive of transaction markups or markdowns, brokerage commissions, transaction fees, and other related costs and expenses that may be incurred by the RICs. RICs may also incur certain charges imposed by custodians, prime brokers, and other third parties such as fees charged for custodial and prime brokerage fees, wire transfer and electronic fund fees, and other fees on transactions.

If a Fund and one or more other Funds or the RICs, or other Clients of MeehanCombs, may be responsible for some or all of a particular cost, MeehanCombs or an affiliate may allocate the cost among all those entities, Clients, and Funds in its discretion. Although investors in our Funds who are affiliated with our firm do not pay management fees or performance-based compensation, they do pay their *pro rata* share of Fund operating expenses.

Please see Item 12 for a discussion of MeehanCombs' brokerage practices.

D. Prepayment of Fees.

As discussed above, Management Fees payable by the Fund are generally payable quarterly in advance and are pro-rated for partial periods. If an investor in a Fund makes a redemption/withdrawal other than as of the last day of a quarter, such investor will only be charged a pro rata portion of the Management Fee for that quarter (based on the actual number of days elapsed during the quarter) and any remaining Management Fee previously charged but not owed will be refunded to the investor. Management Fees paid to MeehanCombs by the RIC are not pre-paid.

E. Additional Compensation for the Sale of Securities or Other Investment Products.

Neither MeehanCombs nor any of its supervised persons accepts compensation for the sale of securities or other investment products.

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

As noted in Item 5 above, MeehanCombs may receive performance-based fees. Performance-based fees may create an incentive for MeehanCombs to recommend investments that may be riskier or more speculative than would be the case if such arrangement were not in effect. In addition, performance-based fee arrangements may create an incentive to favor higher fee paying Clients over other Funds or Clients, such as the RICs, in the allocation of investment opportunities. Finally, performance-based compensation is based in part on unrealized gains and losses, so we may have an incentive to inflate the value of client assets through fair valuation determinations. Despite the presence of these conflicts of interest, we seek to act fairly when we allocate investment opportunities and value client assets.

MeehanCombs has adopted policies and procedures, including trade allocation policies and valuation procedures, designed to manage these conflicts.

ITEM 7

TYPES OF CLIENTS

As noted in Item 4 above, MeehanCombs currently acts as a discretionary investment adviser to the Funds and as a sub-adviser to RICs, and may, in the future, provide advisory services, either directly, or in a sub-advisory capacity, to other investment funds, RICs, separately managed accounts or investment vehicles.

Investors in the Funds may include pension plans, foundations, funds of funds, charitable organizations, trusts, estates, corporations, sovereign wealth funds, other institutional investors, and high net worth individuals.

The minimum subscription amounts for investing in the Funds is \$2,000,000, however, such minimum is subject to change or waiver at the discretion of MeehanCombs. Each Fund investor is required to meet certain suitability qualifications, such as being an “accredited investor” within the meaning set forth in Regulation D under the Securities Act, as amended, and a “qualified purchaser” as defined in Section 2(a)(51) of the Investment Company Act, as amended. The minimum investment amount for clients such as the RIC is negotiated on a case by case basis.

It is anticipated that other investment funds that may be advised by MeehanCombs in the future will require similar minimum subscription amounts and any separately managed account relationships will be subject to significantly higher account minimums that are negotiated on a case by case basis.

ITEM 8

METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

A. Methods of Analysis and Investment Strategies.

We believe that due to the size and complexity of the credit markets it is possible to find credit investments which are undervalued relative to their underlying risk, and/or credit investments which provide attractive opportunities for return through current yield and price appreciation.

We maintain a flexible approach to investing in the credit markets, adapting to the changing opportunities in such markets. Consequently, we typically vary exposure to certain types of securities during different parts of the economic cycle and will vary exposure to different geographic markets (within Europe and the U.S.) based primarily on our view of the relative risks and rewards presented in those regions at any given time. We will also vary long and short exposure based on our view of the macroeconomic environment globally and in the regions in which we invest.

We believe the ideal portfolio results from a combination of proficient security selection and optimum portfolio construction. We use fundamental macroeconomic and investment analysis to identify securities for Client portfolio and use proprietary models to aid in portfolio construction.

We also typically utilize various steps to select investments for Client portfolios and to construct the portfolio risk hedges.

First, we analyze the macroeconomic environment to:

- (a) identify geographic opportunities through, among other means, consultation with outside economists and political experts
- (b) identify thematic and sector specific opportunities with, among other means, the assistance of industry experts
- (c) establish target beta and net exposures based on what we believe is appropriate for the macro environment.

Second, we focus on sourcing opportunities for particular securities that fit the macro environment calculated in the first step. We utilize, among other resources, its principals' long-term relationships with credit specialists, consultants, restructuring advisors and lawyers, operating and industry experts, as well as screening across markets for risk/reward dislocations to identify attractive potential investments.

Our investment team also analyzes potential investments with a focus on the risk/reward potential of each security individually and within the broader context of the respective portfolio as a whole. The investment team focuses its efforts on those securities that meet certain pre-defined metrics as dictated by the macro environment.

The investment team also builds fundamental cash flow and balance sheet models for each company which may have a security that could be a potential candidate for a portfolio, and analyzes the risks, incorporating pricing, market trends, liquidity, jurisdictional analysis and potential exit strategies. As an additional measure of diligence, the investment team may seek to interview other experts who hold contrarian views on the specific business and/or security being analyzed to better understand the situation and test the investment team's thesis.

The descriptions set forth above discuss our general methods of analysis and investment strategies and should not be understood to limit in any way our investment activities on behalf of

Clients. We may recommend whatever strategies or approaches we believe from time to time may be suited to prevailing market conditions, subject to the investment objectives and guidelines as set forth in the relevant governing documents.

The investment strategy employed by MeehanCombs for the RICs are similar but not identical to the core investment strategy as described herein. For example, we make investments for one RIC primarily in European companies or companies with significant European exposure. The specific investment mandates of the RICs are described in detail in various documentation agreed upon by and among MeehanCombs, the RICs and their respective primary investment advisers.

The investment programs recommended by MeehanCombs on behalf of the Funds are designed for sophisticated investors, are speculative, and entail substantial risks, including a complete loss of capital that investors in the Funds should be prepared to bear. Since market risks are inherent in all investments to varying degrees, there can be no assurance that a Fund's investment objectives will be achieved or that significant losses will not be incurred.

B. Material, Significant, or Unusual Risks Relating to Investment Strategies (also generally applicable to the RICs).

Investing in securities involves a risk of loss that investors should be prepared to bear. The following is a summary of some of the material risks associated with the various strategies employed by the Funds and does not purport to be a complete list or explanation of the risks involved in investing the Funds. Although no summary can fully describe all of the risks associated with a particular investment program, the offering documents of the Funds contain a more complete description of these and other risks.

No Material Limitation on Strategies. The Fund will opportunistically implement whatever strategies or discretionary approaches MeehanCombs believes from time to time may be suited to prevailing market conditions. The risks associated with such strategies may be different than those described herein. There can be no assurance that MeehanCombs will be successful in applying any such strategy or discretionary approach and that losses will be avoided.

Discretion of MeehanCombs; New Strategies and Techniques. MeehanCombs has considerable discretion in the types of financial instruments that the Fund may trade and has the right to modify the trading strategies or hedging techniques of the Fund without notifying investors in the Fund or seeking their consent. Any of these new trading techniques may not be thoroughly tested in the market before being employed and may have operational or theoretical shortcomings, which could result in unsuccessful trades and, ultimately, losses to the Fund. In addition, any new investment strategy or hedging technique developed by the Fund may be more speculative than earlier techniques and may increase the risk of an investment in the Fund.

Risks of Investments Generally. All investments risk the loss of capital. Such investments are subject to investment-specific price fluctuations as well as to macro-economic, market and industry-specific conditions, including but not limited to national and international economic conditions, domestic and international financial policies and performance, conditions affecting particular investments such as the financial viability, sales and product lines of corporate issuers, national and international politics and governmental events, and changes in income tax laws. No guarantee or representation is made that the Fund's investment program will be successful. The Fund's investment program involves, without limitation, risks associated with limited diversification and concentration, investments in speculative assets and the use of speculative investment strategies and techniques, interest rates, volatility, tracking risks in hedged positions, credit deterioration or default risks, systems risks and other risks inherent in the Fund's activities. Certain investment techniques of the Fund can, in certain circumstances, magnify the impact of adverse market moves to which the Fund may be subject. In addition, the Fund's investments may be materially affected by conditions in real estate markets, the financial markets and overall economic conditions occurring globally and in particular markets where the Fund may invest its assets.

The Fund's methods of minimizing such risks may not accurately predict future risk exposures. Risk management techniques are based in part on the observation of historical market behavior, which may not predict market divergences that are larger than historical indicators. Also, information used to manage risks may not be accurate, complete or current, and such information may be misinterpreted.

Limited Diversification; High Concentration. In the normal course of making investments on behalf of the Fund, the General Partner intends to diversify its investments only to a limited extent. Furthermore, at any given time, the Fund's portfolio could become significantly concentrated within a particular company, asset or asset class, industry, sector, strategy or geographic region, and such concentration of risk may increase the losses suffered by the Fund or reduce its ability to hedge its exposure and to dispose of depreciating assets. In addition, it is possible that the Fund may select investments that are concentrated in a limited number or type of financial instruments. This high concentration could expose the Fund to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in those Financial Instruments.

Illiquidity. A portion of the Fund's portfolio may consist of loans and other financial instruments that may not be actively or widely traded. Consequently, it may be relatively difficult for the Fund to dispose of such investments rapidly and at favorable prices in connection with withdrawal requests, adverse market developments or other factors. Illiquid assets may also be more difficult to value.

General Economic and Market Conditions. The success of the Fund's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Fund's investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of securities prices and the liquidity of the Fund's investments. Volatility or illiquidity could impair the Fund's profitability or result in losses.

Nature of Non-Performing Debt. It is anticipated that certain debt instruments purchased by MeehanCombs for the Fund may be non-performing and possibly in default. In addition, these positions are expected to be non-control positions in such debt and the Fund will be dependent on actions of unrelated third parties. Furthermore, the obligor or relevant guarantor may also be in bankruptcy or liquidation. There can be no assurance as to the amount and timing of payments, if any, with respect to these loans.

Contingent Liabilities. From time to time, the Fund may incur contingent liabilities in connection with an investment. For example, the Fund may purchase from a lender a revolving credit facility that has not yet been fully drawn. If the borrower subsequently draws down on the facility, the Fund would be obligated to fund the amounts due. The Fund may also enter into agreements pursuant to which it agrees to assume responsibility for default risk presented by a third party, and may, on the other hand, enter into agreements through which third parties offer default protection to the Fund.

