

**ITEM 1
COVER PAGE**

PART 2A OF FORM ADV: FIRM BROCHURE

MSDC Management, L.P.

February 2012

MSDC Management, L.P.

645 5th Avenue

New York, NY 10022

Tel: (212) 303-1650

Fax: (212) 303-1634

This brochure (this "Brochure") provides information about the qualifications and business practices of MSDC Management, L.P. (the "Investment Adviser"). If you have any questions about the contents of this Brochure, please contact us at (212) 303-1650 or mlisker@msdcapital.com. 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.

The Investment Adviser 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.

Additional information about the Investment Adviser also is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2

MATERIAL CHANGES

This Brochure is the Investment Adviser's initial Form ADV Part 2A submitted with its application for registration with the SEC, therefore, there are no material changes to report. If the Investment Adviser makes any material changes to this Brochure, this section will be revised to include a summary of such changes.

ITEM 3
TABLE OF CONTENTS

ITEM 1 COVER PAGE.....	i
ITEM 2 MATERIAL CHANGES	ii
ITEM 3 TABLE OF CONTENTS	iii
ITEM 4 ADVISORY BUSINESS	1
ITEM 5 FEES AND COMPENSATION	3
ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT.....	5
ITEM 7 TYPES OF CLIENTS	6
ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS.....	7
ITEM 9 DISCIPLINARY INFORMATION	13
ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	14
ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.....	16
ITEM 12 BROKERAGE PRACTICES	18
ITEM 13 REVIEW OF ACCOUNTS.....	21
ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION.....	22
ITEM 15 CUSTODY	23
ITEM 16 INVESTMENT DISCRETION	24
ITEM 17 VOTING CLIENT SECURITIES.....	25
ITEM 18 FINANCIAL INFORMATION	26

ITEM 4

ADVISORY BUSINESS

A. General Description of Advisory Firm

MSDC Management, L.P., a Delaware limited partnership, was formed in July 2009 and provides investment management and certain administrative and managerial services to private investment funds (each, a “Fund” and collectively, the “Funds”). The Investment Adviser was formed by the principals of MSD Capital, L.P. (“MSD”), which is a family office that was founded in 1998 to exclusively manage the capital of Michael Dell and his family.

Glenn R. Fuhrman and John C. Phelan are Co-Managing Partners of the Investment Adviser and control the Investment Adviser as Members of MSDC Management (GP), LLC, the general partner of the Investment Adviser.

B. Description of Advisory Services

1. Advisory Services

The Investment Adviser serves as the management company with discretionary trading authority to a number of Funds that are offered on a private placement basis. The Funds are the clients of the Investment Adviser. The Funds include three fund structures pursuing different investment strategies. Where appropriate, references herein to the Funds include entities through which the Funds invest.

The “Credit Opportunity Funds” include: (1) MSD Credit Opportunity Fund, L.P., a Delaware limited partnership (the “Credit Domestic Fund”); and (2) MSD Credit Opportunity Master Fund, L.P., a Cayman Islands exempted limited partnership (the “Credit Master Fund”).

The “Energy Partners Funds” include: (1) MSD Energy Partners, L.P., a Delaware limited partnership (the “Energy Domestic Fund”); (2) MSD Energy Partners, Ltd., a Cayman Islands exempted company (the “Energy Offshore Fund”); and (3) MSD Energy Partners (MM), L.P., a Cayman Islands exempted limited partnership (the “Energy Mini-Master Fund”).

The “European Opportunity Funds” include: (1) MSD European Opportunity Fund, L.P., a Delaware limited partnership (the “European Domestic Fund”); (2) MSD European Opportunity Fund, Ltd., a Cayman Islands exempted company (the “European Offshore Fund”); and (3) MSD European Opportunity Master Fund, L.P., a Cayman Islands exempted limited partnership (the “European Master Fund”).

MSD Capital (Europe), LLP (“MSD Capital (Europe)”), an affiliate of the Investment Adviser located in London, acts as a sub-adviser to the Investment Adviser with respect to the European Opportunity Funds and provides investment management and other services. An investment team based in London oversees the day-to-day business and affairs of the European Master Fund, with general supervision provided by the Investment Adviser in New York. The Investment Adviser assumes full responsibility for all fees payable to MSD Capital (Europe) in connection with its provision of services.

Certain affiliates under common control with the Investment Adviser serve as general partner to the Funds organized as limited partnerships (each a "Fund General Partner"). The Fund General Partners and MSD Capital (Europe) are persons associated with the Investment Adviser that provide investment advisory services to certain of the Funds. They are not separately registered as investment advisers with the SEC, but instead rely on the Investment Adviser's registration with the SEC in not registering in accordance with the *American Bar Association, Business Law Division* (Jan. 18, 2012) no-action letter.