Purchases of Securities and other Obligations of Financially Distressed Companies. The Fund intends to invest in obligations of issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems, including companies involved in bankruptcy or other reorganization and liquidation proceedings. These obligations are likely to be particularly risky investments, although they also may offer the potential for correspondingly high returns. Among the risks inherent in investments in troubled entities is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments may also be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court's power to disallow, reduce, subordinate, recharacterize debt as equity or disenfranchise particular claims. In some instances, such companies' obligations may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by

adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies. In addition, there is no minimum credit standard that is a prerequisite to the Fund's investments in any asset, and a significant portion of the obligations in which the Fund invests may be less than investment grade. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high. There is no assurance that value of the assets collateralizing the Fund's investments will be sufficient or that prospects for a successful reorganization or similar action will become available. In some or all reorganization or liquidation proceedings relating to a company in which the Fund invests, the Fund may lose its entire investment, may be required to accept cash or securities with a value less than its original investment and/or may be required to accept payment over an extended period of time. Under such circumstances, the returns generated from the Fund's investments may not compensate the investors adequately for the risks assumed. In addition, under certain circumstances, payments and distributions may be disgorged if any such payment is later determined to have been a fraudulent conveyance or a preferential payment.

In liquidation (both in and out of bankruptcy) and other forms of corporate reorganization, there exists the risk that the reorganization either will be unsuccessful (due to, for example, failure to obtain requisite approvals), will be delayed (for example, until various liabilities, actual or contingent, have been satisfied) or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Fund of the security in respect to which such distribution was made.

In certain transactions, the Fund may not be "hedged" against market fluctuations, or, in liquidation situations, may not accurately value the assets of the company being liquidated. This can result in losses, even if the proposed transaction is consummated.

Global Investments. The Fund may invest all or a portion of its portfolio in financial instruments of issuers located outside of the United States. In addition to business uncertainties, such investments may be affected by political, social and economic uncertainty affecting a country or region. Many financial markets are not as developed or as efficient as those in the United States, and as a result, liquidity may be reduced and price volatility may be higher. The legal and regulatory environment may also be different, particularly as to bankruptcy and reorganization. Financial accounting standards and practices may differ, and there may be less publicly available information in respect of such non-U.S. issuers.

Furthermore, some of the financial instruments may be subject to brokerage taxes levied by governments, which has the effect of increasing the cost of such investments and reducing the realized gain or increasing the realized loss on such securities at the time of sale. Income received by the Fund from sources within some countries may be reduced by withholding and other taxes imposed by such countries. Any such taxes paid by the Fund will reduce its net income or return from such investments.

In addition, the Fund may invest in securities, obligations and other instruments of foreign companies. Investing in non-U.S. companies involves certain considerations not usually associated with investing in United States companies, including the following: (i) political or economic instability; (ii) the unpredictability of international trade patterns; (iii) the possibility of non-U.S. governmental actions such as expropriation, nationalization or confiscatory taxation; (iv) the imposition or modification of exchange controls; (v) price volatility; (vi) the imposition of withholding taxes on dividends, interest and gains; (vii) fluctuations in currency exchange rates; and (viii) different bankruptcy laws and customs. Also, it may be more difficult to obtain and enforce legal judgments against non-U.S. entities than against domestic entities. Non-U.S. markets also have different clearance and settlement procedures which in some markets have at times failed to keep pace with the volume of transactions, thereby creating substantial delays and settlement failures that could adversely affect the Fund's performance. Greater tax risks and complexities also may be associated with these investments. The Fund is not obligated to engage in any currency hedging operations and there can be no assurance as to the success of any hedging operations that the Fund may implement.

European Economic and Political Risks. There is often a high degree of government regulation in European economies, including in the securities markets. Action by such governments may directly affect foreign investment in securities in those countries and may also have a significant indirect effect on the market prices of securities and of the payment of dividends and interest.

Changes in policy with regard to taxation, fiscal and monetary policies, repatriation of profits, and other economic regulations are possible, any of which could have an adverse affect on private investments. The European economies may differ favorably or unfavorably from the U.S. economy with regard to the rate of growth of gross domestic product, the rate of inflation, capital reinvestment, resource self-sufficiency and balance of payments.

Governments in certain of the countries in Europe participate to a significant degree, through ownership interests or regulation, in their respective economies. Action by these governments could have a significant adverse effect on market prices of securities and payment of dividends.

Changing political environments, regulatory restrictions, and changes in government institutions and policies in Europe could adversely affect private investments. Civil unrest, ethnic conflict or regional hostilities may contribute to instability in some countries of Europe. Such instability may impede business activity and adversely affect the environment for foreign investments. The Fund does not intend to obtain political risk insurance. Actions in the future of one or more European governments could have a significant effect on the various economies, which could affect market conditions, prices and yields of securities in the Fund's portfolio. Political and economic instability in any of the countries in Europe in which the Fund invests could adversely affect the Fund's investments.

Tax Risks. The Fund and/or the investors could become subject to additional or unforeseen taxation in jurisdictions in which the Fund operates and invests. Changes to taxation treaties (or their interpretation) between the U.S. and the European countries in which the Fund invests may adversely affect the Fund's ability to efficiently realize income or capital gains. Interest payments on Fund investments in certain jurisdictions may be subject to withholding taxes and in some cases such withholding taxes may be greater than if such Fund investments were held directly by Partners. Although the Fund may where possible make its investments in a way which minimizes or eliminates withholding taxes where relevant, there can be no guarantee that such strategies will be successful.

Permanent Establishment Risks. The Fund intends to conduct its operations in a manner that will not cause an investor to have a "permanent establishment" in any country in Europe, as such term is defined in the relevant tax treaty, if any, between the United States and such country. There can be no assurance that a particular European country will not assert that the Fund has a permanent establishment in such country, and if such assertion were upheld it can potentially result in adverse tax consequences to the investors.

Accounting Standards. Investments may be made in countries where generally accepted accounting standards and practices differ significantly from those practiced in the United States. The evaluation of potential investments and the ability to perform due diligence may be affected. The financial information appearing on the financial statements of a company operating in one or more European countries may not reflect its financial position or results of operations in the way they would be reflected if the financial statements had been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Legal Infrastructure. Investment in non-U.S. securities involves considerations and possible risks not typically involved with investment in the securities of U.S. issuers, including changes in applicable laws, changes in governmental administration or economic or monetary policy (in the United States or elsewhere) or changed circumstances in dealings between nations. The application of non-U.S. tax laws (e.g., the imposition of withholding taxes on dividend or interest payments) may also affect investment in non-U.S. securities. Higher expenses may result from investment in non-U.S. securities than would result from investment in U.S. securities because of the costs that must be incurred in

connection with conversions between various currencies and non-U.S. brokerage commissions that may be higher than in the United States. Non-U.S. securities markets also may be less liquid and more volatile.

Laws and regulations, particularly those concerning foreign investment and taxation, can change quickly and unpredictably. Inconsistencies and discrepancies among the vast number of local, regional and national laws, the lack of judicial or legislative guidance on unclear or conflicting laws and broad discretion on the part of government authorities implementing the laws produce additional legal uncertainties. The burden of complying with conflict laws may have an adverse impact on the operations of the Fund.

C. Risks Associated with Particular Types of Securities (also generally applicable to the RIC).

Investment in Fixed-Income Securities—Generally. The Fund will invest in fixed-income securities. The value of fixed-income securities changes in response to fluctuations in interest rates. Except to the extent that values are independently affected by currency exchange rate fluctuations, when interest rates decline, the value of fixed-income securities generally can be expected to rise. Conversely, when interest rates rise, the value of fixed-income securities generally can be expected to decline.

The Fund may invest in zero coupon bonds and deferred interest bonds, which are debt obligations issued at a significant discount from face value. The original discount approximates the total amount of interest the bonds will accrue and compound over the period until maturity or the first interest accrual date at a rate of interest reflecting the market rate of the security at the time of issuance. While zero coupon bonds do not require the periodic payment of interest, deferred interest bonds generally provide for a period of delay before the regular payment of interest begins. Such investments experience greater volatility in market value due to changes in interest rates than debt obligations that provide for regular payments of interest.

High Yield Securities. The Fund may invest in high-yield securities. Such securities are generally not exchange-traded and, as a result, these instruments trade in the over-the-counter marketplace, which is less transparent than the exchange traded marketplace. In addition, the Fund may invest in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments. High-yield securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such securities are often highly leveraged and may not have available to them more traditional methods of financing. It is possible that a major economic recession could severely disrupt the market for such securities and may have an adverse impact on the value of such securities. In addition, it is possible that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default of such securities.

Bankruptcy Claims. Subject to applicable jurisdictional law, the Fund may invest in loans to, or bankruptcy claims against, companies in financial difficulty. Such claims are likely to be illiquid, may not pay interest and there can be no guarantee that the debt or will ever be able to satisfy the obligation with respect to such loans or bankruptcy claims. The markets in bankruptcy claims are not generally regulated by Federal securities laws or the SEC. Because bankruptcy claims are frequently unsecured, holders of such claims may have a lower priority in terms of payment than certain other creditors. All of the risks associated with/ borrowers affected by insolvency proceedings which are highlighted below under “Risks Associated with U.S. Bankruptcy Proceedings” and “Risks Associated with European

Insolvency Proceedings” are relevant to loans to companies in financial difficulty and bankruptcy claims in which the Partnership invests or in which it acquires an interest.

Risks Associated with U.S. Bankruptcy Proceedings. Many of the events within a bankruptcy case are adversarial and often beyond the control of the creditors. While creditors generally are afforded an opportunity to object to significant actions, there can be no assurance that a bankruptcy court would not approve actions, which may be contrary to the interests of the Fund. Furthermore, there are instances where creditors and equity holders lose their ranking and priority as such if they are considered to have taken over management and functional operating control of a debtor.