This Brochure generally includes information about the Investment Adviser and its relationships with its clients and affiliates. While much of this Brochure applies to all such clients and affiliates, certain information included herein applies to specific clients or affiliates only. This Brochure does not constitute an offer to sell or solicitation of an offer to buy any securities. The securities of the Funds are offered and sold on a private placement basis under exemptions promulgated under the Securities Act of 1933, as amended, and other exemptions of similar import under U.S. state laws and the laws of other jurisdictions where any offering may be made.

The descriptions set forth in this Brochure of specific advisory services that the Investment Adviser offers to clients, and investment strategies pursued and investments made by the Investment Adviser on behalf of its clients, should not be understood to limit in any way the Investment Adviser's investment activities. The Investment Adviser may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that the Investment Adviser considers appropriate, subject to each client's investment objectives and guidelines. The investment strategies the Investment Adviser pursues are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any client will be achieved.

C. Availability of Customized Services for Individual Clients

The Investment Adviser's investment decisions and advice with respect to each Fund are subject to each Fund's investment objectives and guidelines, as set forth in its offering documents. The Investment Adviser has the right to enter into agreements, such as side letters, with certain underlying investors of the Funds that may in each case provide for terms of investment that are more favorable than the terms provided to other underlying investors of the Funds.

D. Wrap Fee Programs

The Investment Adviser does not participate in wrap fee programs.

E. Assets Under Management

The Investment Adviser manages approximately \$4.44 billion as of December 31, 2011 on a discretionary basis.

ITEM 5

FEES AND COMPENSATION

A. Advisory Fees and Compensation

The fees applicable to each Fund are set forth in detail in each Fund's offering documents. A brief summary of such fees is provided below.

Management Fee

Generally, the Funds pay the Investment Adviser a fee for investment management services (the "Management Fee") for each fiscal quarter equal to 0.375% (1.5% annualized) of the beginning net asset value of each investor's capital account for such fiscal quarter. The Management Fee is calculated and paid in advance but is amortized monthly by the Funds over the quarter for which such Management Fee is paid.

In the event that an investor makes a capital contribution to a Fund other than as of the first day of a quarter, a *pro rata* portion of the quarterly Management Fee in respect of such investor, based on the actual number of days remaining in such partial quarter, will be paid to the Investment Adviser by the relevant Fund. In the event of a withdrawal by a investor other than as of the last day of a calendar quarter, a *pro rata* portion of the Management Fee (based on the actual number of days remaining in such partial quarter) will be repaid by the Investment Adviser to the relevant Fund.

Incentive Allocation

Generally, at the end of each fiscal year of each Fund, the Investment Adviser or an affiliate of the Investment Adviser is entitled to an incentive allocation (the "Incentive Allocation") in an amount equal to 20% of the net capital appreciation (which includes both realized gains and losses and unrealized appreciation and depreciation of securities held in the each Fund's portfolio) allocated to an investor's capital account for such fiscal year after deducting the Management Fee and other Fund expenses debited to such investor's capital account for such fiscal year, subject to a loss carryforward mechanism.

In the event that the a Fund is terminated or an investor withdraws other than at the end of a fiscal year, then for purposes of determining the Incentive Allocation allocable at such time, net capital appreciation will be determined as if such dates were the end of the fiscal year, subject to certain adjustments. In the sole discretion of the Investment Adviser or an affiliate of the Investment Adviser, the Incentive Allocation may be waived, reduced or calculated differently with respect to certain investors.

In addition, affiliates of the Investment Adviser are compensated for managing entities that have been formed for the Investment Adviser's clients, certain MSD entities and third parties to access certain private investments. These compensation arrangements are individually negotiated.

B. Payment of Fees

Fees and compensation paid to the Investment Adviser or its affiliates by the Funds are generally deducted from the assets of such clients. As discussed above,

Management Fees are generally deducted on a quarterly basis and Incentive Allocation is generally deducted on an annual basis.

C. Additional Fees and Expenses

Each Fund bears its own expenses including, without limitation, investment-related expenses (e.g., expenses that, in the Fund General Partner's or the Investment Adviser's discretion, are related to the investment of the Fund's assets, whether or not such investments are consummated, such as brokerage commissions, research-related expenses (including, news and quotation equipment and services, expenses associated with attending consumer and/or retail conferences and seminars and travel, lodging and other expenses incurred in connection with meeting members of management of existing or prospective investment targets), clearing and settlement charges, custodial fees, interest expenses, expenses relating to consultants, attorneys, brokers or other professionals or advisors who provide research, advice or due diligence services with regard to investments, appraisal fees and expenses and investment banking expenses), computer software and systems and related technology services (including software used to route trade orders and software relating to internal portfolio systems), investment-related travel expenses, legal expenses, accounting (including, without limitation, the costs of accounting, portfolio management, risk management and trade order management systems and software), audit, tax preparation and other tax-related expenses (including preparation costs of financial statements, tax returns, reports to the shareholders), expenses relating to obtaining liability insurance for directors and officers, the Fund General Partner, the Investment Adviser and their respective partners and members, entity-level taxes, expenses of meetings of the board of directors (as applicable), organizational expenses, printing and mailing costs, expenses relating to the offer and sale of shares or interests and redemptions and transfers thereof, the Management Fee, administration fees and related costs (including fees to the third-party administrator), fees and expenses of the board of directors (as applicable), extraordinary expenses and other expenses associated with the operation of the Fund. A portion of research-related expenses may be paid for using "soft dollars." Except as otherwise described in each Fund's offering documents, the Fund's expenses will be shared by all of the investors in the Fund *pro rata* in accordance with the net asset value of their respective shares or interests.