Generally, the duration of a bankruptcy case can only be roughly estimated. The reorganization of a company usually involves the development and negotiation of a plan of reorganization, plan approval by creditors and confirmation by the bankruptcy court. This process can involve substantial legal, professional and administrative costs to the company and the Fund; it is subject to unpredictable and lengthy delays; and during the process, the company's competitive position may erode, key management may depart and the company may not be able to invest adequately. The debt of companies in financial reorganization will, in most cases, not pay current interest, may not accrue interest during reorganization and may be adversely affected by an erosion of the issuer's fundamental values. Such investments can result in a total loss of principal. U.S. bankruptcy law permits the classification of "substantially similar" claims in determining the classification of claims in a reorganization for purpose of voting on a plan of reorganization. Because the standard for classification is vague, there exists a significant risk that the Fund's influence with respect to a class of securities can be lost by the inflation of the number and the amount of claims in, or other gerrymandering of, the class. In addition, certain administrative costs and claims that have priority by law over the claims of certain creditors (for example, claims for taxes) may be quite high. MeehanCombs, on behalf of the Fund, may elect to serve on creditors' committees, equity holders' committees or other groups to ensure preservation or enhancement of the Fund's positions as a creditor or equity holder. A member of any such committee or group may owe certain obligations generally to all parties similarly situated that the committee represents. If MeehanCombs concludes that its obligations owed to the other parties as a committee or group member conflict with its duties owed to the Fund, it may resign from that committee or group, and in such case the Fund may not realize the benefits, if any, of participation on the committee or group. In addition, and also as discussed above, if the Fund is represented on a committee or group, it may be restricted or prohibited under applicable law from disposing of or increasing its investments in such company while it continues to be represented on such committee or group.

The Fund may purchase creditor claims subsequent to the commencement of a bankruptcy case. Under judicial decisions, it is possible that such purchase may be disallowed by the bankruptcy court if the court determines that the purchaser has taken unfair advantage of an unsophisticated seller, which may result in the rescission of the transaction (presumably at the original purchase price) or forfeiture by the purchaser.

Reorganizations can be contentious and adversarial. It is by no means unusual for participants to use the threat of, as well as actual, litigation as a negotiating technique. MeehanCombs anticipates that during the term of the Fund, MeehanCombs, the Fund, and perhaps certain of the investors may be named as defendants in civil proceedings. The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would generally be borne by the Fund and would reduce net assets or could require investors to return to the Fund distributed capital and earnings.

As described more fully below, investment in the debt of financially distressed companies domiciled outside the United States involves additional risks, including those risks discussed above. Insolvency and bankruptcy laws and processes may also differ substantially from those in the United States, resulting in greater uncertainty as to the rights of creditors, the enforceability of such rights, reorganization timing and the classification, seniority and treatment of claims. The procedural and substantive provisions of certain European insolvency laws generally are more favorable to secured

creditors than comparable provisions of U.S. law and afford debtors and unsecured creditors only limited protection from secured creditors.

Risks Associated with European Insolvency Proceedings. A number of European jurisdictions operate and implement different insolvency regimes, each of which may offer varying recovery rates to creditors. The type of insolvency regime which is applied may be determined by the jurisdiction of incorporation of the relevant company, or the location of its significant assets or the jurisdiction of its perceived domicile. So far as the member states of the European Union are concerned, the provisions of the European Insolvency Regulation will determine where main insolvency proceedings are conducted in relation to an entity by reference to its center of main interests, being the place where such entity conducts the administration of its interests on a regular basis “and is therefore ascertainable by third parties.” In the case of a company or legal person, the place of its registered office is presumed to be the center of its main interests in the absence of proof to the contrary. That presumption may of course be rebuttable and this would be the case where a “letterbox” company carries on no business in the place of registration. The European Court of Justice has concluded that the presumption can be rebutted by factors that are objective and ascertainable by third parties but that “greater importance” must be given to the place where the company has its central administration. These issues are frequently the subject of litigation within the courts of European countries competing for competency. The European Insolvency Regulation also permits secondary proceedings to be opened in a different jurisdiction to run in parallel with main proceedings. Secondary proceedings opened after the commencement of main proceedings can only be winding up proceedings relating to the assets located in a member state where the debtor company has an “establishment” which is “any place of operations where the debtor carries out a non-transitory economic activity with human means and goods”. An establishment cannot be constituted by the mere presence of goods or bank accounts, but requires the presence of a structure consisting of a minimum level of organization and a degree of stability necessary for the purpose of pursuing an economic activity. It must be emphasized that insolvency principles, proceedings and rules are not harmonized across European jurisdictions, that European jurisdictions will present different issues and risks and that an entity with operations in multiple countries may be subject to multiple proceedings in various jurisdictions and different and sometimes conflicting insolvency laws and principles.

Where the relevant investment is the purchase of an interest in a loan, insolvency proceedings may affect both the selling institution from which the Fund acquires all or part of a loan (whether by means of transfer, assignment, novation, or participation) and the borrowers and obligors assuming obligations with respect to any such loan.

The insolvency of a selling institution transferring its interest in an underlying loan by way of participation may be particularly problematic, because the Fund, as owner of a participation interest, may be treated as a general unsecured creditor of the selling institution. Generally, if a selling institution (regardless of the type of asset being sold to the Fund) is affected by insolvency proceedings, any transfer, assignment, novation, participation or other method of transfer may, under certain European jurisdictions, be subject to review of transaction regimes which permit the courts of that jurisdiction to consider the possibility of avoidance, cancellation and/or clawback of the purchased asset (by way of example, the courts in England have wide discretion to make an order undoing the effect of a transaction – for example by ordering the return of assets to the insolvent company) of any such transfer if it is made within a certain period of time (which under some current laws may for example be five years) before insolvency.

In addition, any entity to which the Fund has investment exposure (whether as a result of equity investment, loan participations, or other obligations) may be subject to (by virtue of creditor action), or seek the protection afforded by, such bankruptcy, insolvency and debtor relief processes as may be available in the jurisdiction which is determined to be appropriate to initiate insolvency proceedings. A common protection or procedure afforded by certain European jurisdictions in the context of such proceedings is a stay or moratorium on payments or transfers of property, which could adversely affect the value of such entity to which the Fund has investment exposure and that is subject to such moratoria. The numerous risks inherent in an insolvency process affecting an entity to which the Fund has

investment exposure, wherever initiated, could create a potential risk of loss by the Fund of its entire investment.

The institution of insolvency proceedings against an entity to which the Fund has investment exposure may itself have adverse and potentially permanent effects on that entity's ability to discharge such obligations, such as losing its market position and credibility and/or key employees. The institution of insolvency proceedings will frequently result in contested matters and adversarial proceedings between creditors themselves and between creditors and the relevant entity, including as to the appropriate applicability of the insolvency and administrative laws of what could be several jurisdictions applying conflicting rules as to the rights and priority of creditors. Such contested matters may be beyond the control of creditors such as the Fund, because while such creditors may be given an opportunity to oppose or object to certain processes, the courts and insolvency officials subject to their jurisdiction may possess broad powers which, if exercised, may be contrary to the interests of creditors generally, including the prioritization of certain preferred creditors over claims of other creditors such as the Fund. If insolvency proceedings initiated to achieve the survival of an entity to which the Fund has investment exposure are converted into a liquidation process, the liquidation value of that entity and the obligations assumed by that entity may be less than the liquidation value assessed at the time of acquisition of the relevant investment. The duration of insolvency proceedings relating to an entity to which the Fund has investment exposure will, particularly if the proceedings involve litigation (including as to the jurisdictional capacity of courts in which insolvency proceedings are initiated) be difficult to predict and the administrative costs of insolvency proceedings (which are frequently high and paid out of the insolvent's estate in priority to any return to creditors) will diminish recoveries from the entity affected by such proceeding. The duration and cost of insolvency proceedings is frequently exacerbated by the difficulty in classifying claims and valuing contingent claims.

Where the Fund's investment is constituted by a loan to a European borrower, many European insolvency regimes will subject loans and any security interests (such as mortgages, charges, pledges and liens) conferred with respect to such loans to a review process. The enforcement of security interests in certain European jurisdictions may in any event require a court order or sale of the secured property through a court supervised auction or public bidding procedure. The imposition of such controls in the context of an insolvency procedure, which is also likely to impose a moratorium or stay process as part of such proceedings, is likely to adversely affect the Fund's control over the timing of enforcement of its security. As part of the review process of loans and the conferring of security in support of loan obligations, the courts of certain European jurisdictions will, in the course of insolvency proceedings, give consideration to the value received by an obligor in return for conferring security and the solvent status (on a cashflow and/or balance sheet basis) of the obligor at the time of, or immediately after, the provision of such security. If the facts demonstrate a desire to prefer a creditor or establish that the provision of security or other benefit is at an undervalue at the time the relevant obligor was insolvent or became insolvent as a result of such provision, it is open to the courts of certain European jurisdictions to make various orders to ensure equity amongst the creditors of the obligor, including the invalidation of debt or security conferred in support of such debt; the subordination of debt to the indebtedness of existing or future creditors of the obligor; the recovery of amounts paid or assets (or their value) which are the subject of any security; and other measures designed to achieve the restitution of assets and amounts transferred or paid to creditors.

Where the Fund's investments require contractual relationships to be concluded with natural persons rather than entities with legal personality such as companies, then similar risks are presented by the institution of bankruptcy proceedings against individuals who owe obligations to the Fund. As is the case for companies, European jurisdictions operate and implement different bankruptcy regimes and processes applicable to individuals. The member states of the European Union will apply the provisions of the European Insolvency Regulation to determine which laws and procedures will apply with respect to an individual's insolvency. The center of main interests determination applies to individuals as well as corporate entities. Accordingly, in the case of an individual, the center of main interests of that individual will be the place where the member mainly carries out its trade, profession or (self) employment. Where the individual resides in one country (potentially outside an EU member state) but

trades in another, it is the country where the trade is carried out that is considered to be the center of main interests. Where the debtor does not trade or carry on a profession, the center of main interests is located in the country in which he habitually resides. Such issues may not be entirely clear cut. Accordingly, the institution of bankruptcy proceedings may lead to adversarial proceedings to determine the applicability of insolvency and administrative laws of several jurisdictions each of which may apply conflicting rules as to the rights and priority of creditors such as the Fund. Similar insolvency or bankruptcy risks (as to duration of proceedings, the liquidation value of assets, the imposition of stays or moratoria, reviewable transactions and as to the priority of creditor claims) attend the institution of insolvency proceedings with respect to an individual debtor as are noted above in relation to a company or other entity.

Equitable Subordination. Under common law principles that in some cases form the basis for lender liability claims, if a lender (i) intentionally takes an action that results in the undercapitalization of a borrower or issuer to the detriment of other creditors of such borrower or issuer, (ii) engages in other inequitable conduct to the detriment of such other creditors, (iii) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (iv) uses its influence as a stockholder to dominate or control a borrower or issuer to the detriment of other creditors of such borrower or issuer, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors (a remedy called "equitable subordination"). The Fund does not intend to engage in conduct that would form the basis for a successful cause of action based upon the equitable subordination doctrine; however, because of the nature of the debt obligations, the Fund may be subject to claims from creditors of an obligor that debt obligations of such obligor which are held by the issuer should be equitably subordinated.