C. Prepayment of Fees

Generally, each client pays the Investment Adviser a fee for investment management services (the "Management Fee") quarterly in advance based on the net asset value of each investor's shares or interests. In the event that a client's net asset value is reduced in connection with a withdrawal or redemption by an investor of such client other than as of the last day of a quarter, the Investment Adviser generally will repay such client an amount equal to the *pro rata* portion of the Management Fee, based on the actual number of days remaining in such quarter.

D. Additional Compensation and Conflicts of Interest

Neither the Investment Adviser nor any of its supervised persons accepts compensation (e.g., brokerage commissions) for the sale of securities or other investment products.

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

The Investment Adviser and its affiliates accept performance-based fees from every client. As a result, the Investment Adviser and its affiliates do not face certain conflicts of interest that may arise when an investment adviser accepts performance-based fees from some clients, but not from other clients.

In the allocation of investment opportunities, performance-based compensation arrangements may create an incentive to favor accounts from which affiliates of the Investment Adviser may receive greater performance-based compensation (or which have no high water mark) over accounts from which the Fund General Partners may receive less performance-based compensation. However, all of the clients currently bear the same performance-based compensation and the Investment Adviser has an allocation policy for allocating investments among its Funds pursuant to which the Investment Adviser endeavors to allocate investments in a fair and equitable manner.

The Investment Adviser values the assets held by the Funds and will be responsible for the determination of asset valuations for all purposes including the determination of the management fee and the incentive allocation. Each Fund has contracted with an administrator to provide certain services, including the independent verification of the calculation of management fees and incentive allocations in addition to the independent verification of the use of valuations in calculating the net asset value calculation and capital account maintenance.

ITEM 7
TYPES OF CLIENTS

The Investment Adviser generally provides investment advice to Funds, as described above.

ITEM 8

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Methods of Analysis and Investment Strategies

The descriptions set forth in this Brochure of specific advisory services that the Investment Adviser offers to clients, and investment strategies pursued and investments made by the Investment Adviser on behalf of its clients, should not be understood to limit in any way the Investment Adviser's investment activities. The Investment Adviser may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that the Investment Adviser considers appropriate, subject to each client's investment objectives and guidelines. The investment strategies the Investment Adviser pursues are speculative and entail substantial risks. Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any client will be achieved.

1. Credit Opportunity Funds

The Investment Adviser's principal objective for the Credit Opportunity Funds is to produce attractive risk-adjusted returns by capitalizing on distressed, stressed, special situation and event-driven value opportunities across the capital structure. The Investment Adviser seeks to achieve this objective by focusing on companies undergoing bankruptcy, restructuring or reorganization and selecting securities senior in the capital structure and/or securities that may prove to be the fulcrum security in a restructuring process. The Investment Adviser also pursues investments in event-driven and non-distressed securities selling for less than their intrinsic value due to market illiquidity and/or a lack of access to capital in the financial markets. The Investment Adviser has a highly disciplined, fundamental research-intensive approach to investing, where downside risk assessment is central to each investment decision. Furthermore, the Investment Adviser's investment philosophy is opportunistic. The Investment Adviser has a flexible mandate that allows it to invest in securities across the capital structure, including, but not limited to, bank debt, bonds, trade claims, hybrid securities and equities, in addition to more infrequent use of credit default swaps and equity options on behalf of the Credit Opportunity Funds. They may invest in complex and misunderstood situations involving financial restructurings, litigation claims, run-offs and break-ups, in addition to more straightforward undervalued equities and stressed credits. For the purposes of value realization, the Investment Adviser has a medium-to-long-term horizon and has the patience to take a passive approach and allow for the market to correct the perceived price-to-value gap, either after the occurrence of an event or the passing of time. In addition, the Investment Adviser will play an active role in both protecting and realizing the value of the Credit Opportunity Funds investments if and when appropriate.

While the Investment Adviser deploys an opportunistic value approach to investing, the types of investments in which it will participate broadly fit within the following categories:

Stressed Fixed Income Securities – bank debt, bonds or hybrid securities of fundamentally sound businesses that are trading at a stressed price and that are generally senior and/or secured in nature.

Distressed Debt – debt of issuers with fundamentally sound businesses that are experiencing distress due to an over-levered balance sheet and, in some cases, a challenging operating or financing environment.

Hybrid Securities – debt or preferred securities that also contain a participation right in cash flows/profits, and which may have an equity conversion component.

Liquidation Claims – debt claims in companies undergoing liquidation where the debt is offered at a significant discount to the present value of the estimated liquidation recoveries.

Private Loans - privately-originated loans which may be relatively illiquid and thinly-syndicated whose prices are not actively quoted by independent brokers or actively traded on the secondary loan market.

Special Situation Equities – publicly-listed equity that may be undervalued due to uncertainty arising from a specific event such as a litigation claim or break up, or a newly spun off entity that no longer has a natural shareholder base.

Value Equity – public equity of what are perceived to be excellent businesses run by competent and shareholder-oriented managers, which is trading at a significant discount to a conservative appraisal of the underlying business value.

Selective Shorts – selective shorting of the equity or credit of a company with a structurally flawed business or with a potential negative event not reflected in the price. Certain shorts also may serve as macro hedges. The Credit Opportunity Funds will also occasionally short securities as part of a capital structure arbitrage strategy (long a senior security and short the junior debt or equity).

Real Estate – while the Credit Opportunity Funds generally do not expect to make equity real estate investments, it may end up owning real estate as a result of the loans that it owns.

2. Energy Partners Funds

The Investment Adviser's principal objective for the Energy Partners Funds is to create attractive absolute returns by investing in securities of companies in the broader energy space. The Investment Adviser's approach is to seek situations in which there is a significant disconnect between the market price and the intrinsic value of a security. The Investment Adviser takes a bottom-up, opportunistic approach to finding such situations and will invest throughout the capital structure when it believes that there is an asymmetric risk-reward opportunity. Among other securities, the Investment Adviser invests in common and preferred equity of public companies, special situations including private investments, secured and unsecured debt, convertible instruments, options, market futures, exchange-traded funds and master limited partnerships on behalf of the Energy Partners Funds. The Investment Adviser focuses primarily on making investments in traditional energy sectors such as oil and gas (upstream, midstream and downstream), oil services, engineering and construction, power and utilities and alternative energy, but may also pursue investment opportunities involving related markets, including, without limitation, agriculture, coal, water, basic and precious metals and companies that are engaged in the supply chain of certain energy markets. In terms of investment horizon, the Investment Adviser intends to

invest in long investments that are anticipated to reach the target objective in one to three years. During that holding period, the Investment Adviser will monitor the investment and the Energy Partners Funds' portfolio, assess position sizing and adjust the position as it deems appropriate. If a stock reaches the Investment Adviser's price objective in a shorter time frame or there is a "thesis break" on the original investment rationale, the Investment Adviser may sell all or a portion of the investment as it deems appropriate. On the short side, the Investment Adviser is more short-term oriented with a general time horizon of three to six months.

While the Investment Adviser deploys an opportunistic value approach to investing in energy securities, the types of investments can be broadly described by the following categories:

Common and Preferred Equity – public securities of what are perceived to be excellent businesses, run by competent and shareholder-oriented managers, which are trading at a significant discount to a conservative appraisal of the underlying business value.

Options – the Energy Partners Funds will seek to employ active options strategies around the core portfolio names as a way to enhance returns and mitigate risk. Examples of such strategies are long calls, short calls, call spreads, long puts, short puts and put spreads.

Private Debt and Equity – in certain situations, the Energy Partners Funds may have an opportunity to invest in private situations in which the Investment Adviser believes that the Fund is fully compensated for taking illiquidity risk.

Mispriced Debt – the Energy Partners Funds may invest in pure debt investments in situations where the Investment Adviser expects equity-like returns (generally, this occurs in extreme downturns). If the Energy Partners Funds can create target returns with the security of debt protections, the Investment Adviser will attempt to capitalize on the situation.

Commodity Hedges – the Energy Partners Funds will seek to employ a range of tools to mitigate short-term moves in commodities to which the Fund has exposure. As examples, the Energy Partners Funds will use put options, ETFs, futures and other securities to achieve protection.

Currency Hedges – the Energy Partners Funds will in many cases attempt to limit exposure to moves in currencies of investments in non-dollar denominated currencies.

Market and Sector Hedges – in the absence of compelling stock-specific short ideas, the Energy Partners Funds will employ market and sector based hedges involving futures, ETFs, custom baskets and other similar tools. An element of the short approach is to moderate "tail risks".

Stock-Specific Shorts – the Energy Partners Funds will selectively short the equity or credit of a company with a potential negative event not reflected in the price or a structurally flawed business.