Lender Liability in Europe. Lender liability is founded upon the premise that a lender has violated a duty (whether implied or contractual) of good faith and fair dealing owed to a borrower or has assumed a degree of control over the borrower that create a fiduciary duty owed to the borrower, its creditors or shareholders. To the extent that the Master Fund's investments constitute participations in loans (however acquired), the Master Fund could be subject to allegations of lender liability.

The concept of lender liability is generally less well developed in European jurisdictions than in the United States, where a number of judicial decisions have exposed lenders to liability. Nevertheless, the Master Fund could be exposed to claims as a lender for, amongst other things: (i) breach of contract (whether express or implied by conduct) to lend or to maintain facilities, for instance where lines of credit are withdrawn abruptly or inconsistently with previous practice or in breach of good faith concepts incorporated into contracts governed by the law of certain European jurisdictions; (ii) under the concept of "abusive support of insolvent companies" in certain European jurisdictions such as France, Austria and the Netherlands where lenders have assisted the appearance of wealth of a borrower in order to induce or attract investment by third parties; (iii) for making misrepresentations to a borrower (potentially through an agent lender with respect to interest rates); (iv) for the provision of negligent advice where the lender assumes a fiduciary obligation beyond the capacity of lender (particularly in consumer cases); or (v) pursuant to the assumption of control over, and interference with, the day to day management of a company, whether as a shadow director or otherwise.

In addition, the acquisition of possession, control or ownership of an asset causing contamination or pollution (by virtue of taking possession of security on default or acquiring ownership under a finance lease) may also give rise to lender liability under the laws of various European jurisdictions, and in certain jurisdictions (particularly England) where remedies against assets subject to security interests may be exercised outside the supervision of the courts, abuse of such unsupervised remedies (for instance where there is a failure to obtain a reasonable price on sale of security) may give rise to lender liability.

Bank Loans. The Fund's investment program may include secondary market investments in significant amounts of bank loans and participations. These obligations are subject to unique risks, including: (i) the possible invalidation of an investment transaction as a fraudulent conveyance under

relevant creditors' rights laws; (ii) so-called lender-liability claims by the issuer of the obligations; (iii) environmental liabilities that may arise with respect to collateral securing the obligations; and (iv) limitations on the ability of the Fund to directly enforce its rights with respect to participations. In analyzing each bank loan or participation, MeehanCombs compares the relative significance of the risks against the expected benefits of the investment. Successful claims by third parties arising from these and other risks will be borne by the Fund. Bank loans subject to the laws of certain European jurisdictions may be subject to different risks, which may or may not be material.

Regulatory Risk. The value of the assets in which the Fund will invest may also be affected by changes in the market's perception, or by changes in government regulations, tax policies and laws (relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the power of a court, receiver or liquidator to disallow, reduce, subordinate or disenfranchise particular claims). The value of the Fund's assets could be negatively affected by adverse regulatory developments.

ABS. Through the use of trusts and special purpose corporations, various types of assets, primarily automobile and credit card receivables, are securitized in pass through structures. The Fund may invest either directly or indirectly, through collateralized debt obligations ("CDOs"), in these and other types of ABS that may be developed in the future. These financial instruments do not have the benefit of the same security interest in the related collateral. Credit card receivables, for example, are generally unsecured and the debtors are entitled to the protection of a number of state and federal consumer loan laws, many of which give such debtors the right to set off certain amounts owed on the credit cards, thereby reducing the balance due. Most issuers of ABS backed by automobile receivables permit the servicers to retain possession of the underlying obligations. If the servicer were to sell these obligations to another party, there is a risk that the purchaser would acquire an interest superior to that of the holders of the related ABS. In addition, because of the large number of vehicles involved in a typical issuance and technical requirements under state laws, the trustee for the holders of the ABS may not have a proper security interest in all of the obligations backing such ABS. Therefore, there is a possibility that recoveries on repossessed collateral may not, in some cases, be available to support payments on these securities. The risk of investing in ABS is ultimately dependent upon payment of consumer loans by the debtor.

The collateral supporting ABS is of shorter maturity than mortgage loans and is less likely to experience substantial prepayments. ABS are often backed by a pool of assets representing the obligations of a number of different parties and use credit enhancement techniques such as letters of credit, guarantees or preference rights. The value of an ABS is affected by changes in the market's perception of the asset backing the security and the creditworthiness of the servicing agent for the loan pool, the originator of the loans or the financial institution providing any credit enhancement, as well as by the expiration or removal of any credit enhancement.

"Widening" Risk. For reasons not necessarily attributable to any of the risks enumerated above (for example, supply/demand imbalances or other market forces), the prices of the securities in which the Fund invests may decline substantially. In particular, purchasing assets at what may appear to be "undervalued" levels is no guarantee that these assets will not be trading at even more "undervalued" levels at a time of valuation or at the time of sale. It may not be possible to predict, or to hedge against, such "spread widening" risk.

General Risks of CDO Investments. The value of any CDOs owned by the Fund generally will fluctuate with, among other things, the financial condition of the obligors or issuers of the underlying portfolio of assets of the related CDO ("CDO Collateral"), general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates. Consequently, holders of CDOs must rely solely on distributions on the CDO Collateral or proceeds thereof for payment in respect thereof. If distributions on the CDO Collateral are insufficient to make payments on the CDOs, no other assets will be available for payment

of the deficiency and following realization of the CDOs, the obligations of such issuer to pay such deficiency generally will be extinguished.

Issuers of CDOs may acquire interests in loans and other debt obligations by way of sale, assignment or participation. The purchaser of an assignment typically succeeds to all the rights and obligations of the assigning institution and becomes a lender under the credit agreement with respect to the loan or debt obligation; however, its rights can be more restricted than those of the assigning institution.

CDO Collateral may consist of high yield debt securities, loans, ABS and other instruments, which often are rated below investment grade (or of equivalent credit quality). High yield debt securities generally are unsecured (and loans may be unsecured) and may be subordinated to certain other obligations of the issuer thereof. The lower ratings of high yield securities and below investment grade loans reflect a greater possibility that adverse changes in the financial condition of an issuer or in general economic conditions or both may impair the ability of the related issuer or obligor to make payments of principal or interest. Such investments may be speculative.

Subordination of CDO Debt and CDO Equity. The Fund's portfolio may consist of CDO equity and subordinate CDO debt. Subordinate CDO debt generally is fully subordinated to the related CDO senior tranches. CDO equity generally is fully subordinated to any related CDO debt. To the extent that any losses are incurred by a CDO in respect of its related CDO Collateral, such losses will be borne first by the holders of the related CDO equity, next by the holders of any related subordinated CDO debt and finally by the holders of the related CDO senior tranches. In addition, if an event of default occurs under the governing instrument or underlying investment, as long as any CDO senior tranches are outstanding, the holders thereof generally will be entitled to determine the remedies to be exercised under the instrument governing the CDO. Remedies pursued by such holders could be adverse to the interests of the holders of any related subordinated CDO debt and/or the holders of the related CDO equity, as applicable.

Illiquidity of CDOs Owned by the Fund. The value of any CDOs owned by the Fund will fluctuate with, among other things, changes in the market rates of interest, general economic conditions, economic conditions in particular industries, the condition of financial markets and the financial condition of the related CDOs. In addition, the lack of an established, liquid secondary market for some CDOs (CDO equity securities in particular) may have an adverse effect on the market value of those CDOs and will in most cases make it difficult to dispose of such CDOs at market or near market prices. Additionally, the public markets for high yield corporate debt securities have experienced periods of volatility and periods of reduced liquidity, and CDOs will be subject to certain other transfer restrictions that may contribute to illiquidity. Therefore, if the Fund decides to dispose of any particular CDO, no assurance can be given that it will be able to dispose of such CDO at the prevailing market price, if at all. Such illiquidity may adversely affect the price and timing of liquidations of CDO securities by the Fund.

Insolvency of Issuers of CDOs. If a court in a lawsuit brought by an unpaid creditor or representative of creditors of a U.S. issuer of a CDO, such as a trustee in bankruptcy, were to find that the issuer did not receive fair consideration or reasonably equivalent value for incurring the indebtedness constituting the CDO and, after giving effect to such indebtedness, the issuer: (i) was insolvent; (ii) was engaged in a business for which the remaining assets of such issuer constituted unreasonably small capital; or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they matured, such court could determine to invalidate, in whole or in part, such indebtedness as a fraudulent conveyance, to subordinate such indebtedness to existing or future creditors of the issuer or to recover amounts previously paid by the issuer in satisfaction of such indebtedness. The measure of insolvency for this purpose varies. Generally, an issuer would be considered insolvent at a particular time if the sum of its debts was then greater than all of its property at a fair valuation or if the present fair saleable value of its assets was then less than the amount that would be required to pay its probable liabilities on its existing debts as they became absolute and matured. There can be no assurance as to what standard a court would apply in order to determine whether the issuer was insolvent after giving

effect to the incurrence of the indebtedness constituting the CDO or that, regardless of the method of valuation, a court would not determine that the issuer was insolvent upon giving effect to such incurrence. In addition, in the event of the insolvency of an issuer of a CDO, payments made on such CDO could be subject to avoidance as a preference if made within a certain period of time (which may be as long as one year) before insolvency. In general, if payments on a CDO are voidable, whether as fraudulent conveyances or preferences, such payments can be recaptured.

Troubled Origination. The investments chosen by the General Partner may have been originated by financial institutions or other entities that are insolvent, in serious financial difficulty, or no longer in existence. As a result, the standards by which such investments were originated, the recourse to the selling institution, or the standards by which such investments are being serviced or operated may be adversely affected.

Derivative Instruments. Generally, the Fund intends to use derivative financial instruments, including without limitation forwards, futures, swaps, options, interest rate swaps, foreign exchange swaps, credit derivatives and total return swaps, primarily for leveraging and hedging purposes. The use of derivative instruments involves a variety of material risks, including the high degree of leverage often embedded in such instruments and the possibility of counterparty nonperformance as well as of material and prolonged deviations between the actual and the theoretical value of a derivative (i.e., nonconformance to anticipated or historical correlation patterns). Such investments are also subject to additional risks that can result in a loss of all or part of an investment such as interest rate and credit risk volatility, world and local market price and demand, and general economic factors and activity. In addition, the markets for certain derivatives are frequently characterized by limited liquidity, which can make it difficult as well as costly to the Fund to close out positions in order either to realize gains or to limit losses.