3. European Opportunity Funds

The Investment Adviser's principal objective for the European Opportunity Funds is to produce attractive risk-adjusted returns by capitalizing on mispriced investment opportunities in Europe. The Investment Adviser seek to achieve this objective by purchasing securities at a significant discount to appraised value. The Investment Adviser has a highly disciplined, fundamental research-intensive approach to investing, where downside risk assessment is central to each investment decision. Furthermore, the Investment Adviser's investment philosophy is opportunistic. The Investment Adviser has a flexible mandate that allows it to invest in securities across the capital structure, including, but not limited to, bank debt, bonds, trade claims, hybrid securities and equities, in addition to more infrequent use of credit default swaps and equity options on behalf of the European Opportunity Funds. The Investment Adviser invests in complex and misunderstood situations involving financial restructurings, litigation claims, run-offs and break-ups, in addition to more straightforward undervalued equities and stressed credits. The Investment Adviser focuses primarily on making investments in European issuers and situations, but may also pursue investment opportunities involving other markets, including, without limitation, the United States, Canada, Australia and Asia. In terms of value realization, the Investment Adviser has a medium-term horizon and has the patience to take a passive approach and allow for the market to correct the price-to-value gap, either after the realization of an event or the passing of time. In addition, the Investment Adviser will play an active role in both protecting and realizing the value of their investments if and when appropriate.

While the Investment Adviser deploys an opportunistic value approach to investing in European securities, their types of investments can be broadly described by the following categories:

Stressed Fixed Income Securities – bank debt, bonds or hybrid securities of fundamentally sound businesses that are trading at a stressed price.

Distressed Debt – debt of issuers with fundamentally sound businesses that are experiencing distress due to an over-levered balance sheet and perhaps additionally a challenging operating environment.

Liquidation Claims – debt claims in companies undergoing liquidation where the debt is offered at a significant discount to the present value of the estimated liquidation recoveries.

Special Situation Equities – publicly-listed equity that may be undervalued due to uncertainty arising from a specific event such as a litigation claim or break up, or a newly spun off entity that no longer has a natural shareholder base.

Value Equity – public equity of what are perceived to be excellent businesses run by competent and shareholder-oriented managers, which is trading at a significant discount to a conservative appraisal of the underlying business value.

Selective Shorts – selective shorting of the equity or credit of a company with a potential negative event not reflected in the price, or in the case of a structurally flawed business. Certain shorts also may serve as macro hedges. The Investment Adviser will also occasionally short securities in order to lock in a capital structure arbitrage (long a senior security and short the junior debt or equity).

B. Material, Significant, or Unusual Risks Relating to Investment Strategies

The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in the clients advised by the Investment Adviser. These risk factors include only those risks the Investment Adviser believes to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis. Clients or prospective investors should refer to the relevant Fund offering documents for full disclosure of the potential risks of an investment in a Fund, including a full description of each of the risk factors listed below.

- Limited Diversification and Risk Management Failures
- Risks Associated with Bankruptcy Cases
- General Real Estate Risks
- Troubled Origination
- Highly Volatile Markets
- Leverage and Borrowing Risks
- Systemic Risk
- Short Selling
- Loans of Portfolio Securities
- Hedging Transactions
- Necessity for Counterparty Trading Relationships; Counterparty Risk
- Co-Investments with Third Parties
- Trading Decisions Based on Fundamental and Other Analysis
- Position Limits
- Limitations Due to Regulatory Restrictions
- Competition; Availability of Investments
- Commodity Price Volatility Risk
- Supply and Demand Risk
- Depletion Risk
- Regulatory Risks Relating to the Energy Sector
- Catastrophic Event Risk
- Over-the-Counter Energy Transactions

C. Risks Associated With Particular Types of Securities

- Investments in Undervalued Securities
- Non-U.S. Investments
- European Investment Risk
- Small and Medium Capitalization Companies
- Futures Contracts
- Forward Trading
- Call Options
- Put Options
- Stock Index Options
- Swap Agreements
- Equity Swaps
- Credit Default Swaps
- Repurchase and Reverse Repurchase Agreements

- Other Derivative Instruments
- Currency Exposure
- Fixed Income Securities
- Corporate Debt
- Investments in Distressed Issuers
- Stressed Debt
- Equity Risks
- Bank Loans
- Leveraged Loans
- Hung Loans
- Bridge Loans
- Mezzanine Debt Instruments
- Convertible Securities
- Investments in Unlisted Securities
- Equitable Subordination
- Private Investments
- High-Yield Instruments
- Zero-Coupon and Deferred Interest Bonds
- Future Funding Obligations
- Non-performing Nature of Debt
- Collateralized Obligations

ITEM 9
DISCIPLINARY INFORMATION

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of the Investment Adviser's advisory business or the integrity of the Investment Adviser's management.

ITEM 10
OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Broker-Dealer Registration Status.

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

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

The Investment Adviser and its management persons are not registered as, and do not have any application to register as, futures commission merchants, commodity pool operators, commodity trading advisors or associated persons of the foregoing entities.