Many of the derivatives which the Fund trades will be principal to principal or "over the counter" contracts ("OTC Transactions") between the Fund and third parties entered into privately, rather than on an exchange. As a result, the Fund is not afforded all of the regulatory and financial protections of an exchange or its clearinghouse (or of the government regulator that oversees such exchange and clearinghouse). In privately negotiated transactions, the risk of the negotiated price deviating materially from fair value is substantial, particularly when there is no active market available from which to derive benchmark prices (although certain price disclosure requirements pursuant to the Dodd-Frank Act have slightly mitigated this risk). The risk of nonperformance by the obligor on such an instrument may be greater and the ease with which the Fund can dispose of or enter into closing transactions with respect to such an instrument may be less than in the case of an exchange-traded instrument. In addition, significant disparities may exist between "bid" and "asked" prices on OTC Transactions. OTC Transactions are also not subject to the same type of government regulation as exchange traded instruments, and many of the protections afforded to participants in a regulated environment may not be available in connection with such transactions (although certain protections mandated by the Dodd-Frank Act have increased the scope of protections afforded to market participants in the United States generally). To the extent that the Fund engages in OTC Transactions, the Fund must rely on the creditworthiness of its counterparty.

Many derivatives are valued on the basis of dealers' pricing of these instruments. However, the price at which dealers value a particular derivative and the price that the same dealers would actually be willing to pay for such derivative should the Fund wish or be forced to sell may be materially different. Such differences can result in an overstatement of the Fund's net assets and could materially adversely affect the Fund in situations in which the Fund is required to sell derivative instruments.

The Dodd-Frank Act requires clearing and exchange trading of certain derivatives mandated by the CFTC ("Cleared Derivatives"). The European Market Infrastructure Regulation ("EMIR") has similar requirements applicable to derivatives traded in Europe. The CFTC currently requires the clearing of certain interest rate and credit index derivatives. Additional products are expected to be required to be cleared in the future. However, other swaps will not necessarily be cleared through

registered clearinghouses, and therefore may not be subject to the protections afforded to participants in cleared swaps (for example, centralized counterparty, guaranteed funds, customer asset segregation and mandatory margin requirements). Clearinghouse collateral requirements may differ from and be greater than the collateral terms negotiated with derivatives counterparties in the “over-the-counter” market. This may increase the Fund’s cost in entering into these products and impact the Fund’s ability to pursue certain investment strategies. For swaps that are cleared through a clearinghouse, the Fund will face the clearinghouse as legal counterparty and will be subject to clearinghouse performance and credit risk.

There is significant uncertainty regarding recently enacted global legislation (including the Dodd-Frank Act and EMIR, as well as the regulations that are being developed pursuant to such legislation) and, consequently, the full impact that such legislation ultimately will have on the Fund’s derivatives instruments is not fully known to date. For all the foregoing reasons, while the Fund may benefit from the use of derivatives and other hedging mechanisms, the use of derivatives and related techniques can expose the Fund and its investments to significant risk of loss and may result in a poorer overall performance for the Fund than if it had not entered into such transactions.

Trading in Options. The Fund may trade in options. The prices of all derivative instruments, including options, are highly volatile. Investing in options can result in a greater potential for profit or loss than investing in the underlying securities. The value of an option may change because of a change in the value of the underlying securities, the passage of time, changes in the market’s perception as to the future price behavior of the underlying securities, or any combination of the foregoing. The purchaser of an option is subject to the risk of losing the entire purchase price of the option. The writer of an uncovered option is subject to the risk of loss resulting from the difference between the premium received for the option and the price of the security underlying the option, which the writer must purchase upon exercise of the option. In the case of a call option, such risk of loss is theoretically unlimited as the market value of an underlying security may theoretically increase without limit.

Futures Contracts. The Fund may engage in regulated futures transactions, typically for bona fide hedging of existing long and short positions, but also for independent profit opportunities. Trading in futures and options on futures involves significant risks, including the following: (i) futures contracts and options on futures are volatile in price; (ii) futures trading is highly leveraged; and (iii) futures trading may be illiquid. The Fund may sustain a total loss of the initial margin and any maintenance margin that it deposits with a broker to establish or maintain a position in the commodity futures market. If the market moves against the Fund’s position, the Fund may be called upon to deposit a substantial amount of additional margin, on short notice, in order to maintain its position. If the Fund does not provide the required margin within the prescribed time, its position may be liquidated at a loss, and the Fund will be liable for any resulting deficit in its account. Under certain market conditions, the Fund may find it difficult or impossible to liquidate a position. The high degree of leverage that is often obtainable in futures trading because of the small margin requirements can work against the Fund as well as for it. The use of leverage can lead to large losses. Non-U.S. futures markets may have greater risk than domestic futures markets. Unlike trading on domestic commodity exchanges, trading on non-U.S. commodity exchanges is not regulated by the CFTC and may be subject to greater risks than trading on domestic exchanges.

The Fund may also trade in Securities Futures Contracts. These contracts include both futures contracts on single stocks and futures contracts on narrow-based securities indices. They are treated as both futures and securities and, therefore, are subject to the joint jurisdiction of the SEC and the CFTC. Securities futures contracts are subject to the same risks as other securities, as well as to the greater volatility and risks of futures trading.

Forward Trading. Forward contracts and options thereon, unlike futures, are not traded on exchanges and are generally not standardized; rather banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. The principals that deal in the forward markets are not required to continue to make markets in the commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during

which certain participants in these markets have refused to quote prices for certain commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell.

Position Limits. “Position limits” imposed by various regulators and exchanges may limit the Fund’s ability to effect desired trades. Position limits are the maximum amounts of net long or net short positions that any one person or entity may own or control in a particular financial instrument. All positions owned or controlled by the same person or entity, even if in different accounts, may be aggregated for purposes of determining whether the applicable position limits have been exceeded. Thus, even if the Fund does not intend to exceed applicable position limits, it is possible that different accounts managed by MeehanCombs and its affiliates may be aggregated. If at any time positions managed by MeehanCombs were to exceed applicable position limits, MeehanCombs would be required to liquidate positions, which might include positions of the Fund, to the extent necessary to come within those limits. Further, to avoid exceeding the position limits, the Fund might have to forego or modify certain of its contemplated trades. Pursuant to its authority under the Dodd-Frank Act, the CFTC is expected to impose mandatory position limits on certain derivatives in the United States.

Trading in Currencies. The Fund is exposed in the interbank market to risks associated with any government or market action that might suspend or restrict trading or otherwise render illiquid, in whole or in part, the Fund's position. The Fund may trade currencies and financial instruments only in interbank and forward contract markets which MeehanCombs believes to be well-established and of recognized standing, and MeehanCombs effects such trades only with banks, brokers, dealers, financial institutions and other market participants which MeehanCombs believes to be creditworthy.

Currency and Exchange Rate Risks. The Fund may invest in Financial Instruments denominated in currencies other than the U.S. Dollar or in financial instruments which are determined with references to currencies other than the U.S. Dollar. The Fund, however, will generally value its assets in U.S. Dollars. To the extent unhedged, the value of the Fund's assets will fluctuate with U.S. Dollar exchange rates as well as with price changes of their investments in the various local markets and currencies. Thus, an increase in the value of the U.S. Dollar compared to the other currencies in which the Fund may make investments will reduce the effect of increases and magnify the U.S. Dollar equivalent of the effect of decreases in the prices of the Fund's financial instruments in their local markets. Conversely, a decrease in the value of the U.S. Dollar will have the opposite effect of magnifying the effect of increases and reducing the effect of decreases in the prices of the Fund's non-U.S. Dollar Financial Instruments. The Fund may also utilize forward currency contracts and options to hedge against currency fluctuations, but there can be no assurance that such hedging transactions will be effective.

Credit Default Swaps. The Fund may enter into credit derivative swap (“CDS”) contracts from time to time. CDS can be settled via auction settlement, cash settlement or physical settlement. Auction settlement is the predominant method of settling standard CDS contracts (e.g., single-name contracts referencing North American corporates). The typical auction-settled CDS contract requires the seller to pay to the buyer, in the event that a particular reference entity experiences one or more specified credit events (as determined by a Credit Derivatives Determinations Committee), the difference between the notional amount of the contract and the recovery value based on the market value of a portfolio of securities or loans issued by the reference entity determined via an industry-standard auction process. In return, the buyer agrees to make periodic and/or upfront payments equal to a fixed percentage of the notional amount of the contract. The Fund may also purchase or sell Index CDS. As noted above, Index CDS are currently required by the CFTC to be centrally cleared. Although as a seller of CDS contracts, the Fund incurs leveraged exposure to the credit of the reference entity and is subject to many of the same risks it would incur if it were holding debt securities or loans issued by the reference entity; however, the Fund will not have any legal recourse against the reference entity and will not benefit from any collateral securing the reference entity's debt obligations solely by virtue of the Fund’s position as a purchaser of CDS protection. In the case of physically settled CDS contracts, the CDS buyer may have broad discretion to select which of the reference entity's debt obligations to deliver to the Fund following

certain credit events and will likely choose the obligations with the lowest market value in order to maximize the payment obligations of the Fund.

Hedging Transactions. The Fund is not required to attempt to hedge portfolio positions and, for various reasons, may determine not to do so. Moreover, the Fund is not obligated to hedge against fluctuations in the value of the Fund's portfolio positions as a result of changes in market interest rates or any other developments. Furthermore, the Fund may not anticipate a particular risk so as to hedge against it. While the Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Fund than if the Fund had not engaged in any such hedging transactions. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio position being hedged may vary. For a variety of reasons, the Fund may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the Fund from achieving the intended hedge or expose the Fund to risk of loss. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of the Fund's portfolio holdings. Moreover, it should be noted that a portfolio will always be exposed to certain risks that cannot be hedged, such as credit risk (relating both to particular securities and counterparties), "liquidity risk" and "widening" risk. In the event that the Fund elects to hedge its exposure, it may utilize a variety of financial instruments such as shorts, derivatives, options, swaps, caps and floors and forward contracts, both for investment purposes and for risk management purposes in order to: (i) protect against possible changes in the market value of the Fund's investment portfolio resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect the Fund's unrealized gains in the value of the Fund's investment portfolio; (iii) facilitate the sale of any such investments; (iv) establish a position as a temporary substitute for other securities; (v) enhance or preserve returns, spreads or gains on any investment in the Fund's portfolio; (vi) hedge the interest rate or currency exchange rate on any of the Fund's liabilities or assets; (vii) protect against any increase in the price of any securities the Fund anticipates purchasing at a later date; or (viii) for any other reason that MeehanCombs deems appropriate. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions' value. Such hedging transactions also limit the opportunity for gain if the value of the portfolio position should increase. Moreover, it may not be possible for the Fund to hedge against an exchange rate, interest rate or security price fluctuation that is so generally anticipated that the Fund is unable to enter into a hedging transaction at a price sufficient to protect its assets from the decline in value of the portfolio positions anticipated as a result of such fluctuations.