C. Material Relationships or Arrangements with Industry Participants.

The Investment Adviser is affiliated with the Funds and the Fund General Partners as described above. Additionally, the Investment Adviser shares certain personnel with MSD, a family office as defined under rule 202(a)(11)(G)-1 of the Investment Advisers Act of 1940, as amended.

The Investment Adviser and MSD pursue several different investment strategies, each of which are managed by separate investment teams (each such strategy is referred to herein as an “Account”). The Investment Adviser's investment teams, on the one hand, and MSD's investment teams, on the other hand, pursue different investment strategies, operate separately from one another and make investment decisions independently from one another. However, the investment professionals of the Investment Adviser and MSD have regular formal and informal communications. There are times when Accounts managed by MSD and Accounts managed by the Investment Adviser may seek to make the same investment, including as a result of independent investigation by the investment teams managing the Accounts or when two or more teams work in conjunction with one another to pursue an opportunity that is too large for one Account to pursue on its own. When it is determined that it would be appropriate for a Fund and one or more other Accounts to participate in the same investment opportunity, the investment will be allocated among the participating Accounts, including a Fund, on an equitable basis, taking into account such factors as which investment team originated the investment opportunity, relative amounts of capital available for new investments, relative exposure desired by the Accounts participating in the investment and the investment programs and portfolio positions of the Fund and the other Accounts for which participation is appropriate. Such considerations may result in allocations of certain investments among the Accounts on other than a *pro rata* basis. Orders may be combined for all such Accounts, and if any order is not filled at the same price, they may be allocated on an average price basis. Similarly, if an order on behalf of more than one Account cannot be fully executed under prevailing market conditions, securities may be allocated among the different Accounts on a basis that the Investment Adviser or its affiliates and MSD consider equitable.

D. Material Conflicts of Interest Relating to Other Investment Advisers

The Investment Adviser does not recommend or select other investment advisers for its clients.

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

A. Code of Ethics.

The Investment Adviser strives to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, honesty and trust. In seeking to meet these standards, the Investment Adviser has adopted a Code of Ethics (the "Code"). The Code incorporates the following general principles that all employees are expected to uphold:

- employees must at all times place the interests of clients first;
- all personal securities transactions must be conducted in a manner consistent with the Code and any actual or potential conflicts of interest or any abuse of an employee's position of trust and responsibility must be avoided;
- employees must not take any inappropriate advantage of their positions;
- information concerning the identity of securities and financial circumstances of the Funds, including the Funds' investors, must be kept confidential; and
- independence in the investment decision-making process must be maintained at all times.

Clients may review a copy of the Code by contacting the Investment Adviser at the address or telephone number listed on the first page of this document.

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

1. **Cross Trades**

The Investment Adviser may determine that it would be in the best interests of certain clients to transfer a security from one client to another (each such transfer, a "Cross Trade") for a variety of reasons, including, without limitation, tax purposes, liquidity purposes, to rebalance the portfolios of the clients, or to reduce transaction costs that may arise in an open market transaction. If the Investment Adviser decides to engage in a Cross Trade, the Investment Adviser will determine that the trade is in the best interests of each client involved in it and take steps to ensure that the transaction is consistent with the duty to obtain best execution for each of those clients.

2. **Principal Transactions**

To the extent that Cross Trades may be viewed as principal transactions due to the ownership interest in a client by the Investment Adviser or its personnel, the Investment Adviser will comply with the requirements of Section 206(3) of the Advisers Act, including that any such transactions will be considered on behalf of investors in such a client and approved or disapproved by (i) an advisory board comprised of representatives of such

investors or (ii) a committee consisting of one or more persons selected by the Investment Adviser (or its affiliate), and any valuation approved by such a committee will be determined by an independent third party that has appropriate experience in providing such valuations.

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

The Code places restrictions on personal trades by employees, including that they disclose their personal securities holdings and transactions to the Investment Adviser on a periodic basis, and requires that employees pre-clear certain types of personal securities transactions. Generally, and subject to certain exceptions, the Investment Adviser's employees may not engage in personal securities trading and may only dispose of securities held in their respective personal trading accounts. Any such disposition of securities must be pre-cleared. However, related persons may purchase and sell mutual funds and broad-based exchange-traded funds. Some clients may invest in the same or similar mutual funds and ETFs.

The Investment Adviser, its affiliates and its employees may give advice or take action for their own accounts that may differ from, conflict with or be adverse to advice given or action taken for clients. These activities may adversely affect the prices and availability of other securities or instruments held by or potentially considered for one or more clients. Potential conflicts also may arise due to the fact that the Investment Adviser and its personnel may have investments in some Funds but not in others or may have different levels of investments in the various Funds.

The Investment Adviser has established policies and procedures to monitor and resolve conflicts with respect to investment opportunities in a manner it deems fair and equitable, including the restrictions placed on personal trading in the Code, as described above, and regular monitoring of employee transactions and trading patterns for actual or perceived conflicts of interest, including those conflicts that may arise as a result of personal trades in the same or similar securities made at or about the same time as client trades.

D. Conflicts of Interest Created by Contemporaneous Trading.

The Investment Adviser manages investments on behalf of a number of clients. Certain clients have investment programs that are similar to or overlap and may, therefore, participate with each other in investments. It is the policy of the Investment Adviser to allocate investment opportunities among all clients fairly, to the extent practical and in accordance with each client's applicable investment strategies, over a period of time. The Investment Adviser will have no obligation to purchase or sell a security for, enter into a transaction on behalf of, or provide an investment opportunity to any client solely because the Investment Adviser purchases or sells the same security for, enters into a transaction on behalf of, or provides an opportunity to any client if, in its reasonable opinion, such security, transaction or investment opportunity does not appear to be suitable, practical or desirable for the client.

ITEM 12

BROKERAGE PRACTICES

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

As noted previously, the Investment Adviser has full discretionary authority to manage the Funds, including the authority to make decisions with respect to which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and commissions or markups and markdowns paid. The Investment Adviser's authority is limited by its own internal policies and procedures and each Fund's investment guidelines.

Portfolio transactions will be allocated to brokers and dealers on the basis of numerous factors and not necessarily lowest pricing. The Investment Adviser's selection of a broker (including a prime broker) to execute transactions, provide financing and securities on loan, hold cash and short balances and provide other services may be influenced by, among other things, the provision by the broker of the following: the financial condition of the broker, diversification of counterparty risk, assessment of jurisdiction and bankruptcy laws governing the entity that holds the Funds' assets, financing terms, including length of commitment and amount and availability of financing, operational capabilities, and other factors deemed appropriate.

The commission rates (or dealer markups and markdowns) charged to the Funds by brokers or dealers in the foregoing circumstances may be higher than those charged by other brokers or dealers who may not offer such services. The Investment Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost or spread. Generally, neither the Investment Adviser nor the Funds separately compensate any broker or dealer for any of these other services.

1. Research and Other Soft Dollar Benefits.

From time to time, the Investment Adviser may pay a broker-dealer commissions (or markups or markdowns with respect to certain types of riskless principal transaction) for effecting Fund transactions in excess of that which another broker-dealer might have charged for effecting the transaction in recognition of the value of the brokerage and research services provided by the broker-dealer. The Investment Adviser will effect such transactions, and receive such brokerage and research services, only to the extent that they fall within the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended, and subject to prevailing guidance provided by the SEC regarding Section 28(e). The Investment Adviser believes it is important to its investment decision-making processes to have access to independent research.

Also, consistent with Section 28(e), research products or services obtained with "soft dollars" generated by one or more Funds may be used by the Investment Adviser to service one or more other clients, including clients that may not have paid for the soft dollar benefits. The Investment Adviser allocates soft dollar benefits to client accounts in proportion to the soft dollar credits the client accounts generate. Where a product or service obtained with soft dollars provides both research and non-research assistance to the Investment Adviser (*i.e.*, a "mixed use" item), the Investment Adviser will make a good faith allocation

of the cost which may be paid for with soft dollars. In making good faith allocations of costs between administrative benefits and research and brokerage services, a conflict of interest may exist by reason of the Investment Adviser's allocation of the costs of such benefits and services between those that primarily benefit the Investment Adviser and those that primarily benefit the Funds.

When the Investment Adviser uses client brokerage commissions (or markups or markdowns) to obtain research or other products or services, the Investment Adviser receives a benefit because it does not have to produce or pay for such products or services. The Investment Adviser may have an incentive to select or recommend a broker-dealer based on the Investment Adviser's interest in receiving research or other products or services, rather than on its clients' interest in receiving most favorable execution.

Within the last fiscal year of the Investment Adviser, the Investment Adviser or its related persons acquired the following types of products and services with client brokerage commissions (or markups or markdowns):

- Data services, such as those providing stock quotes, last sales price and trading volumes.
- Research reports and brokerage analyst's earnings estimates.
- Discussions with research analysts and meetings with corporate executives to obtain oral reports on company performance.
- Order management system that provides connectivity service between the money manager and sell-side firms (including broker-dealers, ECNs and other execution platforms) for trade execution, settlement and commission management.

At least annually, the Investment Adviser considers the amount and nature of research and research services provided by broker-dealers, as well as the extent to which such services are relied upon, and attempts to allocate a portion of the brokerage business of its Funds on the basis of that consideration. Broker-dealers sometimes suggest a level of business they would like to receive in return for the various products and services they provide. Actual brokerage business received by any broker-dealer may be less than the suggested allocation, but can (and often does) exceed the suggested level, because total brokerage is allocated on the basis of all of the considerations described above. In no case will the Investment Adviser make binding commitments as to the level of brokerage commissions it will allocate to a broker-dealer, nor will it commit to pay cash if any informal targets are not met. A broker-dealer is not excluded from receiving business because it has not been identified as providing research products or services.