Interest Rate Risk. The value of the fixed rate securities in which the Fund may invest generally will have an inverse relationship with interest rates. Accordingly, if interest rates rise the value of such securities may decline. In addition, to the extent that the receivables or loans underlying specific securities are prepayable without penalty or premium, the value of such securities may be negatively affected by increasing prepayments, which generally occur when interest rates decline.

Non-U.S. Exchanges. The Fund may trade on exchanges or markets located outside the U.S. Trading on such exchanges or markets is not regulated by the SEC and CFTC and may, therefore be subject to more risks than trading on U.S. exchanges, such as the risks of exchange controls, expropriation, burdensome taxation, moratoria and political or diplomatic events. Risks in investments in non-U.S. securities, futures, commodities and other financial instruments may also include reduced and less reliable information about issuers and markets, less stringent accounting standards, illiquidity of securities and markets, higher brokerage commissions and custody fees.

Short Selling. Short selling involves selling securities which may or may not be owned by the short seller and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from a decline in market price to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. The extent to

which the Fund engages in short sales will depend upon the General Partner's investment strategy and opportunities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Fund of buying those securities to cover the short position. There can be no assurance that the Fund will be able to maintain the ability to borrow securities sold short. In such cases, the Fund can be "bought in" (*i.e.*, forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

Trading and Investing Vehicles. The Fund may effect certain investments through limited partnerships, limited liability companies, corporations or other vehicles sponsored or managed by the MeehanCombs or third parties. Such investments may be effected through the purchase of debt, warrants or other investments of issuers, the equity of which is owned by the MeehanCombs. A creditor having a claim that relates to a particular investment held by any such vehicle may be able to satisfy such claim against all assets of such vehicle, without regard to the participation rights of the Fund and other investors of such vehicle in the assets of such vehicle.

Trade Errors. The Master Fund, and therefore the investors in the Funds, will be responsible for any losses resulting from trading errors and similar human errors, unless due to our fraud, gross negligence, willful misconduct or bad faith or the inability to waive or limit such losses under applicable law. MeehanCombs has established policies and procedures for the handling of trade errors and will correct errors as soon as practicable after discovery to mitigate any potential loss. Trading errors for which the Master Fund will generally be responsible might include, for example, ordinary human error such as buying a security that MeehanCombs intended to sell, selling a security that MeehanCombs intended to buy, keystroke errors that occur when entering trades into an electronic trading system or typographical or drafting errors related to derivatives contracts or similar agreements. Given the volume of transactions executed by MeehanCombs and its affiliates on behalf of the Master Fund, investors should assume that trading errors (and similar errors) will occur and that the Master Fund, and therefore the investors in the Funds, will be responsible for any consequent losses, even if such losses result from the negligence (but not gross negligence) of MeehanCombs or its affiliates. MeehanCombs may be biased when determining whether losses resulting from a trading error will be borne by the Master Fund. Generally, in determining whether MeehanCombs was grossly negligent, we will evaluate and consider, among other things, the adequacy of the supervisory procedures in place to prevent such errors from recurring with any frequency. From time to time MeehanComb or its affiliates may voluntarily reimburse the Master Fund for losses suffered as a result of certain trade errors identified by MeehanCombs or its affiliates. However, notwithstanding the previous sentence, investors should not carry the expectation that a reimbursement will ever take place, and in evaluating the Master Fund no decisions should be made in reliance on MeehanCombs making any reimbursements to the Master Fund for losses suffered as a result of such trade errors. Any decision to reimburse is not precedential and should not create the expectation of any reimbursement in the future.

MeehanCombs' investment management agreements with the RICs also provide that MeehanCombs will not be responsible for any losses resulting from trading errors and similar human errors, unless due to our fraud, gross negligence, willful misconduct or bad faith. Applicable law may require MeehanCombs to reimburse the RICs for losses resulting from trading errors even when reimbursement would not be required under the relevant investment management agreement.

Counterparty Risk. Some of the markets in which the Fund may effect transactions are "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. This exposes the Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not *bona fide*) or because of a credit or liquidity problem, thus causing the Fund to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or

where the Fund has concentrated its transactions with a single or small group of counterparties. The Fund is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. Moreover, the Fund's internal credit function which evaluates the creditworthiness of its counterparties may prove insufficient. The lack of a complete and "foolproof" evaluation of the financial capabilities of the Fund's counterparties and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Fund.

Co-Investments with Third Parties. The Fund may co-invest with third parties through joint ventures or other entities. Such investments may involve risks in connection with such third-party involvement, including the possibility that a third-party co-venturer may have financial difficulties resulting in a negative impact on such investment, may have economic or business interests or goals that are inconsistent with those of the Fund, or may be in a position to take (or block) action in a manner contrary to the Fund's investment objective. In those circumstances where such third parties involve a management group, such third parties may enter into compensation arrangements relating to such investments, including incentive compensation arrangements. Such compensation arrangements will reduce the returns to participants in the investments and create potential conflicts of interest between such parties and the Fund.

ASC 820 -- Fair Value Measurements and Disclosures (originally issued as FAS 157): Potential GAAP vs. Valuation Policy Reporting Difference. The Fund's and the Master Fund's assets and liabilities are valued in accordance with the valuation policies set forth in the limited partnership agreement. However, for purposes of preparing the Fund's and the Master Fund's annual audited financial statements, which are prepared in accordance with GAAP (as defined below), certain of the Fund's and the Master Fund's assets and liabilities may be valued in a manner that, while consistent with GAAP, is different from the manner in which such assets are valued pursuant to the limited partnership agreement, as applicable.

Specifically, for purposes of GAAP-compliant financial reporting, the Fund and the Master Fund are required to follow a specific framework for measuring the fair value of its assets and liabilities, and are required to provide certain additional disclosures regarding the use of fair value measurements in their audited financial statements. Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820 defines and establishes a framework for measuring fair value under GAAP and expands financial statement disclosure requirements relating to fair value measurements. Other valuation-related requirements are contained in other provisions of GAAP, and sections of the codification. Additional FASB Accounting Codification Standards and updates and additional provisions of GAAP, that may be adopted in the future may also impose additional, or different, specific requirements as to the valuation of assets and liabilities for purposes of GAAP-compliant financial reporting.

Accordingly, to the extent that GAAP would require any of the Fund's or the Master Fund's assets or liabilities to be valued in a manner that differs from the valuation policies set forth in the limited partnership agreement, such assets or liabilities will be valued (x) in accordance with GAAP, solely for purposes of preparing the Fund's and the Master Fund's GAAP-compliant annual audited financial statements, and (y) in accordance with the valuation policies set forth in the limited partnership agreement (without regard to any GAAP requirements relating to the determination of fair value), for all other purposes, including, without limitation, for purposes of allocating gains and losses among the investors, which, as described in this Memorandum, is relevant to, among others, the calculation of the Management Fee and the Performance Allocation and the amounts payable by the Fund in respect of a withdrawal by or distribution to an investor.

Generally, ASC 820 and other accounting rules applicable to investment funds and various assets they invest in are evolving. Such changes may adversely affect the Fund. For example, the evolution of rules governing the determination of the fair market value of assets to the extent such rules become more stringent would tend to increase the cost and/or reduce the availability of third-party

determinations of fair market value. This may in turn increase the costs associated with selling assets or affect their liquidity due to inability to obtain a third-party determination of fair market value.

Systemic Risk. Credit risk may also arise through a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes a series of defaults by the other institutions. This is sometimes referred to as a "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which the Fund interacts on a daily basis.

Volatility Risk. The Fund's investment program may involve the purchase and sale of relatively volatile instruments such as derivatives, which are frequently valued based on implied volatilities of such derivatives compared to the historical volatility of underlying financial instruments. Fluctuations or prolonged changes in the volatility of such instruments, therefore, can adversely affect the value of investments held by the Fund. In addition, many non-U.S. financial markets are not as developed or as efficient as those in the U.S., and as a result, price volatility may be higher for the Fund's investments. Consequently, and also as a result of its investment program, the Fund's performance may be volatile.

Competition; Availability of Investments. The markets in which the Fund may invest are extremely competitive for attractive investment opportunities and, as a result, there may be reduced expected investment returns. There can be no assurance that the General Partner will be able to identify or successfully pursue attractive investment opportunities in such environments. Among other factors, competition for suitable investments from other pooled investment vehicles, the public equity markets and other investors may reduce the availability of investment opportunities. Competitive investment activity by other firms and institutions will reduce the Fund's opportunity for profit by generally increasing price pressure on desired assets, reducing mispricings in the market as well as the margins available on those mispricings that can still be identified.

Equity Securities. The Fund may invest in equity and equity-related securities of U.S. and non-U.S. companies. Equity securities fluctuate in value in response to many factors, including the activities, results of operations and financial condition of individual companies, the business market in which individual companies compete, industry market conditions, interest rates and general economic environments. In addition, events such as domestic and international political instability, terrorism and natural disasters may be unforeseeable and contribute to market volatility in ways that may adversely affect investments made by the Fund.

Debt Instruments Generally. The Fund may invest in private and government debt securities and instruments. The debt instruments in which the Fund invests may be unrated, and whether or not rated, the debt instruments may have speculative characteristics. The issuers of such instruments (including sovereign issuers) may face significant ongoing uncertainties and exposure to adverse conditions that may undermine the issuer's ability to make timely payment of interest and principal. Such instruments are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse conditions. In addition, an economic recession could severely disrupt the market for most of these instruments and may have an adverse impact on the value of such instruments. It is also likely that any such economic downturn could adversely affect the ability of the issuers of such instruments to repay principal and pay interest thereon and increase the incidence of default for such instruments.

Fraud. Of paramount concern in loan investments is the possibility of material misrepresentation or omission on the part of the borrower or loan seller. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the loans or may adversely affect the ability of the Fund to perfect or effectuate a lien on the collateral securing the loan. The Fund will rely upon the accuracy and completeness of representations made by borrowers to the extent reasonable, but cannot guarantee such accuracy or completeness. Under certain circumstances,

payments to the Fund may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Instances of fraud and other deceptive practices committed by third parties in connection with any financial asset in which the Fund invests may undermine the MeehanCombs's due diligence efforts with respect to such investments, and if such fraud is discovered, negatively affect the valuation of the Fund's investments. In addition, when discovered, financial fraud may contribute to overall market volatility, which can negatively impact the Fund's investment program. Misconduct by employees of the MeehanCombs, the General Partner or by third party service providers could cause significant losses to the Fund. Employee misconduct may include binding the Fund to transactions that exceed authorized limits or present unacceptable risks and unauthorized trading activities or concealing unsuccessful trading activities (which, in either case, may result in unknown and unmanaged risks or losses). Losses could also result from actions by third party service providers, including, without limitation, failing to recognize trades and misappropriating assets. In addition, employees and third party service providers may improperly use or disclose confidential information, which could result in litigation or serious financial harm, including limiting the Fund's business prospects or future marketing activities. No assurances can be given that the due diligence performed by the MeehanCombs will identify or prevent any such misconduct.