2. Brokerage for Client Referrals.

Neither the Investment Adviser nor any related person receives client referrals from any broker-dealer or third party.

3. Directed Brokerage.

The Investment Adviser does not recommend, request or require that a client direct the Investment Adviser to execute transactions through a specified broker-dealer.

B. Order Aggregation.

From time to time, the Firm may aggregate trade orders (buys and sells) across the Funds and MSD. Orders are aggregated consistent with the Investment Adviser's duty to seek best execution for the Funds participating in the transaction. Orders for the same security may be aggregated at the portfolio manager level or at the trading desk level:

- Portfolio managers managing multiple Funds in the same strategy or seeking to collaborate across investment strategies must provide to the trading desk the trade allocation prior to the execution of the trade.
- If the trading desk receives trade orders from different portfolio managers for the same security, the trader may aggregate the trade orders when aggregation would result in a more favorable trade execution as required by the procedures described below.

ITEM 13

REVIEW OF ACCOUNTS

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

The Investment Adviser performs various daily, weekly, monthly, quarterly and periodic reviews of each client's portfolio. Such reviews are conducted by the members of the Investment Adviser's management team, portfolio managers and research associates.

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

A review of a client account may be triggered by any unusual activity or special circumstances.

C. Content and Frequency of Account Reports to Clients.

Investors in the Funds typically receive monthly account statements, quarterly unaudited performance information reports and a copy of the audited financial statements of the relevant Fund within 120 days after the fiscal year end of a Fund. In addition, monthly reports setting forth performance and portfolio data including an analysis of portfolio exposure may be provided to investors. The Investment Adviser may from time to time provide additional information relating to the Funds to one or more Investors in connection to requests from Investors or as it otherwise deems appropriate.

ITEM 14
CLIENT REFERRALS AND OTHER COMPENSATION

A. Economic Benefits for Providing Services to Clients.

The Investment Adviser does not receive economic benefits from non-clients for providing investment advice and other advisory services.

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

Neither the Investment Adviser nor any related person directly or indirectly compensates any person who is not a supervised person, including placement agents, for client referrals. However, the Investment Adviser has entered into a placement agreement with Fusion Partners (the "Placement Agent") pursuant to which the Placement Agent has agreed to introduce potential investors to the Funds. Pursuant to the terms of the placement agreement, the Investment Adviser will pay the Placement Agent a placement fee for each investor introduced to a Fund by the Placement Agent.

ITEM 15

CUSTODY

The Investment Adviser is deemed to have custody of client funds and securities because it has the authority to obtain client funds or securities, for example, by deducting advisory fees from a client's account or otherwise withdrawing funds from a client's account. Account statements related to the clients are sent by qualified custodians to the Investment Adviser.

The Investment Adviser is subject to Rule 206(4)-2 under the Advisers Act (the "Custody Rule"). However, it is not required to comply (or is deemed to have complied) with certain requirements of the Custody Rule with respect to each Fund because it complies with the provisions of the so-called "Pooled Vehicle Annual Audit Exception", which, among other things, requires that each Fund be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that each Fund distribute its audited financial statements to all investors within 120 days of the end of its fiscal year.

ITEM 16
INVESTMENT DISCRETION

The Investment Adviser serves as the management company with discretionary trading authority to each Fund.

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

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

ITEM 17

VOTING CLIENT SECURITIES

A. Policies and Procedures Relating to Voting Client Securities.

In compliance with Advisers Act Rule 206(4)-6, the Investment Adviser has adopted proxy voting policies and procedures. The general policy is to vote proxy proposals, amendments, consents or resolutions (collectively, "Proxies") in a prudent and diligent manner that will serve the applicable client's best interests and is in line with each client's investment objectives.

The Investment Adviser may take into account all relevant factors, as determined by the Investment Adviser in its discretion, including, without limitation:

- the impact on the value of the securities or instruments owned by the relevant client and the returns on those securities;
- the anticipated associated costs and benefits;
- the continued or increased availability of portfolio information; and
- industry and business practices.

In limited circumstances, the Investment Adviser may refrain from voting Proxies where the Investment Adviser believes that voting would be inappropriate, taking into consideration the cost of voting the Proxies and the anticipated benefit to its clients. Generally, clients may not direct the Investment Adviser's vote in a particular solicitation.

Conflicts of interest may arise between the interests of the clients on the one hand and the Investment Adviser or its affiliates on the other hand. If the Investment Adviser determines that it may have, or is perceived to have, a conflict of interest when voting Proxies, the Investment Adviser will vote in accordance with its Proxy voting policies and procedures. Clients may review a copy of the Investment Adviser's Proxy voting policies and its Proxy voting record upon request.

ITEM 18
FINANCIAL INFORMATION

The Investment Adviser 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 clients, and has not been the subject of a bankruptcy petition at any time during the past ten years.