Uncertain Exit Strategies. Due to the illiquid nature of some of the positions which the Fund may acquire, as well as the uncertainties of the reorganization and active management process, the General Partner is unable to predict with confidence what the exit strategy will ultimately be for any given investment, or that one will definitely be available. Exit strategies which appear to be viable when an investment is initiated may be precluded by the time the investment is ready to be realized due to economic, legal, political or other factors.

Investing in securities and commodity interests involves risk of loss that Clients and Fund investors should be prepared to bear. The risk factors described above do not purport to be a complete enumeration or explanation of the risks involved in an investment with us. Please refer to the applicable governing documents for a more detailed description of such risks.

ITEM 9
DISCIPLINARY INFORMATION

Neither MeehanCombs nor any of its officers, directors, or employees or other management persons, has been involved in any legal or disciplinary events that would require disclosure in response to this Item.

ITEM 10
OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Broker-Dealer Registration Status.

None of MeehanCombs, its affiliates, or any of their management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

B. Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Adviser Registration Status.

MeehanCombs, in addition to being an investment adviser that is registered with the SEC, is also a registered commodity trading advisor under the Commodity Exchange Act ("CEA") with the Commodities Futures Trading Commission ("CFTC") and is a member of the National Futures Association ("NFA").

C. Material Relationships or Arrangements with Industry Participants.

As previously mentioned, MeehanCombs GP, LLC is the general partner of MeehanCombs. MeehanCombs GCO GenPar LLC is the general partner to the feeder funds, MeehanCombs Global Credit Opportunities Fund, LP and MeehanCombs Global Credit Opportunities Fund (Cayman), LP. MeehanCombs GCO GenPar LLC is the general partner to the Master Fund, MeehanCombs Global Credit Opportunities Master Fund, LP. MeehanCombs GCO MasterGenPar, LLC is the general partner of MeehanCombs GCO GenPar, LLC. Each general partner referenced above is owned in whole or part by employees and/or executive officers of MeehanCombs.

The Master Fund General Partner, MeehanCombs GCO MasterGenPar, LLC, has established a board of advisors of the Master Fund (the "Board of Advisors"), the approval of which shall be required in connection with certain investments and other matters related to the Master Fund. The Board of Advisors is comprised of a majority of independent Advisors, however, MeehanCombs or an affiliate selects, hires, and retains these Advisors. The Board of Advisors shall also provide such advice and counsel as is requested by the Master Fund General Partner and is paid by the Master Fund. Although the structural arrangement described above may give MeehanCombs heightened control and discretion over the Funds, we manage any potential conflicts of interest by strictly adhering to the investment strategy and investment allocation policy discussed in our offering documents.

MeehanCombs or its affiliates have a strategic relationship with an alternative investment management firm that has agreed to provide a significant capital contribution to the Funds (the "Strategic Investor"). In exchange for its substantial investment in the Funds, the Strategic Investor will receive certain fixed distributions out of the assets attributable to the other Master Fund and a portion of the Performance Fees. To the extent the Strategic Investor is entitled to fixed distributions, any such special allocation made to the Strategic Investor will not result in the Investors being subject to higher fees and allocations (including Management Fees and Incentive Allocations) to which they otherwise would have been subject. The Strategic Investor's fund investments will also be subject to the Management Fee and Performance Allocation, although at rates that are different than those of other investors. The Strategic Investor may benefit from certain additional rights such as certain information and reporting rights, "most favored nation" status, co-investment opportunities, and the right to acquire additional founder interests, which include a lower Management Fee rate, a lower Carried Interest rate and a lower Performance Allocation rate than those applicable to other Fund interests. Additionally, the Strategic Investor will be entitled to withdraw its Interests upon the occurrence of certain events. In the event that the Strategic Investor elects to exercise such withdrawal right, fund investors will be notified and be permitted to withdraw alongside the Strategic Investor, in the same proportion of their Interests as the Interests being withdrawn by the Strategic Investor in relation to its capital invested in the Master

Fund, the Domestic Fund and the Master Fund. Although the Advisor and the Strategic Investor have a strategic relationship, the Advisor is operated independently of the Strategic Investor. MeehanCombs may also manage other accounts for the Strategic Investor or its affiliates.

Neither MeehanCombs nor any of its management persons has any other relationship or arrangement with any related person that is material to its advisory business or to the Funds.

MeehanCombs may in the future advise other pooled investment vehicles and separately managed accounts that may have investment programs that are similar or substantially similar to the investment program of the Funds. As a result of the foregoing, MeehanCombs and its employees may have conflicts of interest in allocating their time and resources among MeehanCombs' clients, and in allocating investments among MeehanCombs' clients. Accordingly, MeehanCombs will devote so much of its time and will allocate the time and resources of its employees to each Fund, pooled investment vehicle or separately managed account as in its judgment each Fund or such other client reasonably requires.

D. Material Conflicts of Interest Relating to Other Investment Advisers.

MeehanCombs does not recommend or select other investment advisers for the Funds or the RIC.

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

A. Code of Ethics.

MeehanCombs' employees generally may not purchase or sell securities from their own accounts. To govern the personal securities transactions of its employees, MeehanCombs has adopted a code of ethics which sets forth a standard of conduct expected of all MeehanCombs employees and is designed to foster compliance with applicable law and regulatory requirements, and promote a culture of high ethical standards. The code of ethics addresses MeehanCombs' standards of business conduct, and includes personal trading and insider trading policies and procedures. In addition, the code of ethics requires MeehanCombs' personnel to protect the confidentiality of client and investor information, report, and, in certain instances pre-clear, the giving or receiving of gifts and entertainment (including political contributions), and seek approval for outside business activities.

MeehanCombs' code of ethics requires employees to report personal transactions on a quarterly basis, file initial and annual personal account disclosures and securities holdings reports, and certify their compliance with the code of ethics on an annual basis.

MeehanCombs will provide a copy of its code of ethics to any investor upon request.

B. Securities That You or a Related Person Has a Material Financial Interest.

Our firm's officers and employees invest personally in our Funds. These investments could pose a conflict of interest with our other clients because officers and employees may be motivated to allocate time, attention, and/or investment opportunities to the Funds at the expense of the RICs or other Clients. We have adopted written policies and procedures governing the allocation of investment opportunities, and will seek to treat all clients fairly over time.

MeehanCombs generally does not, directly or indirectly, while acting as principal for its own account, knowingly sell any security to, or purchase any security from, a Fund, but if it were to engage in such transactions it would obtain any necessary approvals in accordance with applicable law.

MeehanCombs may recommend that a Client enter into a cross trade (a transaction for the purchase or sale of a security or other financial instrument) with another investment fund or managed account for purposes of portfolio re-balancing, or otherwise. A cross trade may be deemed a principal transaction if MeehanCombs and certain persons in a control relationship with MeehanCombs own a substantial portion (i.e., in excess of 25% of a pooled vehicle) of one or both of the Fund and/or the other investment fund or managed account participating in the cross trade. MeehanCombs will not recommend that a Fund enter into a cross trade that is deemed a principal transaction without obtaining proper approval in accordance with applicable law.

C. Investing in Securities That You or a Related Person Recommends to Clients.

Subject to internal compliance policies and approval procedures designed to address any conflicts of interest that may arise, employees of MeehanCombs may engage, from time to time, in personal trading of securities and other financial instruments, including securities and financial instruments in which a Client may invest. Please refer to the response in Item 11.A for a description of MeehanCombs' personal trading policy.

D. Conflicts of Interest Created by Contemporaneous Trading.

The Funds or the RICs presently advised by MeehanCombs may or may not follow an investment program that is the same as or similar to the investment program of one or more other investment funds or managed accounts advised by MeehanCombs in the future. Accordingly, in such case, it is MeehanCombs' policy to recommend the allocation of investment opportunities fairly and equitably over time. This means that investment opportunities will be allocated among the Fund and the RICs or any other Client, for which participation in the respective opportunity is considered appropriate, taking into account, among other considerations: (i) whether the risk-return profile of the proposed investment is consistent with the client's objectives; (ii) the proposed investments impact on the current portfolio of the client; (iii) liquidity requirements of the client; (iv) potentially adverse tax consequences; (v) legal or regulatory restrictions that would or could limit a client's ability to participate in a proposed investment; (vi) structural and/or financing restrictions; (vii) the need to re-size risk in the client's portfolio; and (viii) other considerations as may be deemed appropriate from time to time.

ITEM 12

BROKERAGE PRACTICES

A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions.

MeehanCombs has complete discretion in deciding which securities are bought and sold, the amount and price of those securities, the broker-dealers or counterparties to be used for a particular transaction, and commissions or markups and markdowns paid. As part of its advisory services to the Funds, MeehanCombs enters into portfolio transactions on behalf of the Funds on the basis of seeking best execution. MeehanCombs allocates portfolio transactions to brokers and dealers in consideration of various factors including the ability to effect prompt and reliable executions at favorable prices; a broker or dealer's commission rates, reliability, financial responsibility and strength; the facilities that the broker makes available including trading networks; the operational efficiency with which transactions are effected; error rates and resolution, and the provision or payment of the costs of research and other services that are of benefit to MeehanCombs or Clients.

Accordingly, if MeehanCombs determines in good faith that the amount of commissions charged by a broker is reasonable in relation to the value of the brokerage and products or services provided by such broker, Clients may pay commissions to such broker in an amount greater than the amount another broker might charge for effecting the same transaction.

MeehanCombs has policies and procedures to review and monitor brokers/dealers and the quality of their executions. We periodically review the allocation of brokerage, commission rates where applicable, the services that they provide, and the quality and cost of research provided.

1. Research and Other Soft Dollar Benefits.

Section 28(e) of the Exchange Act provides a safe harbor that allows an investment adviser to pay more than the lowest available commission in order to obtain brokerage and research services (commonly referred to as a "soft dollar" arrangement). That practice involves a conflict of interest, but Section 28(e) of the Securities Exchange Act of 1934 provides that it does not breach MeehanCombs' fiduciary duty if the services and products consist of "research" and "brokerage" services and products and certain other conditions and requirements are met. MeehanCombs may consider the receipt of research or brokerage from a broker-dealer or counterparty when choosing an intermediary for execution. To the extent that the receipt of any ongoing such brokerage or research services provided may be deemed a soft dollar arrangement, the benefits received will fall within the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934.

Research products and services provided to MeehanCombs may include research reports on particular industries and companies, economic surveys and analyses, statistical information, market data, accounting and tax law interpretations, information regarding political developments, credit analysis, advice from legal, strategic, financial, and industry consultants and advisors, recommendations as to specific securities, and other products and services other information regarding matters that may affect the economy and/or security prices and provide lawful and appropriate assistance to MeehanCombs in the performance of its investment advisory responsibilities.

When MeehanCombs uses brokerage commissions (or markups or markdowns) (i.e., "soft" dollars) to obtain research, or other products or services, MeehanCombs receives a benefit because it does not have to produce or pay for the research, products, or services. MeehanCombs may have an incentive to select a broker or dealer based on its interest in receiving research or other products or services, rather than the Client's interest in receiving the most favorable execution.

MeehanCombs may cause a Fund to pay commissions (or markups or markdowns) higher than those charged by other brokers or dealers in return for soft dollar benefits. In addition, MeehanCombs may use research obtained with “soft” dollars benefit one, a few or all of our Clients. We also use soft dollar research to benefit client accounts other than the client accounts that paid the soft dollar commissions. MeehanCombs is not required to allocate “soft” dollar benefits to clients proportionately. Where a product or service obtained with “soft” dollars provides both research and non-research assistance to MeehanCombs, we will make a reasonable allocation of the cost of that product or service that may be paid for with soft dollars and will pay for the remainder of the cost with its own funds. .

2. Brokerage for Client Referrals.

Brokers may refer or introduce investors to MeehanCombs, and MeehanCombs may accept investor referrals or introductions from brokers in appropriate circumstances. It should be noted that in these situations MeehanCombs receives a benefit because it will receive additional compensation if it gains a new advisory client or the Funds accept new investors. As a result, MeehanCombs may have an incentive to select or use a broker-dealer based on MeehanCombs or an affiliate receiving Fund investor or Client referrals from that counterparty. However, MeehanCombs does not base its selection of brokers on the provision of these services in any material respect.

3. Directed Brokerage.

MeehanCombs does not recommend, request, or require that a Client direct MeehanCombs to execute transactions through a specified broker or dealer.

However, a Client may direct MeehanCombs to effect transactions in the Client’s account through a specific broker-dealer (“Directed Brokerage”) or limit the roster of counterparties it can transact with (“Limited Counterparties”). Under such circumstances, the Client is responsible for negotiating terms for their account directly with the broker-dealer or counterparty. MeehanCombs will only direct brokerage pursuant to specific instructions that have been signed and dated by the Client.

Directed Brokerage or constraints that limit MeehanCombs’ ability to access MeehanCombs’ roster of approved counterparties may restrict MeehanCombs from achieving the most favorable execution of Client transactions. For example, in a Directed Brokerage or Limited Counterparties account, the Client may pay higher execution costs because MeehanCombs will not typically be able to aggregate orders to reduce transaction costs, therefore, the Client may receive less favorable prices. MeehanCombs will also not typically aggregate trades for Directed Brokerage or Limited Counterparties Client accounts. MeehanCombs will generally place trades on behalf of accounts subject to Directed Brokerage or Limited Counterparties after trading on behalf of other accounts. Consequently, Clients that have instructed MeehanCombs to Direct Brokerage or have Limited Counterparties may pay materially disparate commissions, greater spreads, or other transaction costs, or receive less favorable net prices on transactions than would otherwise be the case.

B. Order Aggregation.

In the event that MeehanCombs executes purchases or sells of the same securities for advisory clients at approximately the same time, MeehanCombs may, to the extent permitted by applicable law, but is not obligated to, combine such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among advisory clients differences in prices and commissions or other transaction costs than might have been obtained had these orders been placed separately. In general, MeehanCombs will not aggregate orders if, in a particular instance, MeehanCombs believes that aggregation would cause a Client's cost of execution to increase or if aggregation is not possible due to regulatory reasons (such as only one account is Reg S eligible) or administrative reasons (such as minimum lot sizes or standard trading size increments). If an order cannot be fully executed under prevailing market conditions, MeehanCombs may allocate the securities traded among the participating Clients on a basis which MeehanCombs considers equitable.

C. Trade Errors.

A "trade error" is generally considered to include an error that (i) prevents portfolio trading instructions given by MeehanCombs on behalf of a Client from being effectuated in substantially the manner intended; (ii) results in the execution of a trade on behalf of a Client that was not intended for that Client; or (iii) causes a violation of any applicable investment policies or restrictions mandated by the Client or by law. Depending on the relevant facts and circumstances, other events might also be considered trade errors.

MeehanCombs seeks to detect trade errors prior to settlement and to correct and/or mitigate them in an expeditious manner. To the extent an error is caused by a third party, such as a broker, MeehanCombs will seek to recover any losses associated with the error from that third party. However, there is no guarantee that MeehanCombs will be able to do so. In the event that a Fund incurs a trade error solely as a result of MeehanCombs' dishonesty or bad faith, gross negligence, or willful misconduct, such error will be corrected by MeehanCombs as soon as practicable and in a manner such that the Fund incurs no loss. Trade errors that result other than by breach of the standard of care stated in the previous sentence will be borne by the relevant Fund. If MeehanCombs makes an error while placing a trade for a RIC, MeehanCombs will seek to correct the error promptly in a way that mitigates any losses. MeehanCombs will generally bear any costs associated with correcting any error for the RICs subject to the terms of the relevant investment management agreement. Gains associated with any trade error will be retained by the affected Client(s). MeehanCombs will generally not net gains and losses associated with multiple errors related to separate investment decisions, but gains and losses stemming from an interrelated set of errors may be netted. MeehanCombs will not use soft dollars or commitments of future brokerage business to compensate any broker-dealer for absorbing the cost of a trade error.

ITEM 13

REVIEW OF ACCOUNTS

A. Frequency and Nature of Review of Client Accounts or Financial Plans.

On a daily basis, the Fund's portfolio is reviewed by MeehanCombs' operations staff under the supervision of MeehanCombs' Chief Financial Officer to ensure that all transactions are properly posted. In addition, MeehanCombs' Chief Compliance Officer, or his designee, monitors trading in the Fund's portfolio to ensure compliance with applicable investment guidelines and investment restrictions, among other things. MeehanCombs utilizes compliance software which monitors all Client portfolios for compliance with their respective investment guidelines.

B. Factors Prompting Review of Client Accounts Other than a Periodic Review.

In addition to the periodic review described above, the Fund's portfolios will be reviewed if the portfolio encounter special circumstances.

C. Content and Frequency of Account Reports to Clients.

Generally, investors in the Funds will receive monthly unaudited performance reports and annual audited financial statements, as well as certain tax information for preparation of investors' tax returns. As previously mentioned, certain investors in the Funds may receive additional information and reporting that other investors may not receive. The RICs receive a daily report of all trade activity.

Should MeehanCombs manage and/or advise other investment funds or separately managed accounts in the future, the nature and frequency of reporting will be individually negotiated.

ITEM 14
CLIENT REFERRALS AND OTHER COMPENSATION

A. Economic Benefits for Providing Services to Clients.

MeehanCombs does not receive any economic benefits from persons who are not clients for providing investment advice or other advisory services to the Funds.

B. Compensation to Non-Supervised Persons for Client Referrals.

MeehanCombs may enter into arrangements pursuant to which it compensates third parties for referrals of potential investors to the Funds. To the extent applicable, such arrangements will be made in compliance with Rule 206(4)-3 under the Advisers Act.

ITEM 15

CUSTODY

MeehanCombs is deemed to have custody of the assets of the Fund. Fund assets are held at a qualified custodian or are otherwise exempt from such requirement. MeehanCombs relies on the provisions of Rule 206(4)-2 of the Advisers Act with respect to the Funds. Each Fund is audited annually by an independent public accountant that is both registered and inspected by the Public Company Accounting Oversight Board. Audited financial statements of the Funds are distributed to investors in the Funds within 120 days of each Fund's fiscal year end.

The RICs choose a qualified custodian to hold their funds and securities. The RIC Clients' qualified custodians send trade confirmations and account statements directly to the RIC's investment adviser. We encourage the RIC investment advisers to carefully review these statements and compare them to any account statements or other information that we provide to them.

ITEM 16
INVESTMENT DISCRETION

MeehanCombs has discretionary authority to manage the Funds pursuant to investment management agreements between MeehanCombs and the Funds. MeehanCombs' discretionary authority is subject to the stated investment objectives, guidelines, and restrictions of the Funds as set forth in the investment management agreements.

MeehanCombs provides discretionary advisory services pursuant to a sub-advisory agreement with each RIC and such RIC's primary investment advisor. MeehanCombs' discretionary authority is subject to the stated investment objectives, guidelines, and restrictions of each RIC as set forth in the investment mandate agreed upon by the parties.

ITEM 17

VOTING CLIENT SECURITIES

The Advisers Act generally requires investment advisers to vote all proxies within their authority. MeehanCombs has established written policies and procedures designed to ensure that shares owned by the Fund are voted in the best interest of such Fund (the “Proxy Voting Procedures”). MeehanCombs does not vote proxies where it does not have the authority to do so or where the cost of doing so, in the opinion of MeehanCombs, would exceed the expected benefits to the Fund. MeehanCombs reviews material proxy matters for the Fund and the RICs and determines whether the voting service recommendations appear to be in the best interest of the Fund and votes accordingly. A RIC or its primary investment adviser may direct us how to vote proxies for particular ballots in respect of securities held by such RIC. A Client other than a Fund may contact MeehanCombs’s Chief Compliance Officer to revoke our discretionary voting authority for a particular proxy solicitation.

Clients may contact MeehanCombs to obtain information on how proxies were voted and to request a copy of the Proxy Voting Procedures.

MeehanCombs has retained a third party service to notify us in the event that a Client account becomes eligible to participate in a securities class action lawsuit. In the event we do submit proof of claims and later receive an award, it will be distributed to the applicable Clients at the time the proceeds are received from the settlement agent. Barring a contractual obligation, we may refrain from participating in class actions where in our judgment the recovery amounts are likely to be de minimis.

ITEM 18
FINANCIAL INFORMATION

MeehanCombs is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to the Funds, and has not been the subject of a bankruptcy petition at any time during the past ten years.

